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**CRE8 Occasional Report No. 2007-02**

**The Economic Impact of a Smoking Ban in Columbia, Missouri:  
A Preliminary Analysis of Sales Tax Data**

*Michael R. Pakko*

December 11, 2007



# **The Economic Impact of a Smoking Ban in Columbia, Missouri: A Preliminary Analysis of Sales Tax Data**

*Michael R. Pakko\**

December 11, 2007

## ***Abstract:***

In January 2007, a smoke-free ordinance took effect in Columbia, Missouri, banning smoking in all bars, restaurants, and workplaces. This paper analyzes initial data for dining-sector sales tax collections for the period January 2001 through July 2007—including the first seven months since the smoking ban was implemented. The analysis accounts for trends, seasonality, general business conditions, and weather. The findings suggest that the smoking ban has been associated with statistically significant losses in sales tax revenues at Columbia's bars and restaurants. Point-estimates indicate an average effect of approximately 5 percent. The estimated 5 percent decline in business is only an average; many individual businesses may have been unaffected, while others are likely to have suffered much greater losses.

\*Michael R. Pakko is a research officer and economist at the Federal Reserve Bank of St. Louis. Joshua Byrge provided research assistance. The author also thanks Christy Solberg of *The Columbia Missourian* for bringing his attention to the dining tax data, and Laura Peveler, Budget Officer for the City of Columbia, for providing the complementary data on total sales tax collections.

The views expressed in this paper are those of the author and do not necessarily reflect official positions of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

## **Introduction**

In January 2007, the Clean Indoor Air Ordinance took effect in Columbia, Missouri, banning smoking in all bars, restaurants, and workplaces. This paper analyzes initial data on restaurant sales tax collections for the period before and after this smoking ban was implemented.

The enactment of laws restricting smoking in bars and restaurants has been a growing trend among states and municipalities around the nation. According to the Americans Nonsmokers' Rights Foundation, there are presently 656 municipalities that have provisions for 100% smoke-free environments in bars, restaurants and workplaces. Of these, 461 require smoke-free restaurants and 344 require smoke-free bars.

As more communities around the nation have adopted such laws, economic data has accumulated, allowing economists to better identify some of the economic costs of these restrictions. A large body of early evidence on the economic impact of smoking bans, much of which was published in medical and public health journals, tended to find no statistically significant effects.<sup>1</sup> This finding has sometimes been erroneously interpreted as demonstrating that there is no negative economic impact of smoke-free laws.

Recent economic analyses indicate that this is a far too simplistic view of the issue. Using appropriate econometric techniques and carefully designed hypothesis testing, economic researchers have made it increasingly clear that there are significant economic effects of smoking bans. The evidence suggests that economic costs are likely to be focused on some specific categories of business—those that tend to be frequented by smokers. Statistically significant costs have been identified for casinos and bars, in particular.<sup>2</sup>

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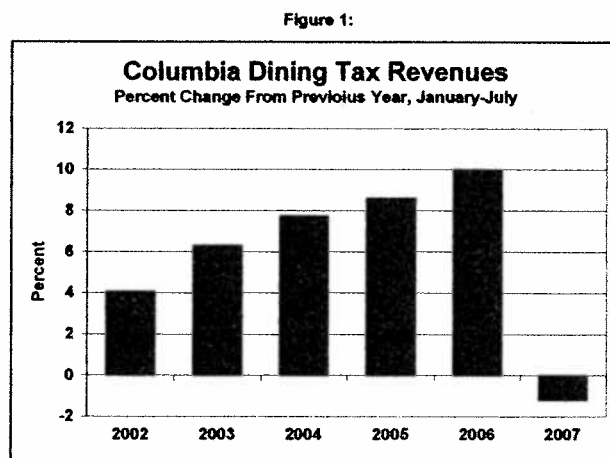
<sup>1</sup> Scollo et al. (2003) provide a review of previous literature.

<sup>2</sup> For a review of some recent economic research, see Pakko (2008, forthcoming).

One of the cities in the eighth Federal Reserve District to recently adopt a smoking ban is Columbia, Missouri. As of January 2007, all bars and restaurants in Columbia are required to be smoke free. Only some sections of outdoor patios are exempt from the requirement.

Some local businesses have continued to oppose Columbia's smoke-free ordinance, circulating petitions to repeal the law by ballot initiative.<sup>3</sup> According to local press reports, at least four establishments have cited the smoking ban as a factor in their decision to close their doors in 2007.<sup>4</sup> One business owner has reported a 40 percent drop in alcohol sales and a 20 to 30 percent drop in food sales. For the year, he expects a 30 to 33 percent decline.<sup>5</sup> Although such reports are informative, they are anecdotal. A more thorough, systematic analysis of objective data is necessary for identifying overall economic costs.

Data from the city of Columbia show a distinct decline in sales tax receipts at bars and restaurants (see Figure 1). As reported in the *Columbia Missourian*, revenues at dining businesses declined by 1.2 percent in the period from January to July 2007 (compared with the same period



Source: City of Columbia and *The Columbia Missourian*

for 2006).<sup>6</sup> Over the previous four years, revenues had risen at an average rate of 6.8 percent. In the first seven months of 2006—prior to the implementation of the smoking ban—dining revenues were 10 percent higher than the same period a year earlier.

<sup>3</sup> In November 2007, the petition drive fell short of gathering enough valid signatures.

<sup>4</sup> LeBlanc (2007), Coleman (2007).

<sup>5</sup> Lynch (2007).

<sup>6</sup> Solberg (2007).

The decline in sales tax revenues from dining establishments that occurred after the smoking ban was implemented is consistent with the anecdotal reports of revenue losses at Columbia bars and restaurants. However, a simple comparison of growth rates before and after the smoking ban is insufficient for drawing any firm conclusions.

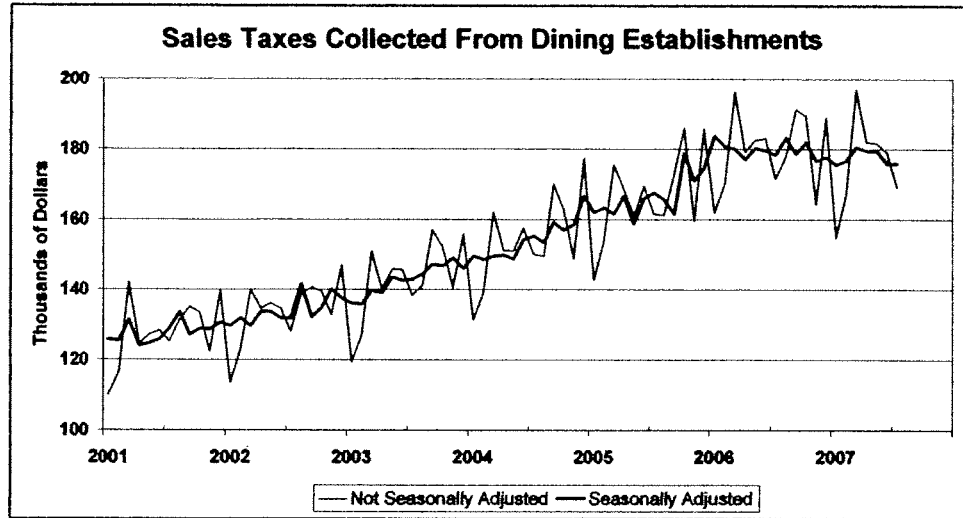
In this paper, I report findings from a more rigorous analysis of the data. Although the data cover only the first seven months after implementation of the Columbia Smoke-Free Ordinance, this initial analysis suggests a statistically significant decline in sale tax revenues at Columbia dining establishments. Point estimates suggest average losses of approximately 5 percent. These estimates take account of past trends, seasonal fluctuations in the data, and an overall slowdown in sales tax revenues in Columbia.

### **Sales Tax Data**

The data series examined in this paper consists of monthly sales tax revenues for bars and restaurants in Columbia. Because there have been no changes in tax rates over the sample period (Jan 2001- July 2007), sales tax revenues serve as a direct proxy for sales. Total sales tax receipts were also obtained from the City of Columbia for use as a control variable for overall economic activity.

Figure 2 displays a plot of the raw data for restaurant tax receipts, along with a seasonally adjusted series that has been adjusted using the Census X12 ARIMA procedure. A cursory examination of the data shows an evident surge in growth during the latter part of 2005 and into early 2006. Growth slowed in late 2006 and turned negative in 2007. On a year-over-year basis, growth rates were positive in every month from March 2002 through December 2006. During the first seven months of 2007, growth was negative for every month except March and April (but averaging less than 1 percent for those two months). In July 2007, sales tax revenues were 1.4 percent lower than a year earlier.

Figure 2:



Source: City of Columbia; Author's calculations

But the appropriate question is not whether sales taxes or revenues have been positive or negative since the Columbia Smoke-Free Ordinance took effect, but whether the pattern is different from what it would have been in its absence. To address this question, more formal statistical analysis is required.

### Regression Analysis

To test the hypothesis of a significant effect of the Columbia smoking ban, I estimated a series of least-squares regressions. The dependent variable of the regressions is the log of restaurant sales tax revenues. Each regression includes a constant and a time trend, along with a dummy variable representing the implementation of the smoking ban (which takes on the value of zero prior to 2007 and one for January-July 2007):

$$\ln(\text{DiningTax}_t) = \beta_0 + \beta_1 \text{TimeTrend}_t + \gamma \text{SmokingBan} + u_t .$$

The focus of the analysis is the coefficient on the smoking-ban dummy variable ( $\gamma$ ). All regressions include a first-order autoregressive error term  $u_t = \rho u_{t-1} + \varepsilon_t$ , (although the autoregressive coefficient is not significant in most of the regressions). Estimation employs

ordinary least-squares regression, with standard errors adjusted for general autoregression and heteroskedasticity using the Newey-West (1987) procedure.

### *Baseline Specification*

The results of a naive baseline specification, including only a constant and a time trend (plus the autoregressive error term), are shown in the first two columns of Table 1 (page 14). Regression (1a) uses the not-seasonally-adjusted data for the dependent variable, while regression (1b) uses the seasonally adjusted data. Equation (1a) includes a set of monthly dummy variables to account for seasonal patterns (coefficient estimates not reported). This basic regression analysis suggests a highly statistically significant decline in tax revenues associated with the implementation of the smoking ban. Point estimates for the coefficients on the smoking ban dummy variable indicate an average decline of more than 5 percent.<sup>7</sup>

### *Controlling for general business conditions*

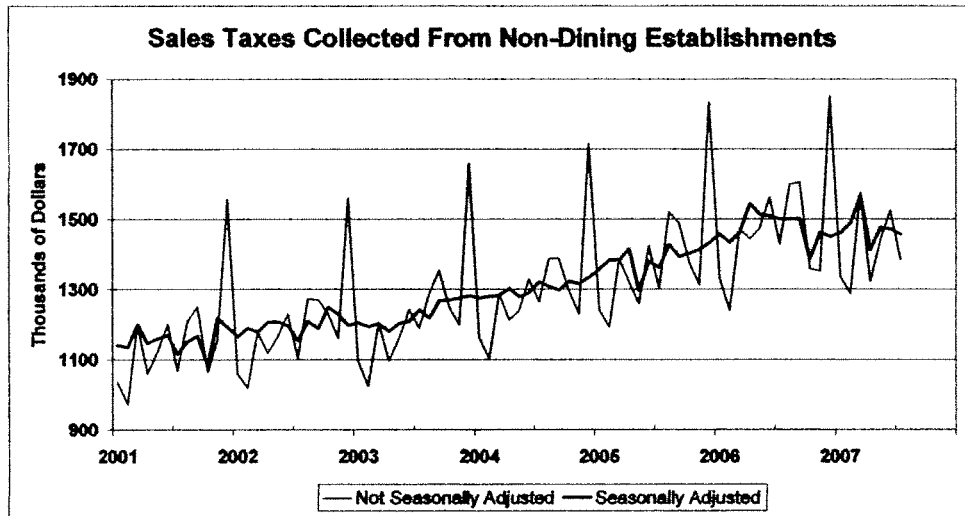
Although these initial estimates control for general trends and seasonality in the data, there are other factors that could be associated with the decline in restaurant tax revenues. In fact, data suggest that there has been an overall decline in non-dining retail sales in Columbia, which is unlikely to be associated with the smoking ban. Subtracting dining tax receipts from data for total sales tax receipts yields a measure of non-dining tax receipts. The resulting data, both for seasonally adjusted and non-seasonally adjusted measures, are shown in Figure 3. There is a clear slowdown in 2006 and 2007, roughly corresponding to the timing of the slowdown in tax receipts at restaurants and bars. Non-dining tax receipts showed some recovery in early 2007, but have sagged during the summer. As of July 2007, non-dining sales were down approximately 3 percent from a year earlier.

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<sup>7</sup> The coefficient estimates on the dummy variable can be interpreted (approximately) as percentage changes.



Figure 3:



Source: City of Columbia; Author's calculations

In order to control for this overall business downturn, regressions (2a) and (2b) add the (logged) non-dining revenue variable to the baseline specification. Regression (2a) includes the non-seasonally adjusted measure, while regression (2b) uses the seasonally adjusted version. In both cases, the coefficient on non-dining tax revenue is positive, and it is highly significant. The addition of this factor does, in fact, account for some of the slowdown in dining tax revenues: point estimates for losses associated with the smoking ban are smaller than in the baseline specification.<sup>8</sup> Nevertheless, the coefficients on the smoking ban dummy variable are still highly significant with point estimates indicating a decline of more than 4½ percent.

These results indicate that the slowdown in dining tax receipts is partly related to a slowdown in overall economic activity, but that the decline in revenues at bars and restaurants is greater than past patterns would predict.<sup>9</sup>

<sup>8</sup> Note that the autoregressive error coefficients are no longer significant, which suggests that omitted-variable bias in the baseline specification has been addressed by the inclusion of the new variable.

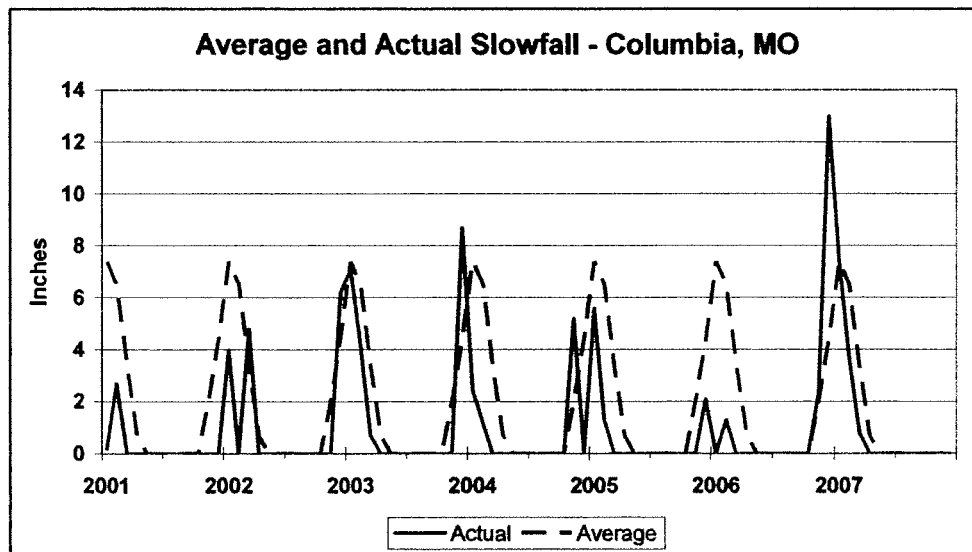
<sup>9</sup> The 2008 budget report for the city of Columbia also indicates that dining and entertainment sectors are lagging the rest of the local economy: "General retail sales remain steady, however the current trend indicates the home improvement/construction and dining and entertainment sectors are declining." [City of Columbia (2007)].

### *Controlling for weather*

Another factor that can be particularly important for revenues at bars and restaurants (for obvious reasons) is inclement weather.<sup>10</sup> The winter of 2006-2007 in Columbia was, in fact, unusually severe.

Figure 4 shows the average monthly snowfall for Columbia compared with actual snowfall over the sample period. The winter of 2006-2007 clearly represents a departure from average weather conditions.<sup>11</sup> The relatively mild winter of 2005-2006 might also help explain the surge in dining tax revenues during that earlier period.

Figure 4:



Source: National Oceanic and Atmospheric Administration

Regressions (3a) and (3b) add this consideration to the analysis, introducing a variable that is equal to the difference between actual and average snowfall, in inches. The coefficient on

<sup>10</sup> Adams and Cotti (2007) find that changes in restaurant employment after the implementation of smoking bans in warm weather states are different from those in cold-weather states. They speculate that the difference might be related to the feasibility of providing outdoor seating areas where smoking might be permitted. Pakko (forthcoming) finds that a severe snowstorm on the east coast had a significant effect on gambling revenues in Delaware after the implementation of a smoking ban in that state.

<sup>11</sup> Average snowfall is calculated for the period 1971-2000 (NOAA).

this snowfall variable is of the expected sign, and it is statistically significant. The point estimate indicates that one inch of snowfall in excess of the average tends to lower sales tax revenues by 0.3 to 0.4 percent for the month. The addition of the snowfall variable improves the overall fit of the model, but it has little impact on the significance of the smoking-ban dummy variable. Estimates of an independent downturn in bar and restaurant revenues beginning in January 2007 remain highly significant, measuring approximately 5 percent.

#### *A Specification/Robustness Test*

The association of the smoking ban dummy variable with the Columbia Smoke-Free Ordinance relies on the timing of its adoption. It is possible for a dummy variable to indicate statistically significant effects, even if the restaurant sales slowdown began either before or after the implementation of the smoking ban. To test whether the dummy variable is accurately identifying the effects of the smoking ban and not an independent, unidentified factor, the regression specifications in (3a) and (3b) were re-estimated using month-specific factors for the last 12 months of the sample period (instead of the smoking-ban dummy variable).<sup>12</sup>

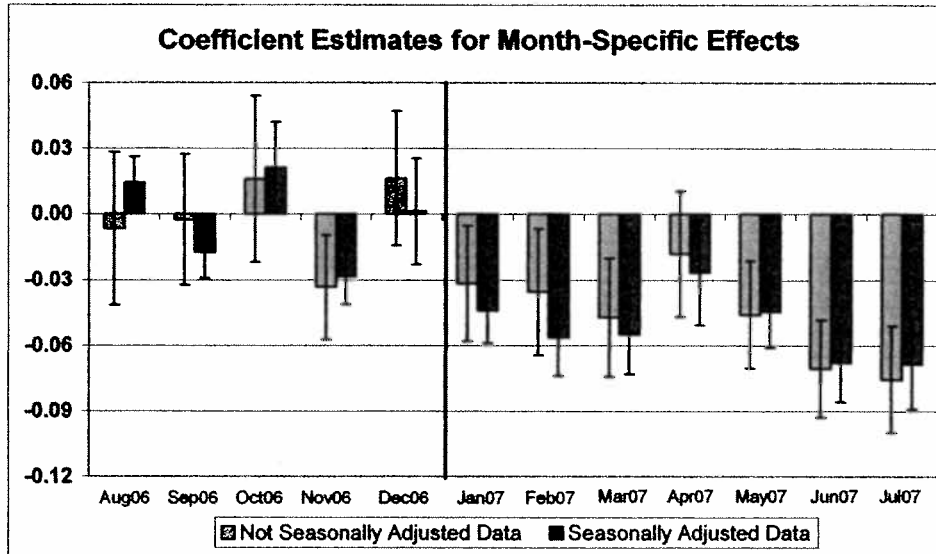
The coefficient estimates for the month-specific factors (along with two standard-error confidence intervals) are illustrated in Figure 5. These estimates can be considered as monthly deviations in revenues from predictions of the estimated model (which includes trends, seasonality, business conditions, and weather). For the last 5 months of 2006, the month-specific factors show no clear, consistent pattern. Both the seasonally adjusted and non-seasonally adjusted specifications show that November was a significantly bad month for restaurant sales. For August, October, and December, however, the monthly effects are estimated to be positive (although not, in most cases, significant). A log-likelihood ratio test for the joint redundancy of

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<sup>12</sup> That is, monthly effects are identified using dummy variables that take on the value one in a particular month and zero in all other months.

these five month-specific variables indicates that the null hypothesis of redundancy cannot be rejected at any reasonable level of statistical significance.<sup>13</sup>

Figure 5:



The month-specific effects for the first seven months of 2007, on the other hand, are uniformly negative. Only one monthly estimate (April 2007) is not significantly different from zero (at the 95% level)—and only for the non-seasonally adjusted specification. The average values for these seven monthly effects are 0.046 (non-seasonally adjusted) and 0.052 (seasonally adjusted). Again, the estimates indicate an average loss of about 5 percent. A log likelihood ratio test easily rejects the null hypothesis that these seven monthly variables are redundant to the regression.<sup>14</sup>

These results suggest that January 2007 does, indeed, represent a break-point in the data series on bar and restaurant sales tax revenues.

<sup>13</sup> The p-values are 0.437 for the non-seasonally adjusted specification and 0.319 for the seasonally adjusted version of the model.

<sup>14</sup> The p-values are 0.004 for the non-seasonally adjusted specification and 0.003 for the seasonally adjusted version of the model.

## Discussion and Conclusions

The results reported in this paper indicate that there have been statistically significant losses to bar and restaurant sales tax revenues since the implementation of the Columbia Smoke-Free Ordinance in January 2007. After accounting for trends, seasonality, an overall downturn in retail sales, and an unusually harsh winter, there remains a 5 percent loss in dining tax revenues associated with the smoking ban.

These findings are, of course, preliminary. With only seven months of data since the implementation of the smoke-free ordinance, any conclusion about the impact of the smoking ban should be considered tentative. The downturn in bar and restaurant business in Columbia may be associated with some other factor that has not been considered in this analysis. It is impossible, at this point, to draw any inference about long-run effects. Nevertheless, the finding of a downturn in revenues is robust to model specification and its timing corresponds to the implementation of the smoking ban.

It is important to note that the point estimates identify only the average losses to bar and restaurant revenues. Many businesses in this category are likely to have been unaffected (e.g., take-out businesses, fast-food franchises, and other restaurants that already had smoke-free policies). Accordingly, some businesses are likely to have suffered losses that are far greater than the average. Anecdotal reports from specific business owners suggesting losses in the range of 30 percent do not seem unreasonable.

One interesting feature of the Columbia experience is the response of restaurant owners to the patio exemption. According to *The Columbia Missourian*, owners of at least two bars are building or planning outdoor patio expansions. One owner was quoted as saying “You have to have a patio to survive.”<sup>15</sup> The expenses associated with these renovations may help offset

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<sup>15</sup> Solberg (2007), Greaney (2007).

losses in sales revenue of these establishments, but they also represent *profit* losses above and beyond the measured declines in revenues.

Measuring the economic effects of smoking bans can sometimes be difficult. For the case of Columbia, Missouri, this preliminary analysis of data on sales tax revenues indicates that losses are of a magnitude that is clearly identifiable and statistically significant.



## Smoking ban snuffed out by Michigan Senate

The American Lung Association of Michigan and other health advocates have tried for at least ten years to have smoking banned in most workplaces. Last week the Democratic-led house voted to ban smoking in all workplaces including restaurants and bars.

The bill did make exceptions for Detroit's casinos, horse race tracks and cigar bars.

The Senate made sure the bill was shelved. **According** to Senate Majority Leader Mike Bishop, a Republican, the bill will hurt business at bars and restaurants and put too many government restrictions on private businesses.

**According** to a report by Mlive.com

*"This says we have a do-nothing Senate whose leadership does not want to deal with the smoking issue," said Sen. Ray Basham, D-Taylor, a longtime smoking ban supporter.*

According to Senate Majority Leader Mike Bishop it is not a priority at this time for Senate Republicans. He states that it could hurt businesses.

Bishop's spokesman Matt Marsden **says**:

*"The timing could not be worse given Michigan's economic woes,"*

He did add there was a possibility the bill could get a hearing at a later time.

Some of the states that have a ban on smoking are Florida, California and New York.

I do not see how it can hurt the restaurant business if the whole state bans smoking. For those who live in states with a ban what do you think?







# Clearing the Haze?

## New Evidence on the Economic Impact of Smoking Bans

By Michael R. Pakko

When making decisions about adopting smoke-free laws, advocates often give policymakers a Pollyannaish outlook in which communities can achieve public health benefits with no economic consequences. In particular, the lack of statistically significant economic effects is interpreted as indicating an absence of economic costs. Recent economic research indicates that this is a far too simplistic view of the issue.

A previous article in *The Regional Economist* ("Peering Through the Haze," July 2005) described some early evidence on the economic impact of smoke-free laws and suggested that the findings were far from conclusive.<sup>1</sup>

As more communities have adopted smoke-free laws and more data have been gathered, economists have discovered new, significant findings. As an earlier article suggested, economic costs often focus on specific business categories—those that smokers tend to frequent.

### Gambling and Smoking

Several papers have examined the cost of smoke-free laws on the gambling business, using data from slot machine revenue at Delaware racetracks ("racinos").<sup>2</sup> Recent economic research finds conclusive evidence of revenue declines at the racinos after the Delaware Clean Indoor Air Law took effect in December 2002.

In my recent research on the topic, I find statistically significant losses at all three Delaware racinos—ranging from 8.9 percent to 17.8 percent.<sup>3</sup> Overall, the statewide revenue

decline was 14.9 percent. Using slightly different methods that estimate demand for casino gambling, economists Richard Thalheimer and Mukhtar Ali estimate the total revenue loss at 15.9 percent.

These revenue estimates may significantly understate profit losses. For example, the racino that suffered the smallest loss in revenues—Dover Downs—also was the only one with a luxury hotel on site. Dover Downs management responded to initial revenue losses by offering more discounts on hotel rooms.<sup>4</sup> Efforts to prop up revenue may have been partly successful, but at a cost to the bottom line.

Evidence on the effect of smoking bans on gaming revenue shows that when analysis can be narrowly focused on data from specific businesses, statistically significant findings emerge. Another approach is to use very large data sets. As smoking bans have spread across the country, the variety and timing of adopting smoke-free laws have generated data that can help identify effects.

### Bar and Restaurant Employment

Two papers, one by Ryan Phelps and the other by Scott Adams and Chad Cotti, have used data available from the Bureau of Labor Statistics to examine the employment effects of smoking bans. Using nationwide county-level data, these two studies examine the changes in employment at bars and restaurants after communities adopt smoking bans. Neither study finds significant employment changes at restaurants, on average, but both find statistically significant employment declines at bars, with loss estimates ranging from 4 percent to 16 percent.

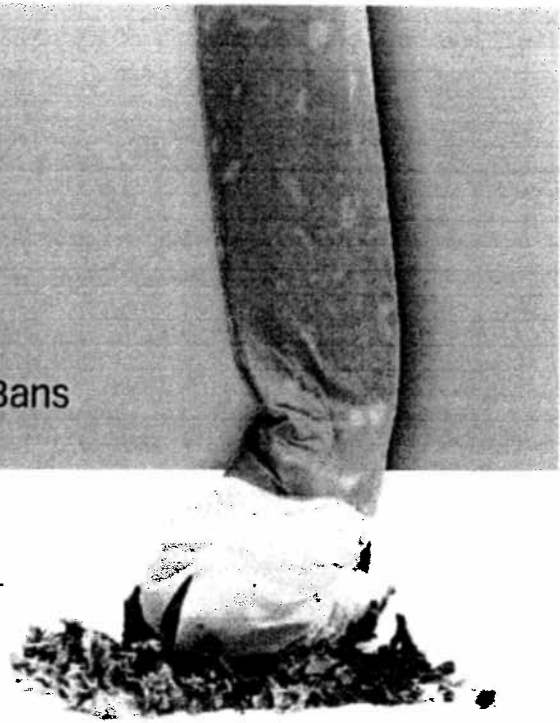
Adams and Cotti also examine some additional factors. For communities in states with

a higher ratio of smokers to nonsmokers than the national average, employment losses at bars were significantly larger, and the employment changes at restaurants went from a small positive effect to a small negative effect (in neither case, statistically significant). Climate also affected restaurant employment.<sup>5</sup> Restaurants in warm climates fared better than those in cooler climates. The authors suggest that the reason for this might be that restaurants in warmer climates can more easily provide outdoor seating where smoking is not prohibited. (See also the sidebar on Columbia, Mo.) Restaurants that suffered the dual curse of being in regions with colder climates *and* a high prevalence of smokers suffered statistically significant employment losses, on average.

### California Dreamin'

Another recent economic study examines taxable sales receipts of bars and restaurants in California, the home of the smoke-free movement. Because California communities passed some of the nation's first smoke-free laws, much of the early evidence on the subject was based on these data on California taxable sales receipts; as time has passed, those data have accumulated. The experience of California also provides a case in which a statewide smoking ban was superimposed on a patchwork of local smoke-free laws, providing useful variation in the coverage and jurisdiction of smoking bans that can be exploited in empirical analysis.

*This article is based on a presentation at the Sixth Annual ERIE Conference on Local Government and Economics, Erie Pa., Aug. 14, 2007.*



## District Focus: Smoking Ban Sings Columbia, Mo.

Since January 2007, all bars and restaurants in Columbia, Mo., have been required to be smoke-free. Only some sections of outdoor patios are exempt from the requirement.

Some local businesses have continued to oppose the Columbia Clean Air Ordinance, circulating petitions to repeal the law by ballot initiative. According to local press reports, owners of at least four establishments have cited the smoking ban as a factor in their decision to close their doors in 2007.

Recent data from the city of Columbia show a distinct decline in sales tax receipts at bars and restaurants. After rising at an average rate of 6.8 percent from 2002 through 2006, tax revenue declined at an annual rate of 1.3 percent over the first seven months of 2007. (See graph.) Although the data are still preliminary, initial analysis suggests a 5 percent decline in overall sales revenue at Columbia dining establishments since the implementation of the smoking ban. This estimate takes into account past trends, seasonal fluctuations in the data and an overall slowdown in sales tax revenue in Columbia.<sup>6</sup>

One interesting feature of the Columbia story is the response of restaurant owners to the patio

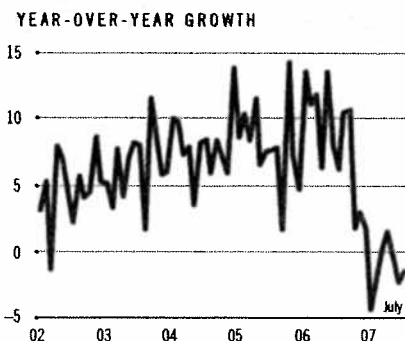
Economists Robert Fleck and Andrew Hanssen analyzed quarterly restaurant sales data for 267 California cities over 25 years. They find that the measured impact of smoking bans differs between local bans and the statewide ban. In what the authors call their “naïve” specification that treats all smoke-free laws the same, they find a statistically significant 4 percent decline in revenues associated with smoking bans.

When they estimate the effects of the statewide ban and local bans independently, they find that the measured decline in restaurant sales is attributable to the statewide ban on cities without local bans. The measured effect of the statewide ban is nearly 4 percent, and it is statistically significant. The independent effect of local smoking ordinances is estimated to be very small and is not significant. These findings are consistent with the interpretation that locally originated smoking bans have little effect, but smoking bans that are imposed on a community by a higher jurisdiction can have a detrimental economic impact.

Fleck and Hanssen go on to uncover an important specification problem: They find

exemption. According to an article in the *Columbia Missourian*, owners of at least two bars are building or planning outdoor patio expansions. One owner was quoted as saying, “You have to have a patio to survive.”<sup>7</sup> The expenses associated with these renovations may help buffer the sales revenue of these establishments, but they also represent profit losses that are above and beyond the measured sales declines.

Columbia, Mo., Dining Tax Revenue



SOURCES: City of Columbia, Mo., and author's calculations

that cities that adopted smoke-free laws were systematically different from those that did not. The authors find that sales growth tends to be a predictor of smoking bans, rather than the other way around. This “reverse causality” calls into question many earlier findings, and it poses problems for using data from California in drawing inferences about the economic impact of smoking bans elsewhere.

### The Role of Economic Research

Economic effects of smoke-free laws may be difficult to identify and interpret, but analysis suggests that at least some businesses do suffer costs. When they consider passing smoking bans, policymakers should study evidence both from public health professionals and from economists. **□**

Michael R. Pakko is an economist at the Federal Reserve Bank of St. Louis. To see more of Pakko's work, go to <http://research.stlouisfed.org/econ/pakko/index.html>.

### ENDNOTES

- 1 Scollo et al. (2003) provide a review of previous literature, much of which has been published in medical and public health journals.
- 2 Previous studies of the Delaware racino case study have been published—and disputed—in the public health journal *Tobacco Control*.
- 3 See Pakko (forthcoming).
- 4 See Dover Downs (2004).
- 5 Bar employment was not significantly affected by climate differences.
- 6 See Pakko (2007).
- 7 See Solberg (2007).

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## Illinois smoking ban 'going to hurt,' business owners say

Thursday, January 3, 2008

By Sam Blackwell ~ Southeast Missourian

EAST CAPE GIRARDEAU, Ill. -- On New Year's Eve, more than 200 customers filled The Pony strip club. That number dwindled to just one on New Year's Day. General manager Michael Cox saw the same thing happen at other clubs in Rhode Island, Louisville and New York when smoking bans went into effect.

"It helps me slow down smoking," said Cox, a pack of cigarettes sitting on the desk in front of him, "but it's going to hurt. I don't see any way but it's going to hurt."

On Tuesday, Illinois joined all of France and eight states in Germany in going smoke-free. Smoking is banned inside and within 15 feet of doors, windows and intake ventilation systems of almost all public places in Illinois.

At the nearby Rose Garden restaurant, head waitress Judy Zeschke said coffee drinkers usually show up when the restaurant opens at 6 a.m. Wednesday's first customers arrived at 8:15. Wednesday afternoon Zeschke estimated the waitresses' tips so far were at about half normal.

"It's really hurt us," she said.

Illinois is the 22nd state in the U.S. to ban public smoking. Missouri limits smoking in public places to designated areas amounting to no more than 30 percent of the entire space.

Illinois' new law requires establishments to post "no smoking" signs and to remove all ashtrays. The exceptions to the Illinois smoking ban include tobacco stores, nursing homes or long-term care facilities and up to 25 percent of hotel rooms.

Private clubs are not exempt.

Some people are happy about the new law. Rose Garden customers Tamela and Bruce Hanebrink and their children Lacey and Kyle Randolph came from Cape Girardeau for lunch Wednesday. "I would much rather go to a restaurant that's smoke-free," Tamela said. At the same table, Scott Thorne of Carbondale, Ill., said he decides where to eat based on the food, not the air. "But it is going to smell better," he said.

All are nonsmokers.

Zeschke, also a nonsmoker, said she welcomed the smoking ban but not if it hurts business on the east side of the Mississippi River. Some of her customers who smoke told her they would not be back and would drive across the bridge to Cape Girardeau to light up. Zeschke said the restaurant originally was going to be smoke-free but the owners saw they would lose business.

Research shows that establishments that become smoke-free do lose some business in the first few months, said Trisha Moering, community health education director for the Southern Seven Health Department in Ullin, Ill. "But after a few months those smokers will come back or people who don't smoke will take their place," Moering said.

The Southern Seven Health Department, which serves Illinois' seven southernmost counties, is in charge of enforcing the new law. Moering said no complaints had been made by midafternoon Wednesday, but the center had received a dozen calls from establishments wanting information about compliance.

"At this point we're not needing or wanting to pressure people," Moering said. But that time will come for those who don't abide by the law.

A hot line has been set up for complaints. The number is 866-973-4646 (TTY 800-547-0466, hearing impaired use only). Complaints also can be made at the Web site [www.smoke-free.illinois.gov](http://www.smoke-free.illinois.gov).

The center will contact the establishment when a complaint is received. If it fails to correct the violation, fines could be imposed. Individuals who smoke in violation of the law would be fined \$100 for a first violation and not less than \$250 for additional violations. An establishment would be fined \$250 for a first violation, \$500 for a second within a year and \$2,500 for each additional violation within a year.

### Spot checks

The health department staff will spot-check establishments that have received complaints. It's just going to take awhile for people to become accustomed to most places being smoke-free, Moering said.

"In the next months and years this is going to be the norm."

Law enforcement will become involved only if a summons needed to be issued or a subpoena needed to be served in to enforce the law, Union County Sheriff David Livesay said. Deputies also could be called on to remove a patron who insists on smoking. Livesay said he would expect a deputy who witnessed a violation of the law to report it to the hot line.

But, he said, "the places I've been in Union County so far are honoring the smoke-free law."

At the Anna-Jonesboro VFW Post, bartender Betty George said all the smokers are dutifully marching outside but that she's heard lots of grumbling. "This is their post. Those guys went over and fought their war and don't like being told where to smoke," she said.

Some establishments in smoke-free locales have accommodated smokers by opening outdoor patios. Rose Garden owners Musa and Al Rahmni have placed a table with an ashtray 15 feet outside the building's back door, but with the high temperature Wednesday in the 20s the table had no takers.

At RC Auto Sales in East Cape Girardeau, owner Rick Casper and his son, Jason, both smoke. They have been walking out the back door to do so but don't like it. "It's Big Brother telling you what to do," Rick said.

He thinks allowing each individual establishment to set its own smoking guidelines makes more sense.

Samantha Brown, a cook at the Kozy Korner Cafe in Olive Branch for the past five years, said the early morning coffee drinkers who usually come in didn't Wednesday.

The smoking ban also affects the restaurant's staff, all of whom smoke. They aren't allowed smoking breaks, Brown said. "We just have to deal with it."

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# WISPIRG

Standing Up  
To Powerful Interests

## **Smoke and Mirrors: Tobacco Industry Claims Unfounded**

*Economic Studies Conclude Smoke Free Laws Do Not Harm Bar and  
Restaurant Business*

By Bruce Speight  
WISPIRG Public Interest Advocate

**WISPIRG**

**February 2008**

As Wisconsin considers a comprehensive, smoke-free workplace law that includes bars and restaurants, there have been concerns raised of adverse economic impacts. The Tavern League and their allies, and even some legislators, have stated to the press and in testimony that jobs will be lost in the hospitality industry and bars will go out of business.

There is no reliable, independent scientific evidence to support these claims. Past experiences, including evidence from Madison and Appleton, and scientific studies conducted in both rural and urban communities that have implemented smoke-free laws, have found such speculation to be false. U.S. Surgeon General Richard Carmona in his report, *The Health Consequences of Involuntary Exposure to Tobacco Smoke*, concluded: “evidence from peer-reviewed studies show that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry.”<sup>1</sup>

Across the country, state and local governments, big and small, have passed health-based initiatives similar to the one being considered by the Wisconsin State Legislature. In fact, over the last decade there has been a wave of clean indoor air regulations passed to protect both patrons and workers in bars and restaurants. There are now twenty-two states and hundreds of municipalities that have passed some sort of smoke free policy for workplace environments, and the number of people who live in smoke-free communities continues to grow. Wisconsin is falling behind the rest of the nation, including our neighbors in Illinois and Minnesota, with inadequate and outdated public health protections from exposure to secondhand smoke.

Why does the Tavern League of Wisconsin oppose a health-based initiative that will have no economic impact on its members? In an attempt to frighten bar and restaurant owners, the tobacco industry has funded research across the country to claim clean indoor air policies are bad for business. In 2003, Dr. Michelle Scollo and her colleagues at the Centre for Tobacco Control published a comprehensive review of 97 studies addressing the impact of smoke-free laws on the hospitality industry. She found that every single study claiming a negative impact was supported by the tobacco industry. These studies were 20 times less likely to have been scientifically peer-reviewed. The study concluded that “all of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact.”<sup>2</sup>

Much of the anecdotal experience from smoke-free communities finds no harmful economic impacts. There is even support from those who had originally feared economic hardship for the hospitality industry, but are finding since implementation, that fear to be unfounded. Michael O’Neal, the former president of the New York Restaurant Association and the New York City Restaurant Association has stated, “Smoke-free workplace legislation does not hurt business.”<sup>3</sup> David E. Garth, President and CEO of the San Luis Obispo Chamber of Commerce in California initially had feared the ban on smoking would hurt jobs and tourist-generated income for the city: “...our initial fears were unfounded and today, I’m pleased to report that the effects have been extremely positive”.<sup>4</sup>

Fortunately, there is no need to speculate or rely on anecdotal experience. Laws already implemented, including ordinances in Wisconsin, can be a guide to better understanding the potential economic impacts of such policies in Wisconsin. From these laws, a large body of literature has been generated studying the resulting economic impact on bars, restaurants, and the hospitality industry in smoke-free communities.

Empirical, independent data from around the country show that smoke-free laws do not harm business:

- Employment in Delaware's food service and drinking establishments increased in 2003 following the implementation of the state's Clean Indoor Air Act, according to the Delaware Department of Labor.<sup>5</sup>
- New York City's restaurants and bars added 10,600 jobs while sales tax receipts increased by 8.7 percent since going smoke free, according to the New York City Department of Finance.<sup>6</sup>
- California's 131 smallest bars – those the tobacco industry claimed would be hurt the most – showed a 35 percent increase in business one year after California's smoke-free law was implemented, according to California's sales tax collection agency.<sup>7</sup>
- Rhode Island's bars and restaurants generated 20 percent more tax revenue in the first quarter following the implementation of the state's smoke free law in March 2005, according to the Rhode Island Division of Taxation.<sup>8</sup>

### **Economic Impact Studies**

To further demonstrate the scientific, rather than anecdotal conclusion that smoke free laws do not adversely impact the hospitality business, below are six economic impact studies. The highlighted studies were selected for their geographic and demographic diversity to help demonstrate similar conclusions have been made in different communities. The reports were also selected because of the comprehensive and objective data used and reputation of the author and publication in which the report was printed.

**Title:** Economic Impact of Lexington's Smoke-free Law: A Progress Report

**Author/Source:** Hahn E, et al, University of Kentucky College of Nursing and Gatton College of Business and Economics, April 18, 2005

**Location:** Lexington-Fayetteville, KY

**Finding:** "In general, selected key business indicators in Lexington restaurants, bars and hotels have not been affected by the smoke-free law. When taking factors into account such as population size, unemployment, seasonal variation, there was a slight increase in restaurant employment; bar employment remained stable and hotel/motel employment declined in the 10 months after the smoke-free law took effect. There was no effect of the smoke-free law on payroll withholding taxes (workers' earnings) in restaurants, bars or hotels/motels in the 10 months after the law went into effect, after taking seasonal variation into account. The smoke-free law was not related to business openings or closures in alcohol-serving establishments or at non-alcohol serving establishments."

**Title:** The State of Smoke-Free New York City: A One-Year Review

**Author/Source:** NYC Department of Finance, NYC Department of Health and Mental Hygiene, NYC Department of Small Business Services, NYC Economic Development Corporation, March 2004

**Location:** New York City

**Finding:** "One year later, the data are clear. . . . Since the law went into effect, business receipts for restaurants and bars have increased, employment has risen, virtually all establishments are complying with the law, and the number of liquor licenses issued has increased – all signs that New York City bars and restaurants are prospering."

**Title:** Impact of a Smoking Ban on Restaurant and Bar Revenues – El Paso, Texas, 2002

**Author/Source:** U.S. Centers for Disease Control and Prevention (CDC), Morbidity and Mortality Weekly Report, February 27, 2004

**Location:** El Paso, Texas

**Finding:** "No decline in total restaurant or bar revenues occurred in El Paso, Texas, after the city's smoking ban was implemented on January 2, 2002. Despite claims that these laws especially might reduce alcoholic beverage revenues, the mixed beverage revenue analyses indicates that sales of alcoholic beverages were not affected by the El Paso smoking ban."

**Title:** A Research Study: The Measurable Economic Impact of Certain Smokefree Ordinances in Minnesota

**Author/Source:** Stoltz, Dan and Michael Bromelkamp, Minnesota Institute for Public Health, February 23, 2007

**Location:** Minnesota

**Finding:** "Based on data available through 2005, there was no apparent economic impact on the local economies examined in this report, or on the State of Minnesota as a whole. The data graphs show that reported 2005 sales were in line with historical trends."

**Title:** Evaluation of the Massachusetts Smokefree Workplace Law: A Preliminary Report

**Author/Source:** Connolly G, et al, Division of Public Health Practice, Harvard School of Public Health, Tobacco Research Program, April 4, 2005

**Location:** Massachusetts

**Finding:** "Analyses of economic data prior to and following implementation of the law demonstrated that the Massachusetts state-wide law did not negatively affect statewide meals and alcoholic beverage excise tax collections. Furthermore, the number of employees in food services and drinking places and accommodation establishments, and keno sales were not affected by the law."

**Title:** Effect of Smokefree Bar Law on Bar Revenues in California

**Author/Source:** Glantz, S.A., Institute of Health Policy Studies, University of California, San Francisco, Tobacco Control, Spring 2000

**Location:** California

**Finding:** "There was no significant effect of the restaurant provisions of the law on bar revenues as a fraction of total retail sales; there was a small but significant positive change in bar revenues as a fraction of retail sales associated with the bar provisions

going into effect. Implementation of the smokefree restaurant provisions was associated with an increase in the fraction of all eating and drinking establishment revenues that went to establishments with liquor licenses, and a larger increase following implementation of the smokefree bar provisions.

#### **Wisconsin Data Consistent with Studies**

Thus far in Wisconsin, 33 communities have adopted smoke-free ordinances. Madison and Appleton have adopted 100 percent smoke-free policies for all bars and restaurants within city limits. Empirical data from Madison and Appleton are consistent with the findings of the aforementioned scientific studies.

- In Madison, the number of licensed liquor establishment increased from 332 in July 2005 (before the ordinance) to 365 in January 2008, an increase of 9.9 percent.<sup>9</sup>
- In Appleton, for the first time there is a continuous waiting list for Class B liquor licenses. Currently, there are 8 on the waiting list, and four hospitality business owners are expanding their businesses.<sup>10</sup> In addition, no Appleton bar along the border of other communities without ordinances has closed.<sup>11</sup>
- Employment in Madison's service industry increased by 15.5 percent from 2005 to 2006.<sup>12</sup>

#### **Consistency of Effects in Communities with Various Demographics**

Smoke-free policies have been implemented in communities that vary drastically with regard to size, type, and location. In Wisconsin, communities as varied as Bristol and Madison have adopted smoke-free ordinances. Questions have arisen about the consistency of economic impacts among different types of communities. Below are studies that have assessed the impact of smoke free policies specifically in rural and in smaller, less urban communities. The data has demonstrated that the neutral or positive effects of smoke free laws do not vary depending on these qualities and demographics.

**Title:** The Effect of Ordinances Requiring Smoke-Free Restaurants and Bars on Revenues: A Follow-Up

**Author/Source:** Glantz, Stanton A, and Lisa R.A. Smith, American Journal of Public Health 87: 1687-1693, October 1997

**Location:** California

**Finding:** "This study expands and confirms our earlier work showing that smoke-free restaurant ordinances do not affect restaurant revenues. It also shows that the same is true for smoke-free bar ordinances. The cities and counties with smoke-free bar ordinances are diverse. Anderson and Redding are isolated cities within a predominantly agricultural region of California. Davis is a university town. Tiburon is an affluent suburban community that enjoys heavy tourist business. San Luis Obispo is a coastal community that has a major college as well as substantial tourism. The two smoke-free counties, Shasta and Santa Clara, have ordinances that cover unincorporated areas; Shasta is rural and Santa Clara is a suburban county in the San Francisco Bay Area."

**Title:** Assessment of the impact of a 100% smoke-free ordinance on restaurant sales – West Lake Hills, Texas, 1992-1994

**Author/Source:** Centers for Disease Control and Prevention. *Morbidity and Mortality Weekly Report* 1995;44(19):370–2.

**Location:** West Lake Hills, Texas (population: 3000 at time of study)

**Finding:** “On June 1, 1993, the city of West Lake Hills (a suburb of Austin), Texas (1995 population: 3000), implemented an ordinance requiring a 100% smoke-free environment in all commercial establishments to which the public has access, including all restaurants and restaurants with bar areas. This report summarizes an assessment of sales in restaurants during June 1993-December 1994 compared with January 1992-May 1993. . . . The regression coefficient for the ordinance variable was positive, suggesting that the total sales of the restaurants did not decrease after implementation of the ordinance.”

US Surgeon General Richard Carmona in his 2006 report The Health Consequences of Involuntary Exposure to Tobacco Smoke concludes “the industry claims are countered by many studies published during the last decade in the peer-reviewed scientific literature that assessed various objective economic impacts of these regulations on bars and restaurants. . . . Regardless of the outcome measured, the studies found no evidence of negative economic impacts.”<sup>13</sup> The Surgeon General further states:

“Two of the first studies on the economic impact of clean indoor air laws on restaurants and bars were carried out by Glantz and Smith (1994, 1997). Both studies used sales tax data to assess the impact of local ordinances in California and Colorado. The first study found no effect on the fraction of total retail sales that went to restaurants or on the ratio of restaurant sales in communities with ordinances compared with restaurant sales in control communities without such ordinances that were also matched for population, income, smoking prevalence, and geographic location. The communities varied in population size from a few thousand to more than 300,000, and the length of time that the ordinances were in effect ranged from a few months to more than 10 years (Glantz and Smith 1994).”<sup>14</sup>

#### **Another measure of economic impacts: Bar value**

Since the value of a bar on the market is directly related to its profits, assessing the value of bars both before and after smoke free ordinances provides another measure of the economic impact of smoke free policies. A new study, as well as empirical evidence from Madison and Appleton in Wisconsin, further confirms that smoke free laws have a neutral or positive economic effect on communities.

**Title:** Effect of Smoke-Free Laws on Bar Value and Profits

**Author/Source:** Alamar, Benjamin, and Stanton A Glantz, *American Journal of Public Health* 97: 1400-1402, August 2007

**Location:** California

**Finding:** "The tobacco industry has claimed that smoke-free bar laws caused bar revenues to decline by 30%. After we controlled for economic variables, we found that bars located in areas with smoke-free laws sold for prices that were comparable to prices for similar bars in areas with no smoking restrictions. Other studies have reported that sales did not decline, and we also found that neither price nor sales declined. Therefore, bar owners' concerns that smoke-free laws will reduce the value of their bars are unfounded."

**Wisconsin Property Value Data:**

- The assessed value of property in Appleton's Central Business district increased by an average of 32 percent since the last assessment in 2003.<sup>15</sup>
- On average, the assessed value of property in Madison's business districts has increased since the smoke free ordinance was enacted. Data compares the two years prior to ordinance enactment to the two years following enactment.
  - In the central business district of State Street and the Capitol Square, assessed value increased by 2.5 percent per year prior to the ordinance, and by 4.9 percent per year after the ordinance.
  - In the west town business district, assessed value increased by 2.15 percent per year prior to the ordinance, and by 4.56 percent per year after the ordinance.
  - Finally, in the near east business district, assessed value increased by 5.25 percent per year prior to the ordinance, and by 10.02 percent after the ordinance.<sup>16</sup>

**The Cost of Allowing Smoking to Business Owners**

In addition, there are other costs associated with smoking in the workplace, such as increased maintenance costs, which an employer can generally expect to avoid when adopting a smoke-free policy. A survey of 2,000 workplaces with smoking restrictions found that 23.3 percent reported a reduction in maintenance costs.<sup>17</sup> Similarly, an analysis by the EPA concluded that implementing smoking restrictions in U.S. workplaces would reduce operating and maintenance costs by between \$4 billion to \$8 billion each year.<sup>18</sup> It has been estimated that, all together, smoking in the workplace increases costs to employers by an estimated \$1,300 per year per smoking employee.<sup>19,20</sup>

**False Claims and Tobacco Industry Funded Research**

Tobacco industry funded research is not nearly as objective or reliable. Similarly, those that oppose clean indoor air regulations often use anecdotal or subjective measures to claim lost revenues. Consider:

- In May 1998, the American Beverage Institute released a survey of selected bar owners and managers in California that claimed a decline in business of 59.3 percent since January 1998, with stand-alone bars claiming a 81.3 percent drop.

However, an analysis of taxable sales conducted by California's sales tax collection agency found the state's smallest 1161 establishments that serve alcohol had a 1.06 percent increase in revenues. For the first quarter of 1998, there was a 6 percent increase in taxable sales for all eating and drinking establishments compared with 1997.<sup>21</sup>

- In testimony before the Chicago City Council's Health Committee, Dr. Andrew Hyland shared a study claiming that restaurant employment had declined in New York City after their smoke-free regulations took effect. However, the data being used by opponents of smoke-free workplace laws was for the period before the law took effect.<sup>22</sup>

As already noted, in 2003, Dr. Michelle Scollo and her colleagues at the Centre for Tobacco Control published a comprehensive review of 97 studies addressing the impact of smoke-free laws on the hospitality industry. She found that every single study claiming a negative impact was supported by the tobacco industry.<sup>23</sup>

#### **Even the tobacco industry admits their predictions have not "come true"**

As part of the Master Settlement Agreement between the tobacco industry and the states, internal tobacco industry documents were made public. One such Philip Morris document states "the economic arguments often used by the industry to scare off smoking ban activity were no longer working, if indeed they ever did. These arguments simply had no credibility with the public, which isn't surprising when you consider that our dire predictions in the past rarely came true."<sup>24</sup>

#### **Smoke-free Policies Save Lives**

In contrast to claims of lost business and scare tactics by the tobacco industry, Wisconsinites can expect one concrete impact from a smoke-free workplace ordinance: cleaner air and better public health.

Just as regulations have been established to set health and safety standards in workplaces, a ban on smoking is critical to protect the health of patrons and employees of restaurants and bars. Secondhand smoke contains 69 different kinds of chemicals which cause cancer. Secondhand smoke kills at least 53,000 nonsmokers a year, including 3,000 lung cancer deaths and 35,000 coronary heart disease deaths. Exposure to secondhand smoke is associated with an increased risk for respiratory infections, asthma, sudden infant death syndrome, and lower chronic ear infections among children.<sup>25</sup>

Of most concern is the health impact to restaurant and bar employees. Laws already exist to protect most workers from the deadly impacts of second hand smoke. Hospitality workers are one of the few remaining not protected from the dangers of secondhand smoke in the workplace.

In communities where smoke-free workplace laws have been implemented, the health benefits to the public have been immediate and considerable. The Office of the Surgeon General and the U.S. Task Force on Community Preventative Services have concluded that the most effective method for reducing secondhand smoke exposure is to establish



smoke-free environments. A study published on April 2005 in the British Medical Journal found that smoke-free policies can result in an almost immediate drop-off in the number of heart attacks. Since California went smoke-free, the state's lung cancer rate has dropped by nearly 20 percent – now the lowest in the nation.

A vast library of scientific evidence consistently concludes that smoke free policies do not harm the hospitality industry. Wisconsin should adopt a statewide smoke free air bill that bans smoking in all public workplaces, including bars and restaurants, without delay.

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# Bar owners hoping for Wisconsin ban

By Corrinne Hess and Lee Filas | Daily Herald Staff  
Contact writer

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Illinois tavern owners working along the Wisconsin border aren't going to see a level playing field on the smoking front for several months.

A bill to ban smoking in Wisconsin bars and restaurants is moving through the legislature, but experts say it isn't likely to pass before lawmakers adjourn at the end of March.

"I'm not optimistic," Maureen Busalacchi, executive director of Smoke Free Wisconsin.

A state committee passed a Senate bill banning smoking 3-2 this month, but the State Assembly plans to introduce its own smoking ban bill next week, if it can find co-sponsorship, Busalacchi said.

From there, both houses will have to agree on a bill and send it to Wisconsin Gov. Jim Doyle, who again called for a statewide smoking ban during his State of the State speech, Jan. 23.

So far, more than 30 communities across Wisconsin have gone smoke-free. But that doesn't help Illinois bar owners, many of whom border Wisconsin counties that still allow their residents to light up.

The Wisconsin border is a short drive from many taverns in the Fox Lake and Antioch areas.

**Since Illinois' smoking ban went into effect Jan. 1, some Fox Lake bar owners claim business is down.**

**Karen Jakstas, owner of the Mineola Marine and Lounge on Cora Drive in Fox Lake, said the anti-smoking law has caused her business to decline about 30 percent.**

**"It has hurt business," she said. "A lot of my customers are going over the border because they can smoke. But what can I do?"**



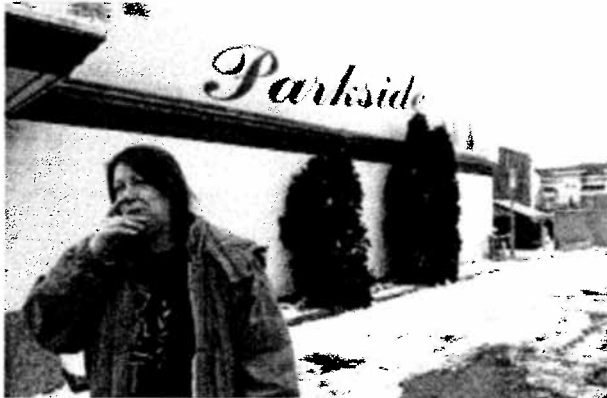
## Last call, for the last time

Regulars mourn closing of Maurer's Parkside Lounge, a neighborhood hangout for decades

BY ALEX FRIEDRICH

Pioneer Press

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Patron Julie Hawkins said: "We'll group up somewhere ... I'm going to keep my connections to my favorite people; it's a real good group of fine people." (SCOTT TAKUSHI, Pioneer Press)

When Maurer's Parkside Lounge makes its last call Saturday night, it won't be known as a place that takes itself too seriously.

Old-timers gab at the East Side St. Paul bar over a morning Miller Lite or coffee in the dimness, their backs to a wall covered with pictures - like one of a man face-down in a urinal under the text "Rock bottom: You'll know it when you get there."

The sign "Horn's Corner" marks the spot where the regular drinkers sit, which is right near a sign that says, "Shirts and Shoes Required. Bras and Panties Optional."

Sure, it may have been ritzier when it started in the mid-1960s with its booths and live bands. And it may have been packed with people and swingin' in the 1970s.

But the Clarence Street neighborhood joint still has a small but loyal blue-collar following. And the regulars - some of whom have hung out there for more than 40 years - are going to miss it something fierce.

"It's really a sad, sad thing," said 66-year-old regular Judy Purcell.

When the place started as the Wall-Matt Lounge in the mid-1960s, longtime customers say, it had a bandstand and a dance floor where drinkers would groove to hits like "Proud Mary" and even "Tiny Bubbles."

It attracted a number of 3M employees - such as now-retired machine inspector Jerry Mazurkiewicz and his wife, data processing supervisor Rosemary "Pete" Mazurkiewicz.

The two came to the bar on its first day and have been coming ever since.

"It was very nice, very classy" when it started up, Rosemary said.

They had a celebration there when they got married, and they swayed to "Make the World Go Away" at their 40th anniversary party there in December.

The regulars have seen history through Parkside's eyes.

Marvin Block, a 67-year-old retired 3M factory worker, saw the 1969 moon landing while tending bar there. And when legendary hockey coach Herb Brooks - himself a Parkside drinker - marched his team to the 1980 "Miracle on Ice," regulars sent him a telegram each week to root him on, Block said.

Purcell became the first female bartender there, which was a tough job in the 1970s.

She recalled one male drinker - probably looped - asking her, "Hey, think you can do a man's job? Think you can take a punch like a man?"

Her response: "Bring it on!"

The guy went back to boozing.

The place's heyday seemed to be in the 1970s, when a radio station named it one of the two best bars in the Twin Cities, and lines of customers waited to get in every Friday and Saturday night.

The joint ended up going through more than half a dozen owners, but the one who really made a mark was Tom Maurer, who bought it in 1992 and operated it as a "Cheers"-style neighborhood bar.

Old-timers



Friends who have been drinking and socializing for years at Maurer's Parkside Lounge will be displaced after the Lake Phalen-area bar closes this weekend. They include, from left, Bob Scott, John Votel and Dave Christensen, who all have been patrons for at least 20 years. (SCOTT TAKUSHI, Pioneer Press) still speak of him glowingly. Bars were his business, and Maurer tended to customers as regularly as he tended bar.

"He was compassionate," Rosemary Mazurkiewicz said. "He took an interest in people."

When Maurer had a stroke about four years ago, his son, Rick, now 46, took over the management.

These days, the Parkside seems mellower than it used to be. It's got the ubiquitous pull-tab booth, pool table and couple of bowling and hunting video games. Younger types also have come in to warble karaoke or compete at the "Guitar Hero" performance video game.

But time has taken a toll on the Parkside. Business already had been ebbing, Rick Maurer said, when the smoking ban dealt it a deadly blow, taking away more than a quarter of its clientele.

So on Saturday, he'll gather the troops and all the old-timers for a "Last Call" party.

Maurer said he'll bring food at 2 p.m. and offer drink specials and free jukebox music throughout the day and into the night.

Former employees are encouraged to stop by between 5 and 8 p.m. to share photos and memories. Maurer will hand out T-shirts to old-timers and friends of his father's.

After Saturday, the bar will close for good and soon will be razed to make room for a new Cub Foods.

"The bartenders are keeping books with e-mails," Mazurkiewicz said wistfully. "We'll try to stay in contact."

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*Alaska Cabaret, Hotel,  
Restaurant & Retailers Association*



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February 7, 2008

Dear Wisconsin Legislator,

My name is Dale Fox, President & CEO of the Alaska Cabaret, Hotel, Restaurant and Retailer's Association (Alaska CHARR). Our organization represents close to 2,000 liquor licensed establishments in Alaska, including bars, restaurants, hotels and package stores.

I am writing to you today to urge you to respect the rights of our fellow hospitality industry members in Wisconsin, and allow them to make business decisions based on their demographics, particularly when it comes to a legal substance like tobacco. Consumers nationwide have plenty of options when it comes to choosing non-smoking locales over smoking establishments, and any smart business owner will cater to the majority of its customers when it comes to allowing smoking on the premises.

Alaska's largest city, Anchorage, bearing over 50% of our state's population, passed a smoking ban that affects all privately owned businesses and public buildings on July 1, 2007. This ban includes specific detailed restrictions on the types of covered areas businesses can provide for their ousted customers.

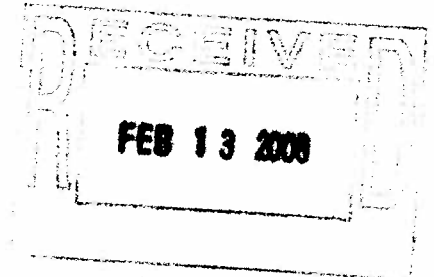
In the temperate summer months, our association heard few complaints from members, with the exception of private clubs that once catered to customers that would spend their days inside socializing, drinking coffee and smoking, like the VFW's, American Legion's and Elk's Clubs. But as the temperatures dropped and customers were less willing to go outside, we started answering more calls from industry members, particularly "mom and pop" style businesses that depend heavily upon their crowd of regulars for financial stability throughout the year. While numbers varied widely, the average small business complained of a loss of about 30% of their business.

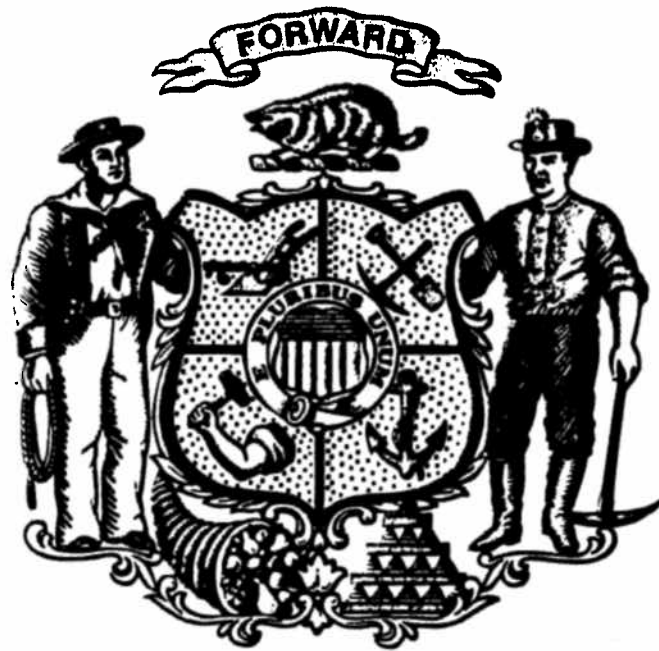
I encourage you to consider this information as consider the business rights of Wisconsin's hospitality industry members.

Sincerely,

A handwritten signature in cursive script that reads 'Dale Fox'.

Dale G. Fox  
President & CEO, Alaska CHARR







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## Casinos say smoking ban hurts

### Illinois gambling revenue falls after new law enacted

Associated Press

*Posted: Feb. 10, 2008*

**Springfield, Ill.** - Gambling industry officials said the recent statewide indoor smoking ban could be to blame for an overall decline in state gambling revenue.

The Illinois Gaming Board reported that casinos in the state experienced a 17% revenue decrease in January compared with January last year. The majority of casinos also reported an almost 6% decrease in admissions.

Officials are blaming the smoking ban - which went into effect Jan. 1 - for the decline. Illinois, along with 18 other states, made it illegal to smoke in nearly every public place and requires smokers to step at least 15 feet away from a building entrance, ventilation intake or an open window before lighting up.

The head of the gaming board said since people have to go outside to take smoke breaks, that means less time spent gambling.

"If you look at the admissions, they've gone down, but they haven't gone down as much as the revenues," said Tom Swoik, the Illinois Gaming Board's executive director. "The less time people gamble, the more it has an effect on revenues."

The hardest hit with revenue decline was Harrah's Metropolis Casino in Metropolis, near the Kentucky border. The casino reported an approximately 23% drop in revenue since December. On Thursday the casino announced its plans to lay off 30 employees.

Officials there said the smoking ban is the sole culprit.

With Illinois' decision to go smoke-free, followed by Minnesota's similar move last October, Wisconsin has become an oasis for smokers who want to light up in bars and restaurants. Wisconsin's casinos, such as Potawatomi Bingo Casino in Milwaukee, allow smoking. An attempt by Wisconsin Gov. Jim Doyle to institute a statewide smoking ban appears to be dead because Senate Democratic leaders couldn't reach a compromise with supporters of the ban on exemptions for taverns.

In Illinois, others in the casino industry claim the smoking ban is just one factor.

The economy and harsh weather are other major reasons for the drop in revenue, according to Bill Renk, vice president of Jumer's Casino in Rock Island.

"If we're going to be speaking specifically to smoking, I think the true picture for us is going to have to wait," Renk said. "Even then, we've done some things to sort of mitigate the situation by providing smoking areas for our guests which are being used."

Others dismissed the smoking ban as a factor at all.

A spokesman for the American Cancer Society said his organization has studied the issue and concluded that there are not long-term impacts on the economy after a smoking ban such as the one enacted in Illinois.

"Right now is a very turbulent economic time, and to try to point to the Smoke Free Illinois Act as the reason a certain sector of the economy might be showing some slippage right now is a really big stretch," said Mike Grady of the American Cancer Society.

State Rep. Mike Boland, a Democrat from East Moline, said more time is needed to determine all the factors in the revenue decline, and the economy could share the blame.

"I think we're probably going to have to wait to really see what's happening there," he said.

*Meg Jones of the Journal Sentinel staff contributed to this report.*

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**Kansas.com**

Posted on Thu, Feb. 14, 2008

## **Bar owners, others say state smoking ban will hurt**

BY JIM SULLINGER  
Eagle Topeka bureau

Bar and restaurant owners told a legislative panel Wednesday that a bill promoting smoking bans across the state would hurt their businesses.

They urged legislators to kill SB 493 and allow each business and the free market to dictate smoking policy.

Tom Conroy, owner of Conroy's Pub in Lawrence, said sales at his business declined more than 30 percent on many days since that city adopted a smoking ban.

"My total number of employees dropped from 27 to the current number of 13, thus eliminating 14 Lawrence jobs in my place alone," he said.

Conroy was among many opponents appearing before the Senate Judiciary Committee. Supporters testified Tuesday.

The bill would require counties to hold elections later this year to ban smoking in public places.

If the bill passes, lawmakers should create exceptions for some businesses, witnesses said.

Curt Diebel, president of Diebel's Sportsmens Gallery, said tobacco shops like his deserve an exemption. Cigars are sold at his stores, including one in Overland Park.

"I hold events in my store to introduce new products," he said. "If you were going to try a new cigar, wouldn't it be reasonable to expect to do so in my store?"

Representatives of the long-term care industry also asked for an exemption for nursing homes, where patients often are allowed to smoke.

Lawrence Doss, owner of Walt's Bar & Grill in Wichita, said he has posted a sign on his front door telling customers that smoking is allowed.

"If second-hand smoke was too dangerous for the workplace, then why has OSHA not deemed it so?" he asked the committee, referring to the federal Occupational Safety and Health Administration.

John Todd, a Wichita real estate broker and land developer, said he is working with the Wichita Business and Consumer Rights Coalition to stop a proposed smoking ban here.

"I do not smoke, but does that give me or even the majority of nonsmokers in our state the right to use state law to restrict the rights and freedoms of those people who choose to smoke?" he asked.

Vic Allred, owner of Jazz, a restaurant at the Legends In Kansas City, Kan., said it is estimated that one-fourth of Kansans smoke.

"It is naive to think that a ban on smoking will not adversely affect my business," he said.

Tim Shallenburger, representing Penn National Gaming, a casino applicant, said a smoking ban would hurt proposed Kansas casinos because several would be close to other states. He said it would be easy for casino patrons who smoke to travel to Missouri or Oklahoma to gamble where smoking is allowed.

Sandy Jacquot, general counsel for the League of Kansas Municipalities, said more than 20 cities have adopted their own no-smoking bans that exempt several types of businesses.

She said some are more stringent than the proposed state law.

If the bill as written becomes law, it would repeal all those ordinances, she noted. She asked that those ordinances be allowed to remain in place.

Sen. John Vratil, R-Leawood, the panel's chairman, said he expected several exceptions to be written into the measure when the committee considers it next week.

*Reach Jim Sullinger at 785-354-1388 or [jsullinger@kcstar.com](mailto:jsullinger@kcstar.com).*

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## Lawmakers douse all bills that ban smoking in public

RICHMOND

The proposed statewide ban on smoking in many public places, including restaurants, all but died Thursday night when a House subcommittee quickly spiked several smoking bills after an hour of emotional testimony from people on both sides of the issue.

The vote means it's unlikely the Republican-controlled House will entertain the Senate's smoking ban bill, which passed Wednesday. Democrats control the Senate. A statewide smoking ban in restaurants is also a top priority of Gov. Timothy M. Kaine, a Democrat.

The subcommittee of the General Laws Committee also squashed bills to give localities the right to impose their own smoking bans, a blow to cities including Virginia Beach and Norfolk that pushed for the power.

The unanimous action disappointed advocates who said secondhand smoke is dangerous and pleased those who saw the proposed ban as government intrusion into private affairs.

"This gives you some idea how much control lobbyists have," said Del. Algie Howell Jr., D-Norfolk, who sponsored one of the ban bills. "It's unbelievable that a handful of people will decide what's in the best interest of the people of Virginia."

Randy Estenson, owner of Poppa's Pub in Virginia Beach, who said 80 percent of his customers smoke, praised the ruling.

"I'm very happy," he said. "I honestly believe businesses are doing what they need to do on their own."

Delegates who voted against the measure took a similar position.

"It's not up to the government to tell people what to do," said Del. Thomas Gear, R-Hampton, chairman of the General Laws ABC/Gaming subcommittee.

Gear said many of his favorite restaurants in Hampton have decided to ban smoking on their own.

Del. John Cosgrove, R-Chesapeake, who is the only South Hampton Roads lawmaker on the subcommittee, also voted against the bills. Del. Terrie Suit, R-Virginia Beach, who leads the full General Laws Committee, spoke against them.

"The issue has been elevated to the level that so many restaurants have gone smoke free, so it's not