

1 [State Tobacco Settlement]  
2 SUPPORTING CONGRESSIONAL BIPARTISAN EFFORTS TO PROTECT STATES TOBACCO  
3 SETTLEMENTS  
4

5 WHEREAS, on November 16, 1998 the attorneys general of most  
6 states and the major United States tobacco companies (Brown &  
7 Williamson Tobacco Corporation, Lorillard Tobacco Company, Phillip  
8 Morris Incorporated and R.J. Reynolds Tobacco Company) agreed to  
9 settle more than forty pending lawsuits brought by states against the  
10 tobacco industry; and,

11 WHEREAS, the City and County of San Francisco was one of four  
12 California counties which filed lawsuits independently against the  
13 tobacco industry, in addition to the State of California; and

14 WHEREAS, the City and County of San Francisco filed its lawsuit  
15 against the tobacco industry because it supports efforts to reduce  
16 tobacco consumption by its residents in order to promote public  
17 health and improve health status; and

18 WHEREAS, on August 5, 1998 California's Attorney General entered  
19 into a memorandum of understanding with local governments to  
20 coordinate their lawsuits with the State's lawsuit and provide for  
21 the allocation of any recovered monies; and

22 WHEREAS, the settlement agreement calls for financial payments  
23 to the states, the creation of a national foundation to develop an  
24 anti-smoking advertising and education program and the establishment  
25 of certain advertising restrictions to benefit public health the

1 agreement will result in significant new revenues to States and local  
2 governments; and

3 WHEREAS, the settlement agreement places no restrictions on the  
4 use of the monies by the states and the City and County of San  
5 Francisco which was one of four localities which filed a lawsuit  
6 against the tobacco industry; and,

7 WHEREAS, the settlement agreement requires the tobacco companies  
8 to make payments to the states in perpetuity, with the payment  
9 totaling an estimated \$206 billion through 2025 nationally; and,

10 WHEREAS, the settlement is projected to result in payments to  
11 California of \$25 billion and the City and County of San Francisco is  
12 estimated to receive over \$586 million; and,

13 WHEREAS, on December 9, 1998 the State of California approved  
14 the settlement agreement in San Diego Superior Court; and,

15 WHEREAS, the settlement agreement has provisions to reduce  
16 payments to states in the event that the federal government takes  
17 certain actions against tobacco companies by November 30, 2002; and,

18 WHEREAS, President Clinton's FY2000 budget request assumes the  
19 recoupment of Medicaid expenses from state tobacco settlement funds;  
20 and,

21 WHEREAS, this proposal will have a detrimental impact on the  
22 City and County of San Francisco by reducing settlement agreement  
23 revenues to states and localities and dictating the use of such  
24 settlement agreement revenues; and,

1           WHEREAS, the National League of Cities, National Governors  
2 Association, National Association of Counties, and National  
3 Conference of State Legislators oppose such efforts by the federal  
4 government to take portions of the settlement agreement revenues away  
5 from states and localities; and,

6           WHEREAS, Senators Kay Bailey Hutchinson (R-Texas) and Bob Graham  
7 (D-Florida) have co-sponsored Senate Bill 346 and are leading a  
8 bipartisan effort to ensure that individual States tobacco settlement  
9 funds are protected from seizure by the federal government; and,

10           WHEREAS, the City and County of San Francisco strongly supports  
11 efforts by Congress to protect state and local tobacco settlement  
12 funds; and,

13           WHEREAS, the City and County strongly believes that states and  
14 localities should be given flexibility on the use of settlement  
15 agreement revenues; now, therefore, be it

16           RESOLVED, that the Board of Supervisors of the City and County  
17 of San Francisco supports congressional bipartisan efforts and  
18 national state and local association efforts to protect state tobacco  
19 settlement revenues; and be it

20           FURTHER RESOLVED, that the Board of Supervisors strongly  
21 believes that any bipartisan efforts should protect both state and  
22 local tobacco settlement agreement revenues; and be it

23           FURTHER RESOLVED, that the Board of Supervisors supports federal  
24 efforts to reduce tobacco consumption, but strongly endorses state  
25

1 and local flexibility with respect to the use of settlement agreement  
2 revenues; and be it

3 FURTHER RESOLVED, that the Board of Supervisors directs that  
4 this resolution be forwarded to the City and County's federal  
5 lobbyist.

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**City and County of San Francisco**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**Tails  
Resolution**

**File Number:** 990327

**Date Passed:**

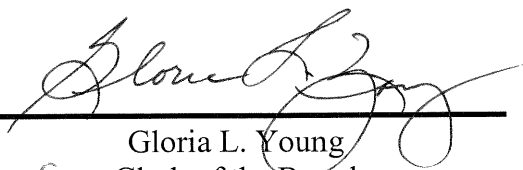
Resolution supporting congressional bipartisan efforts to protect states tobacco settlements.

March 1, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

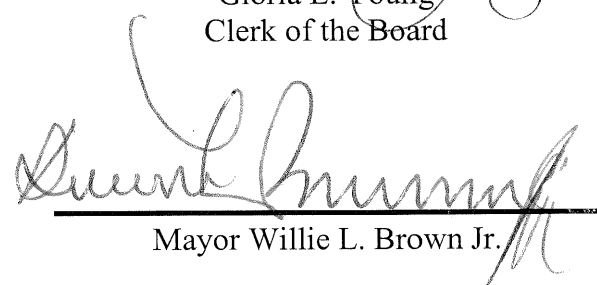
File No. 990327

I hereby certify that the foregoing Resolution was ADOPTED on March 1, 1999 by the Board of Supervisors of the City and County of San Francisco.

  
Gloria L. Young  
Clerk of the Board

**MAR 12 1999**

**Date Approved**

  
Mayor Willie L. Brown Jr.