



For immediate release:
Monday, February 4, 2019

For more information:
Blair Horner 518 436-0876 x257
bhorner@nypirg.org

NEW REPORT: NEW YORK HAS COLLECTED NEARLY \$40 BILLION FROM TOBACCO COMPANIES SINCE MASTER SETTLEMENT AGREEMENT 20 YEARS AGO

STATE FAILS TO DELIVER NECESSARY SUPPORT TO PROGRAMS TO KEEP KIDS FROM TOBACCO USE AND TO HELP SMOKERS TO QUIT; UPSTATE SMOKING RATES EXCEED NATIONAL AVERAGE

CUTS TO TOBACCO CONTROL LEAVE THE STATE SPENDING LESS THAN 20 YEARS AGO

(Albany, N.Y.) A report released today calculated that New York State shortchanges its programs to keep kids from using tobacco products and to help smokers to quit. According to the New York Public Interest Research Group (NYPIRG), the state has collected over \$39 billion from tobacco taxes and revenues from the Master Settlement Agreement (MSA). The MSA was agreed to in 1998, 20 years ago, and settled New York's litigation with the tobacco industry over the sale of its deadly products. As part of that agreement, the tobacco industry has paid the state of New York nearly \$16 billion.

Yet despite promises to use a portion of the revenues for tobacco control programs, the state spends far less than recommended by the federal government and, when accounting for inflation, spends less today than it did 20 years ago on the program.

The report, *Dissipated*, reviewed the revenues collected by New York State and its spending on tobacco control. The report found:

- New York State has received nearly \$16 billion in tobacco revenues from the MSA since it went into effect in 1999.
- New York has collected over \$23 billion in tobacco taxes and fees since the MSA went into effect. Coupled with tobacco revenues from the MSA, New York has collected over \$39 billion.
- Despite this windfall, New York spends less today (adjusted for inflation) on its state tobacco control program than ever. New York has spent less than \$1 billion on tobacco control since the MSA, despite apparent promises to use the money to combat tobacco addiction.
- It appears that the state does follow expert guidance on how to implement a tobacco control program, but independent audits have repeatedly identified the state's lack of resources as a major flaw.
- Many localities did not use their share of the MSA for health programs and, in some cases, squandered these monies through ill-conceived "one-shot" spending.
- Despite impressive reductions in tobacco use statewide, the vast majority of New York counties have smoking rates that exceed the national average. The counties tend to be upstate, older, and more rural. Recent studies have shown that children in similar communities are at the greatest risk of exposure to second-hand tobacco smoke, a known human carcinogen.

MORE

NYPIRG Report, Page 2

NYPIRG recommended:

- New York should increase its commitment to tobacco control efforts by following the recommendations of the U.S. Centers for Disease Control and Prevention's (CDC) guidelines; it recommends the state spend at least \$140 million annually.
- New York should target its resources to those areas of the state hardest hit by tobacco use.
- Given the dramatic increased use of electronic cigarettes, they should be taxed at the equivalence of combustible cigarettes and that such revenues be earmarked for the state's underfunded tobacco control efforts.

The report can be found at: www.nypirg.org.