

## FY10 Legislative Updates

### **BUDGET**

- No cuts to Tobacco Prevention and Control funding.

### **BILLS**

#### **PASSED HB196, Rep. Ray- Tobacco Tax Revisions**

- Essentially raises the tax per pack \$1.005, from \$0.695 per pack to \$1.70.
- Raises the tax from 3.475 to 8.5 cents on each cigarette, for all cigarettes weighing not more than three pounds per thousand cigarettes (most cigarettes in this category).
- Raises the tax from 4.075 to 9.963 cents on each cigarette, for all cigarettes weighing in excess of three pounds per thousand cigarettes.
- Increases the tax on tobacco products, except for moist snuff, from 35% to .86 of the manufacturer's sales price.
- Increases the tax on moist snuff, from \$.75 to \$1.83 per ounce.
- Provides for an inventory tax on all products upon the sale, use, or storage of those products on or after July 1, 2010.
- Veto by the Governor unlikely.

#### **PASSED SB 259, Sen. Christensen- Amendments to Tobacco Tax**

- Contains language for how this bill interacts with Rep. Ray's bill if they both pass (and they did). Christensen's basically supersedes Ray's.
- Keeps Ray's cigarette tax increase.
- Increases the tax on tobacco products, except for moist snuff, from 35% to .86 of the manufacturer's sales price.
- Increases the tax on moist snuff, from \$.75 to \$1.83 per ounce.
- Removes requirement that any balance remaining in the Cigarette Tax Restricted Account at the end of the fiscal year beyond 2002 percentage amounts listed for the Department of Health, the University of Utah health Sciences Center for the Huntsman Cancer Institute, and the University of Utah School of Medicine be allocated for these same purposes. (this is not the most ideal change)
- Beginning July 1, 2010, imposes and inventory tax upon the sale, use, storage, or distribution of those cigarettes in the state.
- Eliminates Gold Medal School allocation in Rep. Ray's bill.
- Eliminates the elevator clause in Rep. Ray's bill (Beginning July 1 of every third year requires that the tax on cigarettes be adjusted according to a modified national average plus one-half of one cent. Tobacco products and moist snuff would also have been subject to an elevator clause).
- Veto by the Governor unlikely.

#### **PASSED HB 92, Rep. Daw- Moist Snuff Taxation Revisions**

- Redefines moist snuff to correct previous legislation that resulted in a lower tax rate overall for popular light weight tobacco products (thereby making them cheaper and more accessible to youth).

- Establishes moisture content as the metric for taxation. Provides for a mechanism to assure moisture content monitoring of tobacco products.
- Defines that moist pouches, despite their low weight, may be taxed by weight (tobacco industry amendment).

**PASSED HB 201, Rep. Menlove- State Fire Marshal Modifications**

- Regulates the manufacture, storage, sale, and distribution of novelty lighters that have a shape resembling or imitating a toy or object other than a lighter.

**PASSED HB 88, Rep. Menlove- Electronic Cigarette Restrictions**

- Bans e-cigarettes to minors.

**STUCK IN RULES/NOT PASSED HB 82, Rep. Seegmiller-Protection of Children Riding in Motor Vehicles**

- Smoking ban in motor vehicles where child younger than eight is a passenger and required to be restrained. Smoking in cars bill is a secondary offense. \$45 fine. Fine may be suspended if not previously convicted AND enrolls in smoking cessation program. Provision that prohibits a violation from being used as a basis or evidence of child abuse or neglect.