



# Lobbying Expenditures of Tobacco Interests in California

January 1, 2007 – September 30, 2008

*This policy report details the lobbying expenditures of tobacco interests for the first seven of eight quarters of the 2007-2008 legislative session. This report is one in a series of quarterly updates produced by the Center for Tobacco Policy & Organizing, a project of the American Lung Association of California.*

## Introduction

Tobacco interests spent more than \$270,000 to lobby the California Legislature between July and September 2008. With one quarter remaining in the two-year legislative session, tobacco interests have already exceeded the \$2.16 million they spent on lobbying in the 2005-2006 legislative session. So far in the 2007-2008 legislative session, tobacco interests have spent more than \$2.4 million to lobby state agencies and the California Legislature on seventeen bills.

The seventh quarter reporting period ended on September 30, 2008, which was also the deadline for Governor Arnold Schwarzenegger to sign or veto bills sent to him by the legislature. Two tobacco-related bills were sent to the Governor. AB 3010 was signed into law and authorizes the Director of the Department of Mental Health, upon request from the director of a state mental hospital, to prohibit tobacco use or possession of tobacco at that state mental hospital. This legislation was not lobbied by any tobacco interests. AB 2344 was vetoed by the Governor. This bill would have increased the initial one-time \$100 licensing fee that tobacco retailers pay for a state license to \$185 and made it an annual fee. The increased revenue would have been used for administering and enforcing the state licensing program, administered by the Board of Equalization. The only tobacco interest that lobbied AB 2344 was the California Distributors Association, a trade association that represents tobacco wholesalers and distributors. The California Distributors Association lobbied the bill in all three quarters of 2008.

## Background

The tobacco interests profiled in this report hire lobbyists and are therefore considered lobbyist employers by the Secretary of State and are required to submit quarterly disclosure reports. These reports must state which legislative or administrative actions, such as bills or regulations, were lobbied during that quarter and how much money was spent on payments to lobbying firms and activity expenses, which is defined to include gifts, honoraria, consulting fees and salaries. Each quarter covers three months out of the calendar year (January through March, April through June, July through September, and October through December) making a total of eight quarters for the two-year legislative session.

The Secretary of State's website, <http://cal-access.ss.ca.gov>, contains a searchable database with all of the figures that are found in this report. While this report attempts to convey accurate lobbying data, it is important to note that these records are subject to amendment and data is subject to change.

The Center for Tobacco Policy & Organizing produces regular reports on lobbying expenditures and campaign contributions as this information is filed with the Secretary of State. For past reports, please visit the Center's website at [www.Center4TobaccoPolicy.org/tobaccomoney](http://www.Center4TobaccoPolicy.org/tobaccomoney).

**Table 1: Lobbying Expenditures and Legislation Lobbied by Tobacco Interests  
(January 1, 2007 – September 30, 2008)**

**Table 1** shows the amount each tobacco interest spent on lobbying and the bills or administrative actions they lobbied during the first seven quarters of the 2007-2008 legislative session.

**Philip Morris USA Inc.**

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$183,678.07	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee
2nd Quarter 2007	\$161,546.65	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
3rd Quarter 2007	\$108,064.54	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
4th Quarter 2007	\$343,389.04	ABX1-1 (Núñez) Health Care Reform
5th Quarter 2008	\$543,896.99	ABX1-1 (Núñez) Health Care Reform AB 1860 (Huffman) Recall or Warnings for Unsafe Products SB 1575 (Florez) Consumer Product Recall Enforcement
6th Quarter 2008	\$124,291.06	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 1879 (Feuer) Regulating Sales of Products with Specified Chemicals AB 2379 (Evans) Providing Review of Orders to Seal Court Documents AB 2780 (Lieu) Relating to Liability of Public Entities SB 509 (Simitian) Require Identification of Substances Present in Consumer Products SB 1575 (Florez) Consumer Product Recall Enforcement SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
7th Quarter 2008	\$105,414.60	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 1879 (Feuer) Regulating Sales of Products with Specified Chemicals AB 2379 (Evans) Providing Review of Orders to Seal Court Documents AB 2780 (Lieu) Relating to Liability of Public Entities SB 509 (Simitian) Require Identification of Substances Present in Consumer Products SB 1575 (Florez) Consumer Product Recall Enforcement SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
<b>Total</b>	<b>\$1,570,280.95</b>	

**Reynolds American Inc. (R.J. Reynolds Tobacco Company)**

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$54,621.55	No legislation lobbied this quarter
2nd Quarter 2007	\$55,893.74	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
3rd Quarter 2007	\$54,836.06	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
4th Quarter 2007	\$66,743.50	No legislation lobbied this quarter
5th Quarter 2008	\$62,104.28	No legislation lobbied this quarter
6th Quarter 2008	\$54,512.78	ABX1-1 (Núñez) Health Care Reform SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
7th Quarter 2008	\$56,338.79	SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
<b>Total</b>	<b>\$405,050.70</b>	

## UST Public Affairs, Inc. (U.S. Smokeless Tobacco Company)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$109,082.03	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement
2nd Quarter 2007	\$132.00	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
3rd Quarter 2007	\$96,476.77	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 624 (Padilla) Increased STAKE Act Enforcement SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
4th Quarter 2007	\$1,465.34	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee
5th Quarter 2008	\$100,108.31	ABX1-1 (Núñez) Health Care Reform AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
6th Quarter 2008	\$0.00	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
7th Quarter 2008	\$96,000.00	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
<b>Total</b>	<b>\$403,264.45</b>	

## California Distributors Association\*

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$13,533.23	SB 295 (Cogdill) Reporting of Tobacco Products Sales SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee
2nd Quarter 2007	\$13,079.68	SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee Board of Equalization – Taxation Regulations
3rd Quarter 2007	\$12,800.00	SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee Board of Equalization – Tax Regulation
4th Quarter 2007	\$12,800.00	Board of Equalization – Excise tax issues
5th Quarter 2008	\$12,880.00	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 2088 (Beall) Annual Fee for State Tobacco Retailer License AB 2344 (Beall) Annual Fee for State Tobacco Retailer License SB 509 (Simitian) Require Identification of Substances Present in Consumer Products SB 1598 (Padilla) Authorizing Landlords to Prohibit Smoking in Rental Units
6th Quarter 2008	\$13,040.00	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 2088 (Beall) Annual Fee for State Tobacco Retailer License AB 2344 (Beall) Annual Fee for State Tobacco Retailer License SB 1598 (Padilla) Authorizing Landlords to Prohibit Smoking in Rental Units
7th Quarter 2008	\$13,040.00	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 2344 (Beall) Annual Fee for State Tobacco Retailer License
<b>Total</b>	<b>\$91,172.91</b>	

\*The California Distributors Association lobbies on other issues besides tobacco issues. The table reflects total amount of money spent on lobbying but only lists the tobacco-related bills.

**Table 2: Historical Lobbying Expenditures of Tobacco Interests  
(January 1, 1999 – September 30, 2008)**

Tobacco interests have spent more than \$13 million on lobbying expenditures during the past nine years and nine months. **Table 2** shows this historical spending from 1999 through the seventh quarter of the 2007-2008 legislative session.

Company	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008 (1/1/07 – 9/30/08)	Totals
Phillip Morris USA Inc.	\$714,986	\$799,693	\$1,070,237	\$884,694	\$1,570,281	<b>\$5,039,891</b>
RJ Reynolds Tobacco Company	\$472,184	\$615,058	\$489,916	\$598,507	\$405,051	<b>\$2,580,715</b>
UST Public Affairs, Inc. (US Smokeless Tobacco Company)	\$210,077	\$310,073	\$465,446	\$391,137	\$403,264	<b>\$1,779,997</b>
Brown & Williamson*	\$611,531	\$587,781	\$304,239	-	-	<b>\$1,503,551</b>
Lorillard Tobacco Company**	\$206,815	\$493,975	\$381,657	\$187,202	-	<b>\$1,269,649</b>
Smokeless Tobacco Council***	\$197,317	\$263,817	\$67,500	-	-	<b>\$528,634</b>
California Distributors Association****	\$20,564	\$87,537	\$95,378	\$99,324	\$91,173	<b>\$393,976</b>
<b>Totals</b>	<b>\$2,433,474</b>	<b>\$3,157,934</b>	<b>\$2,874,372</b>	<b>\$2,160,864</b>	<b>\$2,469,769</b>	<b>\$13,096,413</b>

\* Brown & Williamson merged with RJ Reynolds in August 2004. | \*\* Lorillard terminated lobbying in December 2005. | \*\*\* Smokeless Tobacco Council terminated lobbying in December 2003. | \*\*\*\* California Distributors Association includes data from the last 2 quarters of 2000 to the present.

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