

March 18, 1986

MEMORANDUM

To: William P. Buckley
From: Alexander H. King
Subject: Northwest Tax/Restriction "Situation Report"

As requested, the following is a brief "situation report" relative to tax legislation and restriction legislation in the six Northwest states in Region V.

ALASKA

Session going quite well for us. No smoking restriction legislation introduced.

No tax legislation introduced. State is facing extreme revenue shortfalls due to drop in oil prices, but legislature appears able to deal with current problems. Next year may be a problem.

HAWAII

Smoking restriction legislation moving; workplace bill in Senate (from House); public smoking in House (from Senate). The former appears to be "held" rather solidly; the latter is an exact re-statement of the ordinance now existent in Oahu/Honolulu. Chances of its passage because of relatively little additional impact in State are "even" at this point.

Tax legislation introduced to increase ad valorem percentage has been held in committee; not expected to move. However, action at federal level could impact the legislature's action.

IDAHO

No smoking restriction legislation introduced; none anticipated.

Tax bill pending[↑], add nine tenths of a cent to current rate; appears to be held in Senate committee. Situation currently under control vis-a-vis other tax legislation being introduced. However, tax increase in Washington may provide incentive for a tobacco tax increase being introduced in closing days of session. Session may adjourn mid to late April.

MONTANA

Special session called for March 24. No reason to expect restriction legislation. Items in Governor's "call" list refer to liability, revenue bonds, supplemental appropriations for general assistance programs, etc.

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There is talk of a second special session in June to deal with budget revisions and revenue matters. As previously reported, this seems strange in an election year. Current projections are for an approximate \$101 million shortfall. We are alert to any possible move to combine the issues projected for both sessions. The Governor still publicly rebukes the legislature for the "contingency" provision in the 1985 tax bill that prevented the State from raising the cigarette tax by eight cents, so it should be expected he'll take "a run" at a new tax. Situation volatile.

OREGON

No session. Possible special session, but the closer we get to elections, the more remote the possibility becomes.

We have just become aware the City Council in Eugene, OR has drafted a sampling ordinance. Eugene has a strong history of being the source of anti-tobacco legislation.

WASHINGTON

Legislature adjourned. Smoking restriction legislation defeated.

Tax legislation passed. Legal challenge and public initiative have been recommended.

AHK/msw

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