

**BALLOT PROPOSITION #206**  
**Arizona Non-Smoker Protection Act**

**FISCAL ANALYSIS**

**Description**

This proposition prohibits smoking in enclosed public places and places of employment except for bars and other specified exceptions and would preempt any municipal or county laws related to smoking in bars and tobacco stores. Bar owners who permit smoking in any part of the bars may not permit minors to enter or remain in a bar where smoking is allowed and must post signs that smoking is permitted. Any bar owner who violates the provisions in this proposition is guilty a class 3 misdemeanor and may receive a fine or time in jail. Any individual who smokes where prohibited is guilty of a petty offense and charged a fine.

**Estimated Impact**

State and local governments may receive additional revenues from violators of the provisions of Proposition 206. The total amount of fines and assessments will depend on the level of compliance, which is difficult to predict in advance.

**Analysis**

There are places that the smoking ban would not apply, including bars, private residences, hotel and motel rooms that are designated as smoking rooms, tobacco stores physically separated from other public places, veteran/fraternal clubs not open to the public, smoking associated with religious practices pursuant to the American Indian Religious Freedom Act, outdoor patios where smoke can not enter the area where smoking is prohibited, and a theatrical, film or television performance if smoking is part of the performance.

Bar owners who permit smoking in any part of their bars may not permit minors to enter or remain in a bar where smoking is allowed and must post a sign at each entrance to the bar advising patrons that smoking is permitted there. Any bar owner that violates this provision is guilty of a class 3 misdemeanor. Class 3 misdemeanors have a maximum penalty of 30 days in jail and/or up to a \$500 fine. Any person who smokes where smoking is prohibited will be guilty of a petty offense with a fine between \$50 and \$300. Misdemeanor fines are generally deposited with the local jurisdiction that prosecutes the offense. Criminal fines also receive a penalty assessment which is deposited in various state funds for criminal justice programs, medical services and campaign financing. As it is difficult to predict the level of compliance, total revenues from the civil penalties and fines cannot be determined in advance.

As of April 2006, 16 states have smoking bans in workplaces, restaurants, and/or bars. There are also 2,216 municipalities in the United States that have local laws that restrict where smoking is allowed, 461 of which have implemented smoking bans in either workplaces, restaurants, or bars or a combination of the 3. Five municipalities in Arizona have implemented smoking bans in workplaces, restaurants, and bars: Flagstaff, Guadalupe, Prescott, Sedona, and Tempe.

There has been much research relating to the economic effects of smoking bans. There are studies that conclude that smoking bans do not have negative effects on bars and restaurants, while other studies conclude negative effects do exist. As a result, it is difficult to predict what effect a smoking ban will have on restaurant and bar revenues and, therefore, state revenues.

A study titled "Review of the Quality of Studies on the Economic Effects of Smoke-free Policies on the Hospitality Industry" was published in Tobacco Control, a peer reviewed journal related to tobacco issues published by the British Medical Journal, and reviewed 97 different studies concerning the economic impact of smoking bans in various states, provinces, and municipalities. The study concluded that 35 of the 37 tobacco industry-supported studies claimed a negative economic impact, while all 60 of the studies funded through either the government, health related organizations, or independent market research organizations claimed that there is either no economic impact on business or a positive impact as a result of smoking bans.

### **Local Government Impact**

Local governments may receive additional revenues from violators of the provisions of the proposition. The total amount of fines and assessments will depend on the level of compliance, which is difficult to predict in advance.

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This estimate was prepared by Matt Busby (602-926-5491).