

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CIGARETTE TAX TO FUND STUDENT FINANCIAL AID AT UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY. INITIATIVE STATUTE.

Increases cigarette tax by \$1.00 per pack. Allocates revenues to expand financial aid for California residents enrolled at UC or CSU. If new tax causes decreased tobacco consumption, thus reducing existing tobacco-tax revenues, current tobacco funding for tobacco health education/research, medical care, environment, breast cancer research/services, early childhood development, and General Fund will be maintained by transferring new tax revenues to offset decrease. Requires annual independent audit and accounting. Establishes five-member oversight committee. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Additional annual state tax revenues of (1) \$800 million from the cigarette excise tax increase of \$1 per pack and (2) \$45 million from the excise tax increase on other tobacco products triggered by the measure. The additional cigarette tax revenue would be spent on financial aid for resident students at the state's public universities (\$730 million) and backfilling losses to existing tobacco programs (\$70 million). The additional revenue from other tobacco products would be used for other existing programs, including tobacco-prevention and education. (12-0018)**