

★ ARGUMENT IN FAVOR OF PROPOSITION 56 ★

The American Cancer Society Cancer Action Network, American Lung Association in California and American Heart Association are sponsoring Prop. 56 because taxing tobacco saves lives by getting people to quit or never start smoking.

Get the facts at [YesOn56.org](http://YesOn56.org).

VOTE YES ON PROP. 56 TO KEEP KIDS FROM SMOKING AND REDUCE TOBACCO-RELATED HEALTHCARE COSTS

Tobacco remains a DEADLY, COSTLY product that hurts all Californians—even those who don't smoke.

- Each year, tobacco causes more deaths than guns, car accidents, HIV, alcohol, and illegal drugs combined. Tobacco is the #1 cause of preventable death—killing 40,000 Californians annually.
- Each year, tobacco-related healthcare costs Californian taxpayers \$3.58 BILLION.

At the same time, Big Tobacco has made billions in profits off California and is still trying to hook future generations into a lifetime of addiction. They know Prop. 56 will prevent youth smoking. *That's why they'll spend millions of dollars to defeat Prop. 56: to protect their profits at our expense.*

PROP. 56 WORKS LIKE A USER FEE, TAXING TOBACCO TO HELP PAY FOR TOBACCO-RELATED HEALTHCARE COSTS

Prop. 56 increases the tax on cigarettes and other tobacco products, including electronic cigarettes.

The only people who will pay are those who use tobacco products, and that money will fund already existing programs to prevent smoking, improve healthcare and research cures for cancer and tobacco-related diseases.

PROP. 56 IS ABOUT FAIRNESS—IF YOU DON'T USE TOBACCO, YOU DON'T PAY

California taxpayers spend \$3.58 BILLION every year—\$413 per family whether they smoke or not—paying medical costs of smokers. Prop. 56 is a simple matter of fairness—it works like a user fee on tobacco products to reduce smoking and ensure smokers help pay for healthcare costs.

PROP. 56 HELPS PREVENT YOUTH SMOKING

Increasing tobacco taxes reduces youth smoking according to the US Surgeon General. Yet California has one of the lowest tobacco taxes nationwide. This year alone, an estimated 16,800 California youth will start smoking, one-third of whom will die from tobacco-related diseases.

In every state that has significantly raised cigarette taxes smoking rates have gone down. Prop. 56 is so important because it helps prevent youth from becoming lifelong addicts and will save lives for future generations.

PROP. 56 FIGHTS BIG TOBACCO'S LATEST SCHEME TO TARGET KIDS

Electronic cigarettes are Big Tobacco's latest effort to get kids hooked on nicotine. They know that 90% of smokers start as teens. Teens that use e-cigarettes are twice as likely to start smoking traditional cigarettes. That's why every major tobacco corporation now owns at least one e-cigarette brand. Some e-cigarettes even target children with predatory themes like Barbie, Minions and Tinker Bell, and flavors like cotton candy and bubble gum.

Prop. 56 taxes e-cigarettes just like tobacco products, preventing our kids from getting hooked on this addictive, costly, deadly habit.

PROP. 56 INCLUDES TOUGH TRANSPARENCY AND ACCOUNTABILITY MEASURES

Prop. 56 has built-in safeguards, including independent audits and strict caps on overhead spending and administrative costs. And Prop. 56 explicitly prohibits politicians from diverting funds for their own agendas.

SAVE LIVES. VOTE YES ON 56.

**JOANNA MORALES**, Past Chair of the Board American Cancer Society, California Division

**TAMI TITTELFITZ**, R.N., Leadership Board Member American Lung Association in California

**DAVID LEE**, M.D., President American Heart Association, Western States Affiliate

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 56 ★

Prop. 56 was specifically written to financially benefit health insurance companies and other wealthy special interests. It's just one more example of special interest ballot box budgeting. *Over \$16 million has already been contributed to pass it.*

They want you to believe it is about helping people stop smoking, but that's not where most of the money goes: Only 13% of this new tax money goes to treat smokers or stop kids from starting (Section 30130.55(b) of Prop. 56). 82% of this new tax money—\$1 billion a year—goes to insurance companies and other wealthy special interests (Section 30130.55(a)) *and they don't have to treat one more patient to get the money.*

Nearly 10% can be spent on administration and overhead (Section 30130.57(a)&(f)).

Prop. 56 has virtually no taxpayer accountability for how health insurance companies and other providers spend the money. CEOs and senior executives could reward themselves with higher pay and profits from our tax dollars.

PROP. 56 CHEATS SCHOOLS

Prop. 56 deceptively cheats schools out of at least \$600 million per year by amending the State Constitution to bypass California's minimum school funding guarantee. *In fact, cheating schools is the only reason Prop. 56 amends the Constitution.*

WEALTHY SPECIAL INTERESTS SHOULDN'T GET AWAY WITH USING PROP. 56 TO ENRICH THEMSELVES AT THE EXPENSE OF FUNDING SCHOOLS, FIXING ROADS AND FIGHTING VIOLENT CRIME.

Follow the money for the truth at [www.NoOnProposition56.com](http://www.NoOnProposition56.com) and then please join us in voting NO on Prop. 56.

**MIKE GENEST**, Former Director California Department of Finance

**TOM BOGETICH**, Former Executive Director California State Board of Education

**LEW UHLER**, President National Tax Limitation Committee

★ ARGUMENT AGAINST PROPOSITION 56 ★

WE ALL WANT TO HELP THOSE WHO WANT TO STOP SMOKING, BUT PROP. 56 IS NOT WHAT IT APPEARS TO BE.

Prop. 56 is a \$1.4 billion “tax hike grab” by insurance companies and other wealthy special interests to dramatically increase their profits by shortchanging schools and ignoring other pressing problems.

Prop. 56 allocates just 13% of new tobacco tax money to treat smokers or stop kids from starting. If we are going to tax smokers another \$1.4 billion per year, more should be dedicated to treating them and keeping kids from starting. Instead, most of the \$1.4 billion in new taxes goes to health insurance companies and other wealthy special interests, instead of where it is needed.

PROP. 56 CHEATS SCHOOLS OUT OF AT LEAST \$600 MILLION PER YEAR.

California’s Constitution (through Proposition 98), requires that schools get at least 43% of any new tax increase. Prop. 56 was purposely written to undermine our Constitution’s minimum school funding guarantee, allowing special interests to deceptively divert at least \$600 million a year from schools to health insurance companies and other wealthy special interests. *Not one penny of the new tax money will go to improve our kids’ schools.*

PROP. 56 DOESN’T SOLVE PROBLEMS FACING CALIFORNIA FAMILIES.

We have many pressing problems in California, like fully funding our schools, repairing roads, solving the drought and fighting violent crime. *If we are going to raise taxes, we should be spending this new tax revenue on these problems.*

PROP. 56 FATTENS INSURANCE COMPANY PROFITS.

In another deception, health insurance companies and wealthy special interests wrote Prop. 56 and are spending millions to pass it so that they can get paid as much as \$1 billion more for treating the very same Medi-Cal patients they already treat today. *They are not required to accept more Medi-Cal patients to get this money.*

Instead of treating more patients, insurance companies can increase their bottom line and more richly reward their CEOs and senior executives. *In fact, the Prop. 56 spending formula gives insurance companies and other health care providers 82% of this new tax.*

PROP. 56 SPENDS OVER \$147 MILLION PER YEAR ON OVERHEAD AND BUREAUCRACY.

This \$147 million can be spent each year with virtually no accountability to taxpayers. This could lead to massive waste, fraud, and abuse. *In fact, Prop. 56 spends nearly as much money on administration and overhead as it does on tobacco prevention efforts!*

NO ON PROP. 56

NO to wealthy special interests using our initiative process just to increase their profits.

NO to cheating schools out of at least \$600 million per year.

NO to millions of new tax dollars going to overhead and administration with the potential for waste, fraud, and abuse.

NO to rewarding health insurance companies and wealthy special interests with even bigger profits, instead of solving real problems like roads, violent crime and fully funding our schools.

PLEASE READ IT FOR YOURSELF AND FOLLOW THE PROP. 56 MONEY AT:

[www.NoOnProposition56.com](http://www.NoOnProposition56.com)

Please join us in voting ‘NO’ on Prop. 56.

**TOM BOGETICH**, Former Executive Director California State Board of Education

**ARNOLD M. ZEIDERMAN**, M.D., M.P.H., FACOG, Former Director, Maternal Health and Family Planning, Los Angeles County Department of Health

**TOM DOMINGUEZ**, President Association of Orange County Deputy Sheriffs

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★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 56 ★

VOTE YES ON 56: SAVE LIVES. PROTECT KIDS. REDUCE THE HARMFUL COSTS OF TOBACCO.

Tobacco is still a DEADLY and COSTLY problem.

• Every year, 40,000 Californians die from tobacco-related diseases. • This year alone, 16,800 California kids will start smoking. • Each year, California taxpayers pay \$3.58 Billion for tobacco-related healthcare costs. That’s \$413 per family every year, whether you smoke or not.

“Prop. 56 pays for SMOKING PREVENTION so kids don’t get addicted.”—*Matthew L. Myers, President, Campaign for Tobacco-Free Kids*

PROP. 56 WORKS LIKE A USER FEE: SMOKERS WILL HELP PAY THEIR FAIR SHARE OF HEALTH CARE COSTS

Under Prop. 56, tobacco users pay to help offset the \$3.58 billion in tobacco-related healthcare costs taxpayers pay every year.

Prop. 56 has strong accountability and transparency protections, including strict caps on overhead, ensuring politicians can’t divert money for their own personal agendas.

Under Prop. 56, if you don’t use tobacco, you don’t pay.

This is about FAIRNESS. It’s time for tobacco users to help pay for their healthcare costs instead of leaving it to taxpayers to foot the bill.

DON’T BUY BIG TOBACCO’S LIES: PROP. 56 DOESN’T TAKE A DIME FROM SCHOOLS

Tobacco corporations have LIED for years about the dangers of tobacco. Now they are spending tens of millions lying so they can keep getting our children and grandchildren hooked—and protect their bottom line.

“We have carefully vetted Prop. 56. It protects school funding while helping to keep our kids from getting hooked on deadly, addictive tobacco.”—*Chris Ungar, President, California School Boards Association*

VOTE YES ON 56.

**STUART COHEN**, M.D., M.P.H., District Chair American Academy of Pediatrics, California

**LORI G. BREMNER**, California Grassroots Director American Cancer Society Cancer Action Network

**ALEX M. JOHNSON**, Executive Director Children’s Defense Fund—California