



Legislative Update

July 31, 2009

Please read and forward to your colleagues and networks!

In this Update:

Budget Agreement Leads to 10 cent Cigarette Tax

Smoke-Free Bill Threatened – House J II Report

Alliance October Membership Meeting Date Change: Oct 12

Tentative Agreement on Revenue Package, including 10 cent Cigarette Tax Increase

. . . and

Smoke-Free Bill (HB 2) Threatened but Resolved (we hope) this Week

House and Senate leaders reached a tentative agreement on a tax plan late Wednesday that would levy a 3 percent income tax surcharge on couples who earn more than \$250,000 a year, and 2 percent for those making between \$100,000 and \$250,000. The plan otherwise resembles a compromise that fell apart last week which had included a 2 percent across-the-board income tax surcharge on all tax payers. Gov. Beverly Perdue objected to raising the income taxes on middle- and lower-income North Carolinians.

The newest version of the budget agreement continues to include a small 10 cent increase in the cigarette tax. Apparently a small group of House Democrats continues to object loudly to the inclusion of cigarette and alcohol taxes in any budget agreement and they continue to threaten to vote against the budget. But House and Senate leaders seem prepared to hold votes on this budget agreement next week.

As members of the Alliance are aware, an increase in the cigarette tax of 10 cents is so minimal it would yield NO health benefit and would not keep children from starting to smoke. In this budget climate, it makes no sense to leave nearly \$347 million on the table that would be generated in the first year from an increase of \$1.00. It especially makes no sense when North Carolina's cigarette tax is the 4th lowest in the nation at just 35 cents. The national average now stands at \$1.31 (increased July 1). Raising the tax by \$1.00 would put NC's cigarette tax to the national average.

A \$1.00 increase would prevent 86,600 youth from smoking and also avert 41,900 deaths due to smoking-related illnesses. The increase would also help reduce the burden of smoking on taxpayers in our state – more than \$2.4 billion in direct health care costs. That's about \$260 for

every resident of the state.

[Click here](#) for Alliance talking points in raising the cigarette tax by \$1.00.

Smoke-Free Bill (HB 2) Threatened This Week

This week the House Judiciary II Committee considered SB 884, introduced by Rep. Cullie Tarleton (D-Ashe, Watauga), to create an exemption for hookah bars from the smoking restrictions of HB 2. HB 2 was signed by the Governor on May 19 and will make restaurants and bars smoke-free on Jan. 2, 2010. Hookah bars are places where patrons go to share tobacco from a communal water-pipe. Hookah bars target young adults (age 18-24), especially college students. Hookah smoke and its secondhand smoke are associated with increased risk of disease including heart disease, cancer, lung disease, and adverse effects during pregnancy.

During the Judiciary II Committee meeting, the bill was changed from an exemption of hookah establishments to the grandfathering of 20 or so existing hookah establishments in the state as of July 1, 2009. In other words, those 20 hookah establishments could continue to exist as they are and permit smoking while also being restaurants or bars.

After much discussion and many questions, the bill ultimately passed by a close vote of 7 – 6. Those voting in favor of grandfathering hookah establishments included Reps. Rick Glazier, Jennifer Weiss, Jimmy Love, Earl Jones, Linda Johnson, Rosa Gill and Alice Bordsen (Rep. Bordsen voted in favor because she had offered an amendment that was approved to tighten the grandfather clause). Those voting against included Reps. Hugh Blackwell, Justin Burr, Dale Folwell, Pat Hurley, Tim Moore, Jonathan Rhyne and Tim Spear.

We learned the following day that SB 884 had been pulled from the House floor calendar and would likely not see further action for the remainder of this session. While the Alliance and health advocates are pleased that the hookah bar issue (SB 884) appears to be off the table for now, we will need to be vigilant and continue to watch for this or similar efforts to weaken HB 2.

Alliance October Membership Meeting Date CHANGED to Oct. 12

Per the announcement made at the July meeting, the October membership meeting of the NC Alliance for Health has been changed. The October meeting will be held on Monday, Oct 12 from 1:30 – 3:30 p.m. at the offices of the American Heart Association. The Alliance plans to make the October a celebration of the passage of HB 2, including the honoring of HB 2 primary sponsors. Please make a note of this on your calendar and plan to join us for this important event with our legislative partners.

Alliance Legislative Updates written and produced by Pam Seamans.

For additional information about the North Carolina Alliance for Health, please contact

**Alliance Executive Director Lisa Familo at lisa.familo@ncallianceforhealth.org;
or Alliance Policy Director Pam Seamans at pamseamans@nc.rr.com.**

**Or, go to www.ncallianceforhealth.org
for talking points and other resources.**

Call 919-463-8328
or e-mail ncalliance@heart.org for more information

To unsubscribe, please email Lisa Familo at lisa.familo@ncallianceforhealth.org.