

# PROPOSITION 31

## ***What kind of measure is it?***

Referendum

## ***What is the subject?***

Possible repeal of a law prohibiting the sale of certain flavored tobacco products

## ***What is the background?***

In 2020 the California legislature passed a bill (SB 793) banning the sale of certain flavored tobacco products such as cigarettes, e-cigarettes, chewing tobacco and snuff. Exceptions were made for premium handmade cigars, looseleaf tobacco, and tobacco used for hookahs (shisha tobacco). Tobacco companies immediately began the process of collecting signatures on a referendum to block SB 793 from taking effect. The measure qualified for the ballot and therefore SB 793 is currently on hold awaiting the results of this vote.

## ***What is the proposal?***

Prop 31 is asking you if you want SB 793 to go into effect.

## ***What are the fiscal implications?***

The Legislative Analyst says that the fiscal effects will largely depend on how much tobacco sales decrease as the result of SB 793. The estimate is that SB 793 could reduce state tobacco tax revenues by anywhere from \$10M to \$100M annually. This reduction would affect programs funded by tobacco taxes such as health care, early childhood programs, tobacco control and medical research. If smokers merely switch to unflavored products, revenue loss will be smaller. If they stop using tobacco entirely, tax revenue loss will be greater.

## ***Who are the supporters of the law and what do they say?***

Supporters are mostly healthcare advocacy groups. They say:

- Big Tobacco targets kids – 80% of kids who smoke start by using flavored products because flavors hide the taste of the nicotine hit.
- Tobacco is the #1 preventable cause of death in California, killing 40,000 people annually.
- Big Tobacco preys on minority neighborhoods where menthol flavored products are favored by 85% of smokers.

As of June 30, 2022, supporters have raised \$2.8M, mostly from the Kaiser Health Foundation, the American Heart Association, and Michael Bloomberg.

## ***Who are the opponents of the law and what do they say?***

Opponents are mainly Big Tobacco. They say:

- It is already illegal to sell any tobacco products to anyone under 21.
- Prohibition doesn't work and SB 793 provides no additional funds for law enforcement.
- SB 793 would primarily impact minority neighborhoods due to increased criminal activity from underground markets of flavored tobacco products, which are favored in those areas.

As of June 30, 2022, about \$15M has been raised in opposition, mostly from RJ Reynolds and Phillip Morris.

***What is the question?***

Should SB 793, the law banning the sale of most flavored tobacco products in California, be allowed to take effect?

A YES vote means you want SB 793 to take effect.

A NO vote means you want SB 793 to be removed from the books.