

Tobacco Bill May Be Dead

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A bill raising the state cigarette tax by 2 cents a pack suffered a possibly fatal blow Tuesday when the House voted to send it to the Agriculture and Natural Resources Committee.

Committee chairman John J. Snow, D-Williamsburg, denied that the panel was out to kill the measure but Rep. Robert R. Woods, D-Charleston, pronounced it dead in that form.

"I think it's dead," Woods, the chief sponsor, said after the 62-33 vote to commit the bill to the committee. "The tobacco interests killed it."

But Woods said he'll seek other means to bring the tax proposal before the House, possibly as a rider to the state general appropriations bill.

Woods had gotten his bill out of Ways and Means before the session started with a favorable but split report. It was in trouble from the start.

The new tax would bring in about \$9 million in new revenues Woods said are badly needed. But when the Ways and Means report came up Tuesday, tobacco country lawmakers were ready. Rep. Jack Rogers, D-Marlboro, moved to send the bill to Agriculture and Natural Resources, where it eventually was sent.

Snow said that was the strategy of the tobacco caucus, to get it into his committee so its economic impact could be gauged.

"It came up so fast we didn't know what the impact of it would be," Snow said at his desk on the House floor.

"Consumption is the problem. As you increase the tax on tobacco, the consumption goes down" and that is bad news for leaf growers, Snow said.

Snow said it would also have a "ripple effect" throughout agriculture and would send a bad signal to other non-tobacco growing states when a state which grows the weed ups cigarette taxes.

Tobacco growers fear that cigarette prices will climb to \$1.25 per pack and upward in the wake of the recent federal tax hike of 8 cents per pack, the lawmaker said.

The increase proposed in the Woods measure would have moved the state levy from 7 cents to 9 cents a pack.

Snow promised the bill would get a "fair" hearing in his committee despite fears voiced by Woods that it is now dead.

Some legislators will view it differently, Snow said, "But I will look at it fairly in the way it was intended as a revenue measure."

Snow said Ways and Means picked a difficult time to report out the bill. "They were balancing the state budget on the backs of farmers," he said.

He said the budget bill should be balanced without raising tobacco taxes first and only consider it as a "drastic" measure.

"As committee chairman, I'm going to look at the legislation as fair as I can. The timing is so bad — to impose a tax immediately without considering alternate means."

Snow said he would personally favor a state lottery or pari-mutuel betting to improve state revenues.

Woods said he will try to dislodge the bill from Snow's committee and, failing that, will offer the proposal as part of the state budget bill being drafted by Ways and Means.

Woods said he could not accept Snow's arguments that it's taxing tobacco farmers. "It was putting a tax on tobacco and on those who use it," he said.

"It won't destroy farmers. In the long run it would enhance the growth of tobacco."