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Details:

(FORM UPDATED: 07/12/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2007-08

(session year)

Assembly

(Assembly, Senate or Joint)

**Committee on ... Public Health
(AC-PH)**

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Honorable members of the Assembly Public Health committee:

I am a constituent of Representative Ballweg and I am asking you to please support AB 834 with no exceptions or amendments, to be implemented as soon as possible. Wisconsin residents and workers deserve a smoke-free law that protects *all* people from secondhand smoke, including restaurant and bar workers.

As a resident of the Fox Cities and Outagamie County, I am a patron of the downtown Appleton businesses that are now smoke free. I cannot express to you enough how wonderful it is for my family, friends and myself to be able to enjoy this smoke free environment. In the time that Appleton has been smoke free I have witnessed a resurgence of the downtown area with the addition of more restaurants, coffee shops and bars that we, as residents of the Fox Cities, are excited to patronize because of the healthy environment they provide.

But while I currently enjoy the right to breathe freely in a portion of the area that I live, so many others in Wisconsin do not have this basic right.

I can speak to you firsthand of the negative and deadly effects of smoke and secondhand smoke. As an asthmatic child of two parents who smoked, the granddaughter of a grandfather who died of emphysema due to a lifelong long smoking habit, and the sibling of a brother who was a heavy smoker and died at an early age of a smoking related disease, I am not willing to compromise on the serious health implications that I know to be a result of smoking and inhaling second hand smoke. Nor is anyone else I know in Wisconsin. Clearly, the residents of Wisconsin have asked for a smoke-free state and we are looking to our public officials to ensure that we receive it.

As your constituent, I urge you to support this bill. It's time for everyone who lives and works in Wisconsin to have the same basic protections from secondhand smoke. Please do not delay in making this happen. I look forward to Wisconsin joining our neighbors in providing smoke free air to all employees no matter where they work. Thank you for your time and attention to this important public health issue.

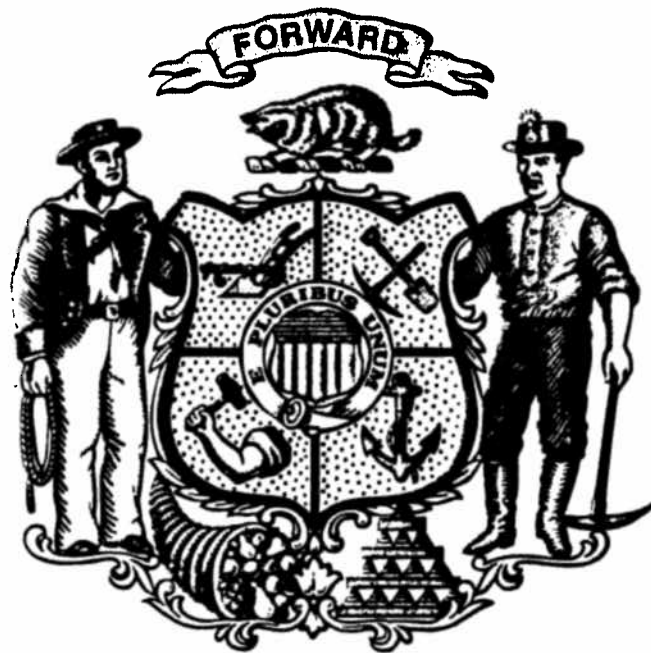
Sincerely,

Laurie A. Pagel

130 Kelly Way

Hortonville, WI 54944

920-779-9111



To: Representative Hines and Assembly Public Health Committee Colleagues

From: Diane C. Reis, MD/MPH student, University of Wisconsin School of Medicine and Public Health

Re: Please support AB 834

Assembly Public Health Committee members:

My name is Diane Reis. I am currently in my third year of school at the University of Wisconsin, pursuing my medical degree and a Master's in Public Health. I hope to pursue a career in either family medicine or primary care pediatrics and have a strong interest in working with underserved communities. I also strongly believe that the future of medical care must be more oriented towards promoting healthy lifestyles and preventing disease than intervening once pathology exists. I am sharing this with you not because this is anything particularly extraordinary, but rather because I am hoping to be exactly the sort of doctor that, statistically, the State of Wisconsin needs. There are already primary care shortages in some areas of the state and these are predicted to increase in the coming decade.

I am here today to tell you a few of the reasons why I would like to practice in a smoke free state:

- Helping patients quit smoking over the long term is one of the biggest challenges a primary care physician faces, and the single biggest thing we can do to help someone improve their health. Patients say that places like bars and restaurants where they are around others who are smoking are some of the most challenging places to maintain their resolve to quit. By passing the Breathe Free Legislation, we will be helping doctors and patients;
- Asthma in children and chronic lung diseases in adults are pervasive and dangerous. These patients are more sensitive than most to indoor air quality. As a future physician, I believe that we have a duty to protect these vulnerable people;
- Everyone has a right to a fair shot at good health. Right now, those people with more education and a higher income, who already have longer, healthier lives, are likely to be able to choose to work in a smoke-free environment. The poor, the less educated, and minorities, on the other hand, are more likely to have no choice but to work in a place where they are constantly exposed to smoke. Wisconsin received a D for health disparities in the *Health of Wisconsin Report Card* released last summer. I want to practice in a state that aims higher;

- I look forward to having children in the future and want to raise those children in a state where they will have the least possible exposure to cigarette smoke;
- Most importantly, it is a big job helping people and families live healthier lives. No matter how many doctors, public health workers, and other providers we have, this is not something that we can accomplish alone. I want to practice in a state that partners with its providers to offer its citizens the best health possible, and that includes smoke free workplaces.

Thank you for your time, attention, and support for this critical piece of legislation. I am happy to answer any questions.

Sincerely,

Diane C. Reis

dcreis@wisc.edu

608-354-5831



Smoke Free Air

Since the Senate hearing last year, much has happened in the area of providing citizens with a smoke free atmosphere - entire countries have now gone smoke free, additional states, cities and counties around the country have - and here we are finally having a second public hearing.

We all know much is regulated on behalf of our citizens through our elected representatives - and I would like to stress that word - representatives! We make sure that in restaurants, that which is to be hot is kept hot (even to the specific temperature expected), to be kept cold is kept cold, making sure the facility is kept clean, employees wash their hands often and especially after using washroom facilities.

We put up stop signs, make sure children are placed in car seats, and so much more.

Consider some of the recent headlines:

In Minnesota, there is a consideration of a ban on the amount of chemicals that would be allowed in child products by the Minnesota legislators. And many other states considering a ban on bisphenol-A (BPA) which may be linked to developmental problems in children and reproductive issues.

Our state wide DNR air quality advisory has gone on for several days now - alerting citizens to the dangerous risks of being outside for those with health issues of young, older, heart issues, lung and asthma and even athletes are warned to work less strenuously.

Health care costs on pace to double by 2017! As if they were not a major problem to all of us now.

And, again, concern of the power of lobbyist in the case of one of the presidential hopefuls - the influence of money in the legislative process!

As we consider just these headlines, consider that an individual cigarette contains thousands of chemicals - and all bad for all of us, let alone children. Can we all imagine for a moment if the DNR and other health officials feel that the outside air poses a real

health risk - what would the air quality measurement be inside an enclosed area filled with smoke from tobacco products!

The cost of health care is being discussed at every level and impacts upon the lives of every citizen in this state - from delivery to availability to cost - it would seem appropriate to begin doing things that would offer some help through clean air.

And, the influence of money of the few and its impact upon the many. The huge majority of citizens in this state and across this nation do not smoke - and the majority of all citizens wish to have a "clean" clean air act passed.

As one looks at the issues of the overall environment, providing for universal health care, campaign finance reform which will lessen the power of the purse, and finding ways to eliminate the negative partisanship that is one of the root causes of a failure to legislate through intelligent and thoughtful discourse are in many cases complex problem solving issues.

Passing a smoke free air act is not one of them!

Shunning big tobacco money influence and their conduits such as the Tavern League simply require courage and strength of character to do the right thing based on the request of the majority of organizations, businesses and citizens of Wisconsin.

Running a bar and/or restaurant has always been risky - but as one who has spent over 50 years in and around family businesses and teaching business practices - the one thing you will hear from every good business person - give me a level playing field and I can compete with the best of them.

Great location, excellent employees, fun activities, welcoming atmosphere and ambience, prices appropriate for my food and beverages, adapting to changing needs and desires of clientele,

and solid business practices are some of the things that allow a business not only to stay in business but to prosper and grow.

So, lets take care of both the health issues for those that must work in this leisure field (especially in the northern counties) and those who wish to enjoy an evening out with all members of their families and also level the playing field now so that businesses know they no longer have the question of when - when will I have to make that choice - and let them go about the business of doing the things that will not only keep their present customers coming, but will allow them to court a whole new set of customers - the 80% of the citizens who do not smoke!

Thank you,

Steve Anderson

Eau Claire, WI

Past Chair, Burnett County Democratic Party



Table 3. Percent Reporting Upper Respiratory Symptoms at Baseline and Follow-up and Results of Paired T-Test Analyses* (Non-Smokers; N=230)

Upper Respiratory Symptoms (past 4 weeks)	Percent Reporting Symptom		Paired t-tests
	Baseline	Follow-up	
Wheezing or whistling in chest	31%	21%	.001
Shortness of breath	41%	30%	.001
Cough first thing in the morning	43%	33%	.014
Cough during the rest of the day/night	52%	32%	.000
Cough up any phlegm	53%	34%	.000
Red or irritated eyes	70%	48%	.000
Runny nose/irritation, sneezing	78%	57%	.000
Sore or scratchy throat	61%	38%	.000

* 2-tailed test



Day One: No huffs, fumes or butts

A statewide smoking ban began today, and business owners have been preparing for a new era.

SUPERIOR, WIS.

In the past months, six Minnesota bar bands have dialed up Tyomies Bar in Superior, Wis., looking to book gigs at the bar located a skip across the bridge from Duluth. Down the street, Shooter's Saloon has doubled its wait staff from two to four and a few blocks away, High Fives On 5th has added five tables.

The Superior watering holes are bracing for more business from Minnesotans leaving their home state to escape a statewide smoking ban that went into effect at 12:01 a.m. today.

"Oh yeah," said Sheila Kyrola, a manager at Tyomies. "They're looking for new bars."

Lighting up almost anywhere indoors in Minnesota will be prohibited as of today, when it joins 17 other states that have statewide smoking bans.

Restaurants, bars and private clubs are expected to be affected the most, and their owners are the most anxious.

The ban promises to change the way many Minnesotans socialize and how local businesses operate, especially in border towns, where nonsmoking and smoking bars may soon be almost close enough for secondhand smoke to drift from one to the other.

Some fear that patrons who don't cross state lines might jump ship to casinos on Indian reservations, where smoking will be allowed, while others may simply drink and smoke in their own homes.

Bracing for the ban, bar owners have been making last-minute trips to home improvement stores to pick up extra propane heaters. Outdoor areas, where smoking is permitted, have been added in many places.

"They're doing patios, outdoor facilities to try and make their customers have a spot to have a cigarette so they don't have to get in a car and leave," said Kenn Rockler, of the Minnesota Tavern League.

Otis Trujillo, owner of LaFonda de Los Lobos in Eagan, said he has begun a \$50,000 remodeling of a dining room in anticipation of massive losses from his sports bar on another floor. But he will not spend money on outdoor patios until he gets more information about how local governments will react. Local governments are permitted to enact stricter standards than the state law.

"If smoking is what kept you away, I'm giving you something new," Trujillo said. "As far as constructing new walls and putting up tents outside, we're not doing that until I get direct definition of what's allowed."

Hoping for change, few bumps

The Minnesota Department of Health and local health officials have distributed thousands of information packets to about 7,000 food and beverage establishments reminding them of the new law.

The expressed intent of the law, Minnesota's Freedom to Breathe Act, is to protect workers from the dangers of secondhand smoke. But antismoking advocates have not been shy about their hopes for other consequences -- that fewer people will smoke.

"Smoking becomes something you have to interrupt your social activity to do. Because of that, you just cut down more," said Mike Maguire, a spokesman for the Midwest Division of the American Cancer Society. "We expect a pretty smooth transition with just a few bumps."

In Ohio, though, where a statewide ban took effect this year, many businesses appeared to be openly violating the law. More than 13,000 complaints about smoking were reported during the ban's first four months, according to one newspaper account.

But in Minnesota "for the most part people will comply," predicted Dr. Jane Korn, medical director for the Health Promotion and Chronic Disease Division of the Minnesota Department of Health. "We're just going to rely on Minnesotans being law-abiding citizens."

Hope across the border

Kelly Kuyath is hoping she can counter an expected drop in business at Kelly's Riverview Bar in Red Wing by adding a grill for food and an outdoor smoking shelter. Ninety percent of her clientele smokes.

"I hate to see it," Kuyath said of the ban. "It's awful."

She estimates that the smoking shelter will cost \$20,000. Like many business owners, Kuyath sees the state's infamous winter as a nemesis that will push customers into Wisconsin.

"It'll be a tough year," she said.

As Kuyath opened beers at one end of the bar, customer Skip Schroeder of Red Wing sat at the other, taking drags from a Doral Menthol and sipping a Heileman's Old Style Beer.

"I got a bar at home," said 54-year-old Schroeder, who has smoked since he was 8. "I'm not going to stand outside and smoke cigarettes."

Several smokers across the state said they worried about the ban's financial impact on local businesses but also said they don't plan to patronize those businesses as often or ever again despite their possible demise. Smokers have become second-class citizens, they said. It's a matter of principle.

"Smoking is more important than friends," said Gary Lien of Diamond Bluff, Wis. "I mean that."

Border town bars have another hope. A proposed statewide smoking ban in Wisconsin is stalled in a state Senate committee, but some Wisconsin bar owners have said they're fated to see the same restrictions as their Minnesota counterparts.

'Smokers are tough'

If Gene and Susan Holman's experience is any indication, bar owners might be waiting awhile for the dust to settle. They own the Lumberjack Lounge in Cloquet, Minn., in Carlton County, which enacted a smoking ban in June.

Business at the Lumberjack is down 40 percent as customers travel to nearby counties or the Black Bear Casino, they said.

"There's nothing you can do but pray that your customers are loyal," Susan Holman said.

When Mike Gengler, owner of Gulden's in Maplewood, went smoke-free several years ago, he said, he watched as customers drove up the road to establishments in White Bear Lake in Washington County. Twenty-five percent of his business comes from the bar.

Gulden's has redone its menu, will keep later hours for serving food, and even is considering changing its hours for karaoke to attract more non-smoking customers. But Gengler, who has owned the bar and restaurant for 17 years, does not expect his old smoking customers to come back.

"Honestly, smokers are tough," he said. "They may come and have a couple, but I can't imagine them staying all night. A lot of people are going to be out in their garages."



Smoking ban hits many Nevada taverns hard

Many establishments gave up food services for gamblers and smokers

LAS VEGAS (AP) — Revenue has dropped at many taverns — as much as 30 percent in some locations — because of customers shooed away by the state smoking ban in establishments that serve food.

The prohibition against smoking, which took effect in January, sent gamblers who want to light up while playing slot machines to traditional casinos or one of the few taverns built before 1992 that have 35 slot machines and are exempt because the businesses were classified as casinos.

"There are a lot more challenges for an operator than ever before," said Joseph Wilcock, president of the Nevada Tavern Owners Association.

Wilcock estimates that 75 of the association's roughly 300 members gave up food service to keep their gambling and smoking patrons. Most

of the membership, he said, is complying with the smoking ban "but are losing their shirts."

None, Wilcock said, wanted to give up the moneymaking slot machines.

Roger Sachs, co-owner of the three Las Vegas-area Steiner's taverns, said friendly service, good food and a lively atmosphere help keep customers from taking their business to a more traditional restaurant.

Sachs said the gambling devices made

Steiner's three locations profitable.

Since January, however, revenues from the slot machines are off 29 percent to 35 percent at each location.

"We probably do as well on food as anybody because that's something we wanted to establish," Sachs said. "But other places might take a monthly loss of \$10,000 on food but made it up with the gaming. That's not the case now because the business is not there."

Herbst Gaming is Nevada's largest slot route operator with approximately 7,200 slot machines in 700 locations throughout the state.

In the third quarter, Herbst said revenues from the company's route operations were \$66.1 million in the three months ended Sept. 30, a 21 percent drop over the same period in 2006.

For the first nine months of 2007,

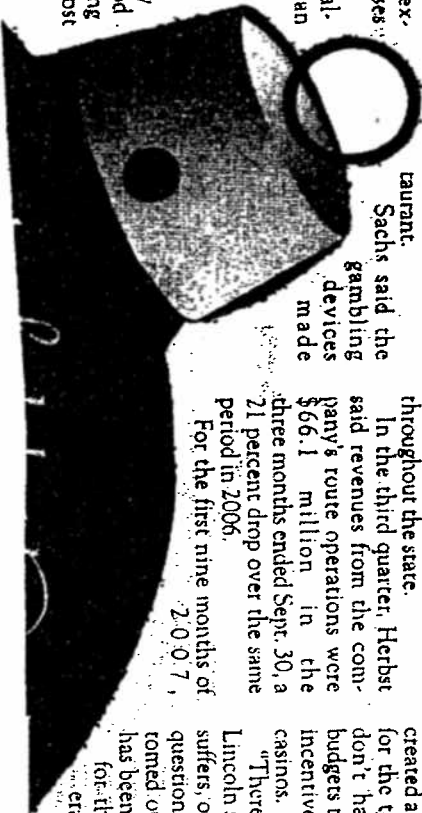
Herbst's slot route operations generated \$212.5 million, 19 percent less than the same nine-month period in 2006.

"There is no question the smoking ban had a dramatic impact on our route operations and has fundamentally changed the slot route industry," Herbst Gaming President Ed Herbst told gaming analysts following the earnings release.

United Coin Machine, which operates about 6,000 machines in more than 400 locations statewide, is experiencing similar losses in revenue.

United Coin President Grant Lincoln said the smoking ban created an uneven playing field for the tavern operators, who don't have the promotional budgets to match the customer incentives offered by the large casinos.

"There's not a lot we can do," Lincoln said. "As their volume suffers, our volume suffers. The question is, have we truly bottomed out? The smoking issue has been a fairly crushing blow for the average tavern operator."





30 States Allow smoking in Bars

With all the talk in the media lately one might get the impression Wisconsin is the only state not to have a smoking ban. In fact, 30 states in the USA allow smoking in bar areas which do not serve food. To see the list go to:

http://en.wikipedia.org/wiki/List_of_smoking_bans_in_the_United_States.

The following states all allow smoking in bars that don't serve food.

Alabama
Alaska
Arkansas
Florida
Georgia
Hawaii
Idaho
Indiana
Iowa
Kansas
Kentucky
Louisiana
Michigan
Mississippi
Missouri
Montana
Nebraska
Nevada
North Carolina
North Dakota
Oklahoma
Pennsylvania
South Carolina
South Dakota
Tennessee
Texas
Virginia
West Virginia
Wisconsin
Wyoming



Economic Impact of Smoking Bans

"There are three kinds of lies: lies, damn lies and statistics"

Mark Twain's Autobiography (1924), quotes this as a remark attributed to Benjamin Disraeli

Smoking ban proponents often point to studies purporting to show smoking bans have little to no economic impact. However, these studies are often contradicted by many business owners' personal experiences, as well as studies and experiences indicating smoking bans are bad for business. It is ironic that ban proponents often discredit the oppositions' understanding of Environmental Tobacco Smoke (ETS) science, while professing to comprehend the potential economic impact better than those in the hospitality industry.

When looking at ban-supporters' economic claims, be aware that they will:

- Include fast-food and other locations that haven't allowed smoking for years;
- Exclude those places that have closed during the reporting period (partial-year licensees);
- Point to marginal economic growth while surrounding jurisdictions experience significantly increased business; and
- "Cherry-pick" data to support their assertions

The bottom line for economic impact is simple: smoking bans most impact businesses that serve smokers as a significant portion of their customer-base. When government-mandated smoking bans are implemented, all restaurant and bar owners suffer a loss of freedom.

Below are excerpts from a few of the more prominent and recent studies regarding the economic impact of smoking bans (see enclosed disk for full-text):

Dallas Restaurant Association Study

In January 2003 the Dallas City Council passed a smoking ban in restaurants, hotels, bowling centers and other public places effective March 1, 2003. One year later, the Dallas Restaurant Association asked two professors of applied economics at the University of North Texas in Denton to examine the effects of the smoking ban a year after implementation. The study found that the smoking ban:

- ***Contributed to an \$11.8 million decline in alcohol sales.***
- ***Restaurants experienced drops in alcohol sales ranging from 9% to 50%.***
- ***Caused at least 4 restaurant closings.***

("The Dallas Smoking Ordinance One Year Later; A Report on the Impacts of the City of Dallas Smoking Ban on Alcoholic Beverage Sales", Terry L. Clower, Ph.D. & Bernard L. Weinstein, Ph.D., October 1, 2004)

New York Nightlife Association/Empire State Restaurant and Tavern Association Study

In July 2003 the state of New York banned smoking in all enclosed public places of employment. In May 2004 Ridgewood Economic Associates, Ltd. conducted a study on the impact of the ban on bars and restaurants. The study found that that ban had cost the bar and tavern industry:

- ***2,000 jobs (10.7% of actual employment)***
- ***\$28.5 million in wages and salary payments***
- ***\$37 million in gross state product***

("Economic Impact of the New York State Smoking Ban on New York's Bars", Ridgewood Economic Associates, Ltd. May 12, 2004)

National Restaurant Association Study

In 2004, the National Restaurant Association engaged Deloitte & Touche LLP to study the economic impact of smoking bans in thousands of restaurants. The study examined the impact of government-imposed smoking bans on the sales and profits of individual table service restaurants. The analysis used data from national samples of restaurants collected during five different years during the 1990 to 2000 period. The study included information on the features of the ordinances applicable to the restaurants and the economic and demographic characteristics of the communities where the restaurants were located. The research found:

- ***Non-smoking ordinances have a statistically significant impact on the sales and profits of individual restaurants in certain cases.***
- ***A temporary negative impact on restaurant sales was found in cases where 100 percent smoking bans (excluding the bar area) were in effect at the county level. The estimated declines in annual sales ranged from roughly 49 to 55 percent at restaurants where such bans were enacted two to three years prior to the survey.***
- ***Restaurant sales declined in areas where 100 percent smoking bans (excluding the bar area) had been enacted at the place level. Annual sales declines were estimated at 36 percent at restaurants where these bans were enacted four or more years earlier.***
- ***In cases where significant declines in sales were estimated, gross profit tended to decline by a somewhat greater percentage.***
- ***A positive impact on total restaurant sales and gross profit was found in cases where place-level ordinances reserved the majority of seating for nonsmokers but allowed some smoking. In cases where these ordinances were enacted two to three years before the survey, sales were estimated to increase 36 percent and gross profit was up 37 percent. In cases where these ordinances went into effect four or more years ago, sales were up 43 percent and gross profit increased 42 percent.***

(*"The Impact of Non-smoking Ordinances on Restaurant Financial Performance"*, Deloitte & Touche LLP, February 2004)

Restaurant Association of Maryland Study

In October 2003 Montgomery County passed a smoking ban in most enclosed public places, including bars and restaurants. In April 2004 Talbot County began enforcing a similar ban. The Restaurant Association of Maryland tracked tax data from the Maryland Office of the Comptroller and found:

In **Montgomery County** between April and December 2004:

- ***Sales tax receipts for restaurants with liquor licenses grew by only \$110,480, or .025 percent, while receipts in neighboring Frederick County grew 7 percent over the same period.***
- ***The number of restaurants with liquor licenses fell to 402 by the end of December 2004 from a high of 526 in March 2003.***
- ***The number of beer keg sales declined by 2,366 kegs.***

In **Talbot County** between May 2004 and December 2004

- ***Restaurant sales tax receipts fell by \$2.9 million or 11 percent, while sales for similar establishments in neighboring Caroline County increased by 36 percent and in Dorchester County by 14 percent.***
- ***The number of restaurants/bars with liquor licenses remitting sales tax to the State declined from a high of 39 establishments in November of 2003 to a low of only 29 establishments by the end of December 2004.***

(Independent data analysis by the Restaurant Association of Maryland, Melvin Thompson)

Economic Impact of Smoking Bans in Ottawa, London, Kingston and Kitchener, Ontario

In a February 2005 study conducted by Michael K. Evans, Ph.D of Evans, Carroll and Associates of smoking ban in bars and pubs In Ontario, Canada, the results were striking. The analysis determined:

- ***After the imposition of the smoking ban, sales at bars and pubs were 23.5% lower in Ottawa, 18.7% lower in London, 24.3% lower in Kingston, and 20.4% lower in Kitchener, than would have been the case with no smoking ban.***

("The Economic Impact of Smoking Bans in Ottawa, London, Kingston, and Kitchener, Ontario", Michael K. Evans, Ph.D., February 2005)



Smoking Bans Hurt Taverns - Period.

There have been a number of studies done regarding smoking bans which reach different conclusions. One constant in most every study is that the bar business is negatively impacted. Research done regarding smoking bans never isolates the experience of establishments in which the predominant activity is drinking as opposed to eating.

When taverns are isolated in the research the results are dramatic. Smoking bans do not impact fast food chains or typical restaurants as negatively as establishments where eating is not the primary activity. When anti-smoking advocates cite studies showing smoking bans do not effect taverns there data includes a majority of limited service or full service eating establishments which skew the data.

Here is what data from around the world has said about smoking bans and taverns:

“Research confirms the negative economic impact of the smoking ban on Dublin pubs with average sales down 16% and employment levels cut by 14%.” Licensed Vinters Association; Dublin Ireland.

“The results are striking. After the imposition of the smoking ban, sales at bars and pubs were 23.5% lower in Ottawa, 18.7% lower in London, 24.3% lower in Kingston, and 20.4% lower in Kitchener, than would have been the case with no smoking ban.”
Economic Impact of smoking bans in Canada; Evans, Carroll & Associates.

“This examination of Wisconsin restaurants and bars indicates that smoking bans exert effects on profits that vary by establishment, and that bars are more likely to experience losses than restaurants.” Dunham & Marlow.

“Our estimates indicate that non-smoking ordinances have significant effects on restaurants sales and profits. We strongly reject the hypothesis that these ordinances have no impact on individual restaurants.” National Restaurant Association Study by Deloitte & Touche LLP.

“The enactment of the New York State smoking ban has had a dramatic negative impact on the bar and tavern business and related businesses. The total economic impact is: 2650 lost jobs, \$50 million lost in wages, \$71.5 million in gross state product.”
Ridgewood Economic Associates, Ltd.



Comparison of Senate Bill 150 and Assembly Bill 834

	AB 834	SB 150, As Amended by Senate Committee On Public Health
Restaurants	Yes	Yes
Bars	Yes	Yes
Workplaces	Yes	Yes
Exemptions	<ul style="list-style-type: none"> • Private residences • Private rooms in nursing homes • 25% of hotel/motel rooms; lodging with less than 4 rooms can designate one smoking room • Tobacco retailers who derive no less than 80% of income from on-site tobacco sales 	<ul style="list-style-type: none"> • Private residences • Private rooms in nursing homes • 25% of hotel/motel rooms; lodging with less than 4 rooms can designate one smoking room • Cigar retailers who derive no less than 50% of income from on-site tobacco sales • Places of employment operated by a manufacturer, importer, wholesaler, or distributor of tobacco • Places of employment operated by a tobacco leaf dealer or processor • Tobacco storage facilities • Bars and certain restaurants until January 2010
Penalties	\$10-\$100; \$50-\$500	\$10-100, \$50-\$500
Effective date	January 1, 2009	January 1, 2009; effective date for bars and certain restaurants delayed until January 1, 2010
Outdoor areas	In the immediate vicinity of the state capitol; on the grounds of a juvenile correction facility; outside on the premises of a day care center; and within 25 ft of dorms	In the immediate vicinity of the state capitol; on the grounds of a juvenile correction facility; outside on the premises of a day care center; and within 25 ft of dorms
Preemption	No	No



TLW's Big Hearts Keep Giving...

Once again the members of the Tavern League of Wisconsin demonstrated the big hearts they possess by this years charitable contributions. The total sum of money given this year was an amazing \$5,706,034! Through the efforts of our local and state chapters, 3010 charities benefited.

The amount of money donated is astounding. We have increased donations despite the fact that sales have been flat or on the decline in many areas of the state and significant amounts of money have been spent supporting SafeRide programs and fighting smoking bans.

Hats off to the big hearts of our TLW members. Thousands of people are better off because of the work you do and your generosity. Keep up the good work; many Wisconsinites are counting on you.

County	Amount raised ..	# of Charities		
Adams County.....	\$54,958.....	77	Milwaukee County	
Barron County	\$65,053.....	76	Hospitality	\$392,851.....176
Brown County.....	\$351,058.....	39	Oconto County	\$11,845.....110
Burnett County	\$46,506.....	45	Oneida County	\$125,442.....83
Calumet County	\$12,190.....	33	Oshkosh City.....	\$3,310.....8
Chippewa County	\$35,661.....	24	Outagamie County	\$47,170.....150
Clark County	\$70,338.....	196	Ozaukee County	\$54,855.....17
Dodge County	\$7,293.....	69	Pierce County	\$75,000.....105
Door County	\$24,050.....	27	Portage County.....	\$46,915.....174
Eau Claire City/County	\$74,447.....	33	Price County	\$175,000.....32
Grant/Iowa County.....	\$32,000.....		Racine City	\$103,630.....47
Green Lake Area.....	\$12,860.....	5	Racine County.....	\$102,395.....15
Jackson County	\$142,250.....	100	Sauk County	\$70,250.....77
Juneau County	\$25,213.....	186	Sawyer County	\$8,800.....14
Kenosha City.....	\$219,362.....	55	Shawano County	\$1,389,275.....323
Kenosha County	\$153,200.....	40	St. Croix County.....	\$32,912.....19
Kewaunee County	\$67,250.....	89	Superior/Douglas County ..	\$10,600.....5
La Crosse City/County	\$887,700.....	180	Walworth County	\$44,400.....61
Lakeland Area.....	\$135,889.....	31	Washington County	\$116,249.....10
Langlade County.....	\$15,650.....	6	Waukesha County.....	\$86,000.....3
Madison/Dane County	\$5,300.....	1	Waupaca County.....	\$150,000.....150
Manitowoc County.....	\$168,800.....	75	Waushara County	\$19,200.....3
Marathon County	\$20,000.....	1	Wood County.....	\$10,918.....33
Marinette County	\$1,990.....	7	Total	\$5,706,034.....3010



Wisconsin's Mom and Pop Tavern -A Rich and Storied History

Travel anywhere in the country and you will not find anything like the Wisconsin Mom and Pop tavern. Taverns can be traced back to early German and Irish immigrants who brought their culture of meeting at the local tavern with them to Wisconsin.

Not only does the Wisconsin tavern have a special place in our history, it also plays an important role in our state's economy. There are over 14,000 licensed establishments in Wisconsin-putting us near the top of licensed establishments per capita in the country. That translates into over 24,000 jobs and an economic impact of over \$1 billion into Wisconsin's economy from Wisconsin's licensed beverage industry.

Last year the Tavern League of Wisconsin Foundation and its members contributed over \$5.7 million to over 3,000 state and local charities, further demonstrating the local bond the Mom and Pop tavern has to their community and Wisconsin Charities.

Most members of the Tavern League of Wisconsin do not have a retirement plan; instead, their business is their 401k and after years of working many sell their business and use the sale of their business to retire on.

Many small Mom and Pop business owners have little or no health insurance. They struggle to pay rising health care costs and keep their fingers crossed that they do not get sick or face a serious illness.

After paying all of their bills for employee wages, beer liquor, wine, food, insurance, heating, electricity, local, state, and federal fees and taxes, small business tavern owners pocket the rest, which is enough to raise their families and earn a living. They are not big business or fast food restaurant chains- instead they are the smallest of business owners who work hard to try to earn a living in the hospitality industry.

Considering all these factors, it is easy to see why the members of the Tavern League of Wisconsin are so strongly opposed to a statewide smoking ban in their businesses. It will significantly hurt their bottom line, which will squeeze already tight margins and jeopardize their future retirement nest egg. For many, the Mom and Pop tavern is an easy target and their survival is insignificant.

Please take the time to listen to the hundreds of Tavern League of Wisconsin members in your district. From the corner bar to the classic Wisconsin supper club, TLW members are opposed to Senate Bill 150 and urge your opposition to a statewide smoking ban.





SMOKING BANS

HURT BUSINESS

*"Don't allow our taverns to have smoking
but let them smoke in the casinos. How fair is that?"*

- Pete Olson - The Corner Bar - Black River Falls



Smoking Bans Hurt Taverns - Period.

Restaurant group wants government to do dirty work on smoking ban
- Milwaukee Post

Washington County Board snuffs out smoking ban
Health issue, infringement of rights debated
- GM Today Staff

"This examination of Wisconsin restaurants and bars indicates that smoking bans exert effects on profits that vary by establishment, and that bars are more likely to experience losses than restaurants."

Dunham & Marlow

"Our estimates indicate that non-smoking ordinances have significant effects on restaurant sales and profits. We strongly reject the hypothesis that these ordinances have no impact on individual restaurants."

National Restaurant Association Study by Deloitte & Touche LLP

There have been a number of studies done regarding smoking bans, which reach different conclusions. One constant in most every study is that the bar business is negatively impacted. Research done regarding smoking bans never isolates the experience of establishments in which the predominant activity is drinking as opposed to eating.

When taverns are isolated in the research the results are dramatic. Smoking bans do not impact fast food chains or typical restaurants as negatively as establishments where eating is not the primary activity. When anti-smoking advocates cite studies showing smoking bans do not effect taverns their data includes a majority of limited-service or full-service eating establishments which skew the data.

Here is what data from around the world has said about smoking bans and taverns:

"Research confirms the negative economic impact of the smoking ban on Dublin pubs with average sales down 16 percent and employment levels cut by 14 percent."

Licensed Vinters Association; Dublin Ireland

"It's funny because they pushed for this ban to protect the employees. I had a good full-time job that has been reduced to occasional part-time. I chose to work at the bar and someone else decided I shouldn't."

That's wrong. I like my job."

- Kris Gilmore - Bartender, Madison

"The enactment of the New York state smoking ban has had a dramatic negative impact on the bar and tavern business and related businesses. The total economic impact is: 2,650 lost jobs, \$50 million lost in wages, \$71.5 million in gross state product."

Ridgewood Economic Associates, Ltd.

Dunn smoking ban plan derailed
Panel majority says it's intrusive
- Monrovia News Bureau

Continued from page 2

Wisconsin's Mom and Pop Tavern - A Rich and Storied History (Cont.)

Many small Mom and Pop business owners have little or no health insurance. They struggle to pay rising health care costs and keep their fingers crossed that they do not get sick or face a serious illness.

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Market, Not Government, Should Shape Our Habits

January 28, 2007

It probably should be stated at the outset that if everybody stopped smoking tomorrow, the world would be a healthier place. But smokers should not be forced to give up their bad habits by government decree, as Governor Jim Doyle proposes.

First, Doyle seeks a 163 percent tax increase on a pack of cigarettes, from 77 cents to \$2.02, raising Wisconsin's tax from the middle of the pack to the fourth highest in the nation. We have to wonder if the people who voted to give Doyle a second term would have done so if they knew he was planning to introduce an estimated \$300 million per year tax increase within a month of retaking the oath of office.



And this is a tax that hurts working people the most. For many low- and moderate-income people, their cigarettes are the only luxury they can afford, and many will be reluctant to quit even if the state wants them to for their own good—not likely since the governor now proposes to balance the budget with smokers' tax dollars.

This will be a windfall for the Oneida Nation, where local smokers can flock to buy tax-free cigarettes, but not for the businesses they patronize now.

Second, Doyle proposes a statewide ban on smoking in "public places," a bit of a misnomer because he means not just publicly owned buildings, but anywhere the public gathers, including taverns, restaurants and bowling alleys. Business owners will no longer have the option to have smoking and non-smoking sections—Big Brother says they all shall be no smoking sections, period.

It's a debate that has been played out in more than two dozen communities around the state—the rights of business owners versus the rights of non-smokers. An argument can be made that a statewide ban is fairer to business owners than the piecemeal, city-by-city approach. But in a free economy, the most fair approach is to let the market decide. If consumers truly wanted a completely smoke-free society, businesses that allow smoking would simply disappear.

Legislators will be asked to approve Governor Doyle's tax increase and his usurpation of business owners' private property rights. We suggest they hear from people who think taxes are already high enough and that the market should decide whether businesses go smoke-free.

From Green Bay Press Gazette

The Economic Impact of the New York State Smoking Ban on New York's Bars

I. Executive Summary

Since its passage in July 2003 a significant amount of anecdotal evidence has suggested that New York's statewide smoking ban has negatively affected bars, clubs and taverns across New York state. Countless media accounts have described a dramatic drop in customers for bars throughout the state, as well as a steep decline in bar revenue and significant job losses.

To date the only statistical evidence put forth to gauge the ban's economic impact has analyzed the combined revenue and job totals from both restaurant and bar industries. The following economic study is the first detailed economic analysis focused exclusively on the economic effects of the state smoking ban on New York state's bars. This report measures the direct and indirect economic impact of the New York smoking ban on bars, taverns and clubs*.

The major findings are that the passage of the state smoking ban in 2003 has directly resulted in a dramatic loss in revenue and jobs in New York's bars, taverns and clubs.

Specifically, the following statewide economic losses have occurred in New York's bar and tavern industry as a direct result of the statewide smoking ban:

- 2,000 jobs (10.7 percent of actual employment)
- \$28.5 million in wages and salary payments
- \$37 million in gross state product

In addition, there are indirect losses to other businesses which supply and service the state's bars and taverns:

- 650 jobs
- \$21.5 million in labor earnings
- \$34.5 million in gross state product

In summary, the enactment of the New York state smoking ban has had a dramatic negative impact on the bar and tavern business and related businesses. The total economic impact is:

- 2,650 jobs
- \$50 million in worker earnings
- \$71.5 million in gross state product (output)

**This analysis, defines bars, taverns and clubs using the following North American Industry Classification System (NAICS) definition: "This industry comprises establishments known as bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcoholic beverages for immediate consumption. These establishments may also provide limited food services."*



The Economic Impact of Smoking Bans in Ontario

Smoking bans have been imposed upon numerous jurisdictions in Ontario over the past several years. This study analyzes the impact of these bans on sales and tax receipts at bars and pubs in Ottawa, London, Kingston, and Kitchener.

*“George Orwell is smiling down at us all—
Big Brother has arrived.”*

- Rusty Griffin - customer - Chetek

The analysis for Ottawa is based on separate calculations for the main downtown area, the remaining downtown area, the west side residential area, and the east side residential area.

The results are striking. After the imposition of the smoking ban, sales at:

- Bars and pubs were 23.5% lower in Ottawa, 18.7% lower in London, 24.3% lower in Kingston, and 20.4% lower in Kitchener, than would have been the case with no smoking ban.

Statistical analysis was used to determine the economic impact of the smoking bans and generate these results. In all cases, the ratio of sales or tax receipts at bars and pubs to total retail sales in the area are a function of the smoking ban, various economic variables and seasonal dummy variables. Data for bar and pub sales and tax receipts for these regions were obtained from the Ministry of Finance under a Freedom of Information request, as discussed below.

The economic variables that were significant include the value of the Canadian dollar relative to the U.S. dollar, the index of industrial production and the rate of unemployment. These data were obtained from Statistics Canada and other standard sources.

“I know it might get old, but this really sums it up best—you don’t like smoking, then DON’T GO IN THAT PLACE! Why is it we all get that, but the Nanny Staters in Madison don’t?”

- Rod Fischer - Relocation Pub & Eatery - Wausau

Over the past decade, anti-smoking activists have prepared a series of papers purporting to show that smoking bans have no negative impact on sales at eating and drinking establishments. These papers are seriously flawed by several errors, which have been corrected in this study. Some papers measured the impact of the ban only in the month in which it was imposed; we show that the effect is phased in gradually over several months. Other papers failed to treat different types of restaurants separately and have not separated bar and pub sales; we were able to accomplish this through the FOI request. Still other papers either ignored economic variables completely or used simplistic trends; we have used a variety of economic variables and included them with the proper lag structures. As a result, our findings are statistically accurate and econometrically robust. Smoking bans materially reduce sales at bars and pubs.

“Milwaukee’s storied history of the corner bar is in jeopardy if this passes.”

- Sharon Ward - Wardski’s - Milwaukee

“It’s funny to hear all these politicians cry about keeping government out of our business and then they get elected and do just the opposite. It is no wonder people don’t trust or hold politicians in high regard.”

-Bonnie Harper - Bonnie’s Labor Temple - Eau Claire



Founding Fathers Would Have Rebelled Over Ban on Smoking

When Paul Revere and Patrick Henry got together with the Sons of Liberty to talk about revolution over ale and a pipe, they met at the Liberty Tree Tavern or the Green Dragon in Boston.

Nearly 240 years later, a similar crowd gathered around a bar on the east side of Cincinnati in late February, to talk about government tyranny. The conversation was as spirited as the drinks. Smoke filled the air, and not all of it was from Marlboros and Winstons.

They came from AJ's Roadhouse, Odell's Sports Bar, the Wagon Wheel, Annie's Rustic Tavern, Head First Sports Café, and Deer Park Inn.

They own taverns, sports bars, saloons, neighborhood bars—whatever you call the little watering hole down the street where you can count on good food, cold beer, no ferns and plenty of ashtrays.

And they shared the same story: they say business is down 40 percent for bars that enforce Ohio's smoking ban, so most are ignoring or defying the law. And if they don't throw it overboard like tea in Boston Harbor, business will go down the drain like spilled beer.

"Ninety-five percent of my customers are smokers," said Barbara Wolf, who bought Brother's Café in Silverton 29 years ago. "Everyone who comes in is concerned, asking 'Am I allowed to smoke?' It's going to hurt. It's going to hurt a lot. I just feel like they have taken the rights of bar owners away."

Backers of the voter-approved ban insist that bar business has actually improved because more non-smokers are coming out. Don't tell it to this crowd.

"People who say that don't come to neighborhood bars," said Hermann Tegenkamp, owner of the Deer Park Inn. "Working people come to our places. It's a different group. And they won't come if they can't smoke."

As a former smoker, I know it's true. Smoking and drinking go together like longnecks and Hank Williams. Given a choice to shiver in the cold for a smoke, or stay home and be your own behavior boss, it's no contest.

Tegenkamp and about 200 bar owners drove to Columbus on February 27 to protest at a hearing of the Ohio Health Department. They might as well have petitioned King George III.

"They didn't listen to us," Tegenkamp said. "They just said we have to get used to it."

*"Is anybody paying attention?
Over 25 businesses closed in
Madison and Appleton and nobody does
anything, typical government response."*

- Terry Harvath, The Wishing Well Bar & Grill - Appleton



But maybe not. Tegenkamp has filed a lawsuit, and his lawyer is well-known civil liberties crusader Louis Sirkin, who says the law has problems.

He argues that it infringes on the rights of business owners in the same way eminent domain takes property. "As a businessman, I ought to be able to make my own decisions," he said. "The First Amendment includes free association. That's why we took the case."

The Ohio Supreme Court's strong ruling against eminent domain last year makes Ohio different than other states that have smoking bans, Sirkin said.

And there are due process issues. "Complaints are filed by anonymous tips that never have to be revealed," Sirkin said. "That's not even sufficient for probable cause to pat someone down at a bus stop."

Allowing enforcers to keep 90 percent of fines is another flaw, Sirkin said. "The Supreme Court has declared it is unconstitutional for a local mayor's court judge to fine you to pay (his) salary."

If Tegenkamp wins in court, the smoking ban could be snuffed out, Sirkin said.

Or the General Assembly could "tweak" the law, said Ohio Attorney General Mark Dann. "I think it's a defensible statute," he said. "But there are all kinds of unintended consequences, which is one of the weaknesses of legislating by ballot initiative. Even the originators of the petitions may not have anticipated some of the problems."

I don't think Patrick Henry and Paul Revere anticipated problems like this, either.

"What did the founders believe? I'll bet a helluva lot of 'em smoked, and a helluva lot of 'em made their fortunes on tobacco," said Sirkin, a former smoker.

"Our founding fathers wanted the right to be left alone. Now we have the smoking patrol and cameras on street corners. Big Brother is everywhere."

I don't agree with Sirkin on much, but he's right on this: bar owners and customers should have the liberty to choose smoking or non-smoking—without the Tobacco Redcoats.

Source: Cincinnati Enquirer



*"What would our founding fathers say about this?
This is much more than a debate on a smoking ban;
it is an erosion of our liberties and whether you
smoke or not, it should concern all of us."*

- Sue Robinson - Bourbon Street - Green Bay



2817 Fish Hatchery Rd. • Madison, WI 53713
Phone: (608) 270-8591 • Fax: (608) 270-8595



THE IMPACT OF SMOKING BANS ON BARS AND RESTAURANTS

SCOTT ADAMS AND CHAD COTTI

Over the past few years, a number of municipalities in Wisconsin have considered completely banning smoking in bars and restaurants. To date, only Appleton, Madison, and Shorewood Hills have passed comprehensive bans, but a recent proposal to ban smoking in bars and restaurants in the City of Milwaukee has placed the largest community in the state square in the middle of this issue. Controversy inevitably surrounds smoking bans, with advocates citing concerns for health of their consumers and employees as motivation for proposing bans, while bar or restaurant owners are concerned with the potential adverse impact on their business, and smokers are concerned about the infringement of their rights. Overall, the unknown impact on businesses tends to draw the most attention and is the focus of much of the debate. The health benefits created by this regulation are likely fair to assume, but what is the impact of a smoking ban on the average bar or restaurant? Are bars and restaurants impacted in the same way? Do different community characteristics have an impact on the outcomes of smoking bans? These are all questions that we will address in this discussion of the impact of



smoking bans on the bar and restaurant industries.

Background

The relatively small number of Wisconsin communities that have banned smoking is consistent with current trends in the Midwest. As shown on the next page in Table 1, only a small number of local governments in the neighboring states of Minnesota and Illinois have also been successful in banning smoking. But the relatively few ordinances in these states masks what appears to be a trend toward smoke-free eating and drinking establishments nationally. As of January 2006, thirteen states (California-1995, Utah-1995, Delaware-2002, Florida-2003, New York-2003, Connecticut-2003, Maine-2004, Idaho-2004, Massachusetts-2004, Rhode Island-2005, Vermont-2005, Montana-2005, and Washington-2005) had passed bans. Most of these bans were passed in recent years, which is in line with the upsurge in municipal ordinances since 2000 (See Figure 1). Further, the geographic distribution of the laws is striking as well, with every state but Tennessee home to

Scott Adams is an Assistant Professor in Economics at the University of Wisconsin-Milwaukee.

Chad Cotti is a Fellow at the Wisconsin Policy Research Institute.

TABLE 1 A SAMPLE OF CITIES AND COUNTIES IN WISCONSIN, ILLINOIS, AND MINNESOTA WITH SMOKING BANS ON BARS AND RESTAURANTS

Municipality	State	Effective Date of Ban
Wilmette	IL	7/1/2004
Highland Park	IL	6/1/2005
Minneapolis	MN	3/31/2005
Hennepin County	MN	3/31/2005
Golden Valley	MN	3/31/2005
Appleton	WI	7/1/2005
Madison	WI	7/1/2005
Shorewood Hills	WI	12/21/2004

For more information and a complete up-to-date list of cities, counties, and states that have enacted bans, see the Americans for Non-smokers Rights web page (www.no-smoke.org)

at least one comprehensive smoke-free ordinance. This recent growth suggests that the number of bans in Wisconsin will only increase. Because of this, finding evidence on the impact of existing ordinances on businesses is critical if policymakers are to make informed decisions.

Expected business impacts of smoking bans

As mentioned above, health concerns are often the driving force behind bans, because second-hand smoke is a potential concern for bar and restaurant employees and patrons. But the most contentiously debated point, however, is the economic impact on the restaurants and bars that must comply with these regulations. If laws do not cause significant harm to businesses as advocates argue, there remains no substantial cost to the legislation, as the net effect on health will at least be neutral and likely positive. If the laws do hurt businesses, however, as opponents argue, then policymakers must weigh the costs to businesses with the potential health benefits.

The controversy over the net effects on businesses is not resolved by appealing to economic theory, as both sides can claim support. The opposition claims that regulations will stifle the restaurant/bar businesses by reducing patronage of smokers, and hence limiting the

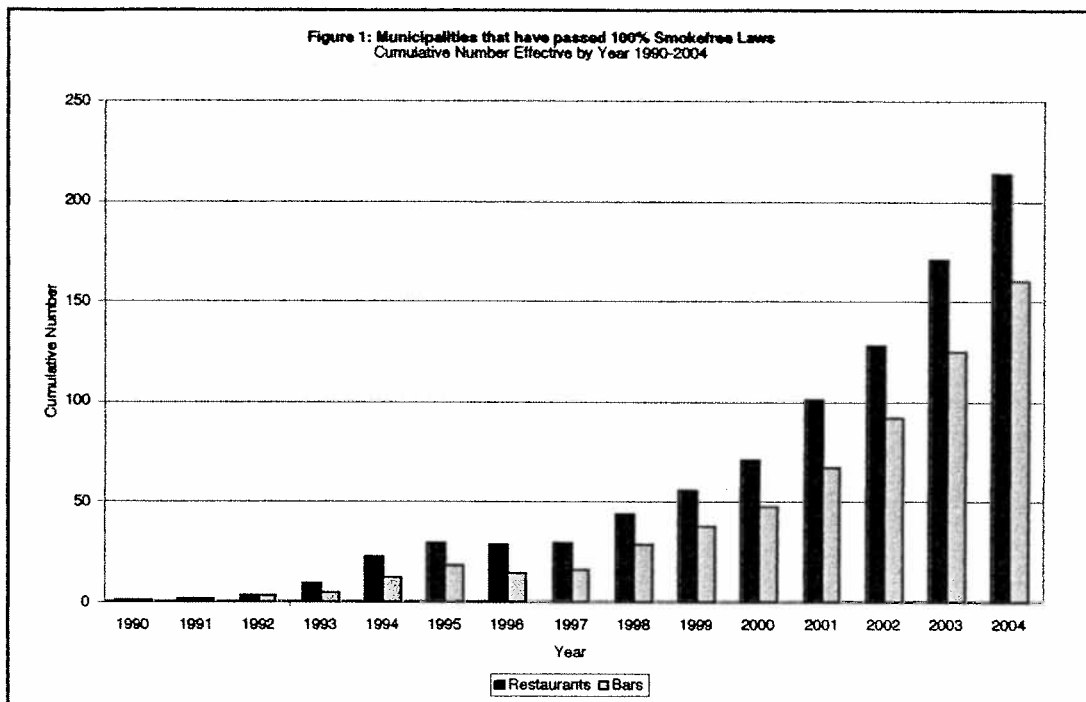
ability to maximize profits. Policy advocates, on the other hand, claim that smoking regulations do not hurt establishments and may even add to revenue as well as lower costs. If a smoke-free environment induces non-smokers to spend more at restaurants and bars than is lost from a reduction in smoker patronage, bans could increase profits.

At first glance, it appears as if the opposition group is on firmer theoretical ground. If there were the potential for increased revenues and reduced costs from going

bars would do so without government regulations. This argument need not be true, however, in the presence of market failures

brought about by imperfect market information. After all, consumers likely underestimate the cost of second-hand smoke and over-consume it. Moreover, firms may not have accurate information about the potential changes in revenue or costs that could occur from providing a smoke-free establishment. If it is true that information failures exist and firms' understanding of the effects of a smoking ban on consumer patronage is incomplete, then moving to a smoke-free environment could increase revenues. Smoking regulations could again also lower firm costs associated with smoking patrons, which include insurance premiums, ventilation, and relevant property damage.

Thus, theory leaves us with no firm guidance as to what to expect following smoking restrictions. Moreover, the results may differ for restaurants and bars. For example, smoking seems to be part of the "bar culture" and not necessarily part of the "restaurant culture," thus rendering negative effects for bars more likely. Further, smoking is much more likely to be a complement to drinking than it is for eating. On the other hand, the unavoidable nature of smoke in bars might make the potential



increase in patronage from non-smokers from a ban even greater than in restaurants. In short, this is a policy that requires empirical analysis. Since the size of a bar or restaurant's labor force is strongly related to the number of patrons present at a given time, labor can be said to be the only key variable input in the short run. Therefore, tracking how employment changes following the passage of laws gives a good read on the economic effect of the legislation.

New evidence of the effect of smoking bans on employment

In addition to employment being a key barometer of bar and restaurant business, it is one measure for which consistent measures are gathered across localities for the entire United States. We used the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW), which is appropriate for this policy analysis because it contains nationwide county-level panel data on employment levels in both the restaurant and employment industries. We extract quarterly data for every county from January 2001 to June 2004; the last

available quarter at the time the study was undertaken.

We identify effects from laws passed during this time span, which encompasses the period of greatest growth in smoking ordinances. We compare changes in employment in counties before and after they pass smoking bans to counties that do not pass bans over the same period. The latter controls for underlying trends and presents a counterfactual of what would have occurred in the counties with smoke-free ordinances had they not passed the bans. Information on the timing and location of laws was obtained from the Americans for Non-Smokers Rights (www.no-smoke.org). Although many laws are passed at the county level, some are passed at the city level and others are passed at the state level. The state laws certainly render the county bars or restaurants smoke-free, as do the county laws. City laws only render a portion of the county smoke-free, but we can estimate the proportion of a county's population that is smoke-free using population figures obtained from the 2000 U.S. census. We use this information in our estimations.

TABLE 2 RELATIVE EFFECTS OF SMOKING BANS ON COUNTY EMPLOYMENT IN BARS AND RESTAURANTS

	Bars	Restaurants
All counties	-0.053** (0.022)	0.012 (0.011)
By climate:		
Warmer climates	-0.098 (0.081)	0.052** (0.019)
Colder climates	-0.034 (0.022)	-0.017 (0.010)
By smoking prevalence:		
High Prevalence	-0.139** (0.059)	-0.080** (0.032)
Low Prevalence	-0.053** (0.024)	0.034** (0.011)

Reported are relative effects of smoking bans in percentage terms compared with counties with no bans. Standard errors are in parentheses. Results significant at the .05 level are marked with a **.

In Table 2, we summarize the relative effects of laws on restaurant and bar employment after bans are passed compared with a control group of counties without bans. Reported are percentage changes in employment with standard errors in parentheses. Estimates indicate there is a 5.3% reduction in bar employment when smoking is banned completely in all bars in a county.

The effect on restaurants is positive but does not meet the standard of statistical significance. In other words, estimates suggest that there may be an increase in restaurant employment following a smoking ban, but this estimate is not strong enough to eliminate no impact as an option, thus we cannot be certain that a positive impact on restaurants is present. That said, we can say there is no evidence to suggest that restaurants are hurt in any way. Overall, the results indicate that the average bar in a community is negatively impacted by smoking bans, while the average restaurant is not impacted.

Given that we have data from across the nation, we can also test whether results differ by region. In particular, in warmer climates, smokers would have an option to move out-

side to eat or drink. As detailed in Table 2, our research implies that there are no remarkable differences in bar effects by climate but there is a significant 5.2% increase in employment in restaurants. This suggests that the ability to have consistent outdoor seating is of some significance. Restaurants in warmer climates are more likely to have an outdoor option for smokers, therefore non-smokers may still be attracted to the smoke-free indoor seating, while smokers are not deterred as they can still smoke outdoors.

We also look at how effects of smoking bans differ in geographic areas with a higher prevalence of smokers and compare these to the effect of bans in areas with few smokers. Smoking prevalence varies quite a bit across the country. For example in Kentucky nearly 1 in 3 people are smokers, while in Utah it is only around 1 in 8. By addressing how the effects of smoking bans differ across locations with a different percentage of smokers we can identify how the impacts on businesses vary across different types of populations. As would be expected, the areas characterized by high smoking prevalence are more negatively impacted by smoking bans than areas with a lower percentage of smokers. Data on smoking prevalence, which is objectively collected by the Center for Disease Control, indicate that the effects are negative for bars regardless of smoking prevalence, although they are larger in magnitude in high prevalence areas. Further, the positive effects on restaurant employment are only observed in low smoking prevalence areas with negative effects in high prevalence areas. Both findings indicate that the impact of smoking bans can vary a great deal from one community to the next.

Concluding remarks

The results trigger some additional questions. If it is true that the restaurant industry benefits from these regulations, or at least is not hurt, then why do restaurant associations fight the implementation of these laws so vigorously? The solution to this paradox may rest in the concept of information failure. If it were true that restaurant owners are not fully aware of the positive cooperative outcome of banning smoking in their establishments, then their perception about the impact of smoking regulation would be consistent with their contrarian actions.

One might also wonder why the effects on bars and restaurants differ so remarkably in similar industries. Perhaps the answer rests in the fact that a restaurant is primarily selling food, with drinks secondary, and environment or atmosphere of lesser concern. Clean air is more conducive to enjoying food, especially among non-smokers, who may be more likely to come to a restaurant following a ban. Bars, on the other hand, sell environment and atmosphere first, with perhaps drinks second and food third. Given that a smoking ban fundamentally changes the environment of an establishment, the observed negative impact on drinking establishments that we find is not surprising. Moreover, part of the bar environment is the fellow patrons, which in many cases attract customers to a particular drinking establishment. It is therefore possible that a smoking ban may alter the environment for non-smokers, leading them to shy away from bars following a ban as well. This perhaps explains why the smoking ban's negative impact on bars hits all types of counties, whether warm or cold or whether smoking prevalence is low or high, although the impact is strongest in the latter.

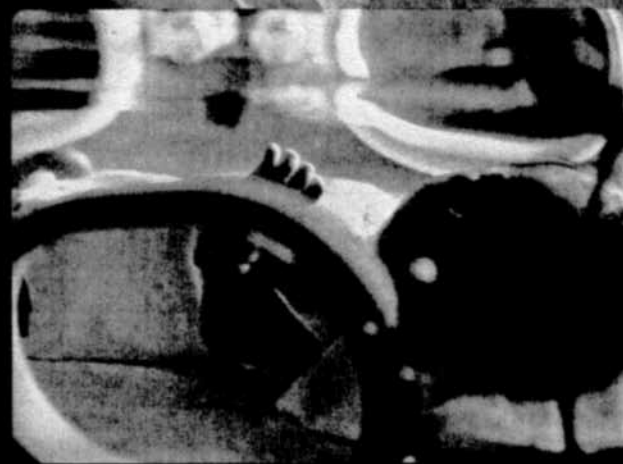
In summary, from a policy perspective, smoke-free ordinances for restaurants have some appeal because there does not seem to be a negative impact on employment. Coupled with what are likely to be at least minimal health benefits, smoking bans in restaurants likely have few drawbacks. On the other hand, bar employment falls following bans, indicating that there have been strains on their business. This is not to say that all bars are hurt, or for that matter that all restaurants are not, but it is to say that empirical analysis indicates that, on average, bars seem to do worse than before the ban, while restaurants do not. Further, and maybe of equal importance, are the results that suggest that the impacts of bans are not consistent across all communities. There is a great deal of variation in the characteristics of different communities. Some areas have a higher percentage of smokers or are in colder climates, both characteristics that seem to increase the likelihood that a smoking ban will hurt business. Overall, having a better understanding of how smoking bans impact business and how these effects may differ across communities must be considered if policymakers are to make informed choices on this issue. In considering this research in the context of the smoking ban currently under debate in Milwaukee, policymakers can anticipate little impact on restaurant business, while, on average, bars may see a decline in patronage.

This is a summary of ongoing research being conducted by Scott Adams, Department of Economics at UW-Milwaukee, and Chad Cotti, Department of Economics UW-Whitewater. Please contact the authors at sjadams@uwm.edu or cdcotti@uwm.edu for a longer paper that contains more information about the data and methodology summarized in this article.



The Health Consequences of Involuntary Exposure to Tobacco Smoke

A Report of the Surgeon General



Secondhand Smoke

what it means to

you



Secondhand Smoke

It hurts you.

It doesn't take much.

It doesn't take long.

The 2006 Surgeon General's report has new information about how breathing secondhand smoke hurts your health. You can find more information about this report by going to the Surgeon General's website at www.surgeongeneral.gov.

More information is also available by going to the Centers for Disease Control and Prevention (CDC) website at www.cdc.gov/tobacco.



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Educational Points Regarding the Ill Effect of Second Hand Smoke

- Two-fifths of African-American men in Milwaukee between the ages of 25 and 35 - prime employment ages - have been incarcerated.
- Statistics show that 7,000 to 8,000 former inmates are being released annually into the city's poorest neighborhoods, where the prospect of finding employment or job training is slim.
- There is no safe amount of secondhand smoke. Breathing even a little secondhand smoke can be dangerous.
- Separate "no smoking" sections DO NOT protect you from secondhand smoke. Neither does filtering the air or opening a window.
- Breathing in secondhand smoke at home or work increases your chances of getting lung cancer by 20 percent to 30 percent.
- Secondhand smoke is harmful for all workers. Restaurant and bar workers breathe more secondhand smoke than other workers and have higher rates of lung cancer.
- Links to articles that provide further detail to the information above:

<http://www.uwm.edu/Dept/ETI/barriers/MilwaukeePrisonStudy.pdf>

This is a link to Barriers to Employment: Prison Time by John Pawasarat of the Employment and Training Institute a UWM-Milwaukee. This report was prepared at the request of Legal Action of Wisconsin and the Private Industry Council of Milwaukee County to assess legal and employment barriers of people being released from corrections.

<http://www.tobwis.org/>

"The Tobacco Control Resource Center for Wisconsin provides accurate, up to date, and evidence-based resources to support effective tobacco control."

<http://www.tobwis.org/uploads/media/AirQualityStudy04-07.pdf>

Link to the "North and Central Wisconsin Air Monitoring Study", 2007. "The overall purpose of this study was to evaluate the indoor air quality in a sample of Northern and Central Wisconsin bars, restaurants, and other recreation establishments. Venues were sampled in 7 Northern and Central Wisconsin counties: Iron, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood. The relation between indoor air pollution and the presence of on-premises smoking was assessed. It was hypothesized that indoor air would be less polluted in all types of venues where indoor smoking is prohibited compared to venues where smoking is allowed."

For Further Information Contact:

Shawn Smith
Program Director
WCS - Project Excel
414-383-5966 ext. 103
Ssmith@wiscs.org

MISSION

WCS advocates for justice and community safety, providing innovative opportunities for individuals to overcome adversity.

PROJECT EXCEL IS
AFFILIATED WITH THE
FOLLOWING
ORGANIZATIONS:

- Helena Bader Foundation
- MCTC (Milwaukee County Tobacco Coalition)
- Safe and Sound
- First Time Juvenile Offenders Program
- Private Industry Council Step-Up Program
- Mayor Barrett's Summer Youth Employment Program
- Milwaukee Youth Sports Authority
- WCS Jobs Program
- WCS Gang Reduction Project
- Phenomenal Men's Support Group
- Wraparound Milwaukee
- TRUE Skool Urban Arts
- HOMIES Gang Reduction Mentoring



A United Way Funded Agency

Secondhand smoke is dangerous.

The Surgeon General of the United States, working with a team of leading health experts, studied how breathing secondhand tobacco smoke affects you.

This booklet explains what scientists have learned about the dangers of secondhand smoke. It also tells you how to protect yourself and your family.

What is secondhand smoke?

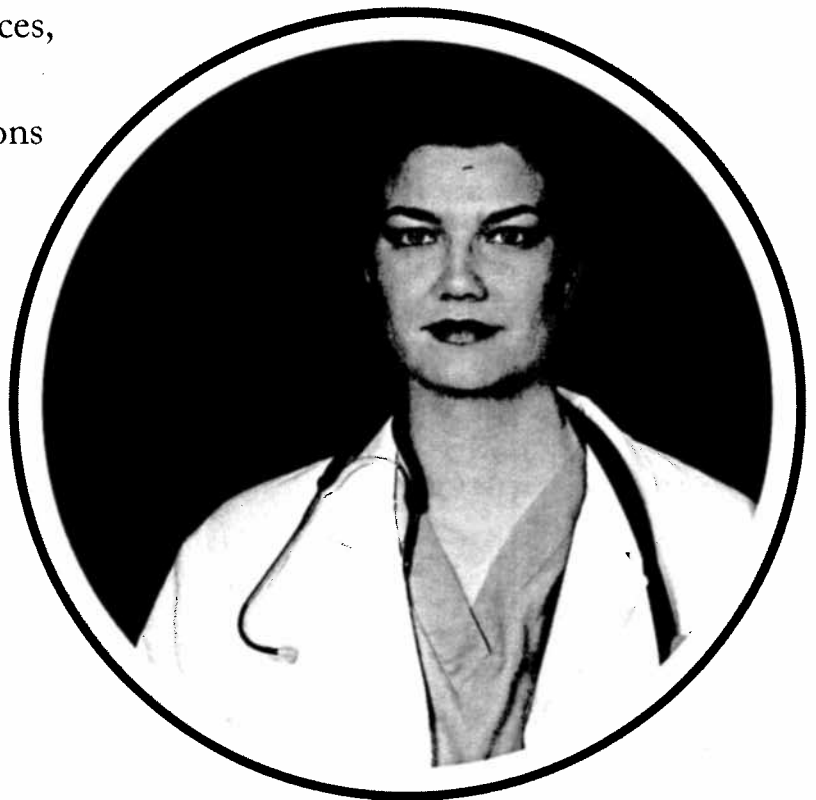
When a person smokes near you, you breathe secondhand smoke. Secondhand smoke is the combination of smoke from the burning end of the cigarette and the smoke breathed out by smokers. When you breathe secondhand smoke, it is like you are smoking.

Whether you are young or old, healthy or sick, secondhand smoke is dangerous.



What we now know:

- There is no safe amount of secondhand smoke. Breathing even a little secondhand smoke can be dangerous.
- Breathing secondhand smoke is a known cause of sudden infant death syndrome (SIDS). Children are also more likely to have lung problems, ear infections, and severe asthma from being around smoke.
- Secondhand smoke causes heart disease and lung cancer.
- Separate “no smoking” sections DO NOT protect you from secondhand smoke. Neither does filtering the air or opening a window.
- Many states and communities have passed laws making workplaces, public places, restaurants, and bars smoke-free. But millions of children and adults still breathe secondhand smoke in their homes, cars, workplaces, and in public places.





No amount of secondhand smoke is safe.

When you are around a person who is smoking, you inhale the same dangerous chemicals as he or she does. Breathing secondhand smoke can make you sick. Some of the diseases that secondhand smoke causes can kill you.

Protect yourself: do not breathe secondhand smoke. But completely avoiding secondhand smoke is very hard to do. Most of us breathe it whether we know it or not. You can breathe secondhand smoke in restaurants, around the doorways of buildings, and at work. When someone smokes inside a home, everyone inside breathes secondhand smoke. Some children even breathe smoke in day care.

There is no safe amount of secondhand smoke. Children, pregnant women, older people, and people with heart or breathing problems should be especially careful. Even being around secondhand smoke for a short time can hurt your health. Some effects are temporary. But others are permanent.



WHAT CAN YOU DO?

Make your environment smoke-free.

- *Make your home and car smoke-free.*
- *Visit smoke-free restaurants and public places.*
- *Ask people not to smoke around you and your children.*

Secondhand smoke contains poisons.

The chemicals found in secondhand smoke hurt your health and many are known to cause cancer. You breathe in thousands of chemicals when you are around someone who is smoking.

WHAT THE SCIENCE SAYS

How do scientists measure exposure to secondhand smoke?

Researchers measure

- how many people are smoking
- how many cigarettes they smoke
- time spent in the room
- levels of nicotine in the air, and
- levels of nicotine by-products in the body



Secondhand Smoke

is toxic

Cancer Causing Chemicals

All are extremely toxic

Can cause cancer
Can cause death
Can damage the brain and kidneys



Formaldehyde
Used to embalm dead bodies



Chromium
Used to make steel



Benzene
Found in gasoline



Arsenic
Used in pesticides



Polonium 210
Radioactive and very toxic

Secondhand smoke has more than 4,000 chemicals.

Many of these chemicals are toxic and cause cancer.



Lead
Once used in paint



Vinyl Chloride
Used to make pipes



Cadmium
Used in making batteries

You breathe in these chemicals when you are around someone who is smoking.



Carbon Monoxide
Found in car exhaust



Toluene
Found in paint thinners



Hydrogen Cyanide
Used in chemical weapons



Butane
Used in lighter fluid



Ammonia
Used in household cleaners

Poison Gases

Can cause death
Can affect heart and respiratory functions
Can burn your throat, lungs, and eyes
Can cause unconsciousness



Secondhand Smoke

causes death and sickness in children.

▶ *Breathing secondhand smoke is a known cause of sudden infant death syndrome (SIDS).*

▶ *Children are also more likely to have lung problems, ear infections, and severe asthma.*

Babies are hurt by secondhand smoke.

Tobacco smoke harms babies before and after they are born. Unborn babies are hurt when their mothers smoke or if others smoke around their mothers. Babies also may breathe secondhand smoke after they are born. Because their bodies are developing, poisons in smoke hurt babies even more than adults. Babies under a year old are in the most danger.

Secondhand smoke is a known cause of sudden infant death syndrome (SIDS).

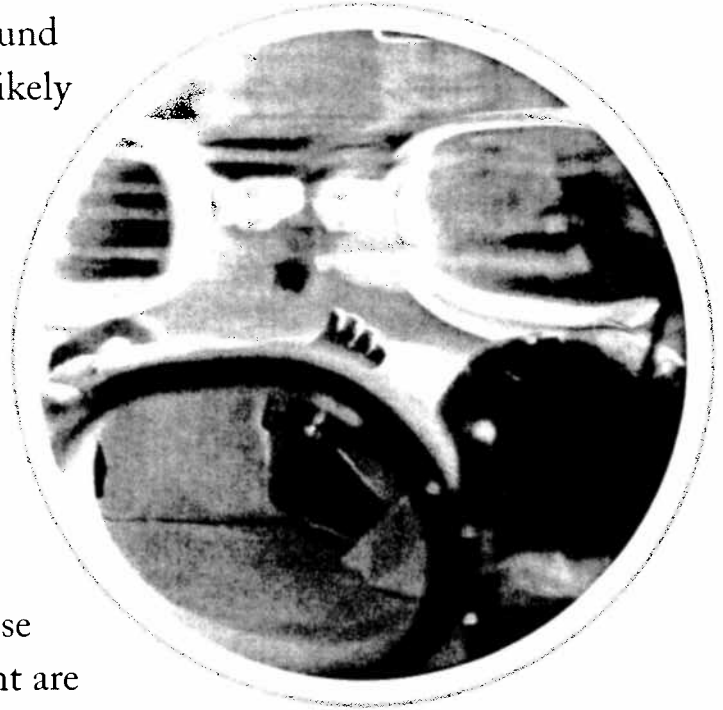
The sudden, unexplained, unexpected death of an infant before age 1 year is known as SIDS. The exact way these deaths happen is still not known. We suspect it may be caused by changes in the brain or lungs that affect how a baby breathes. During pregnancy, many of the compounds in secondhand smoke change the way a baby's brain develops. Mothers who smoke while pregnant are more likely to have their babies die of SIDS.

Babies who are around secondhand smoke—from their mother, their father, or anyone else—after they are born, are also more likely to die of SIDS than children who are not around secondhand smoke.



Secondhand smoke causes low birth weight and lung problems in infants.

Babies whose mothers are around secondhand smoke are more likely to have lower birth weights. These babies can have more health problems because they breathe smoke. For example, they are more likely to have infections than babies who are not around secondhand smoke.



Studies show that babies whose mothers smoke while pregnant are more likely to have lungs that do not develop in a normal way. Babies who breathe secondhand smoke after birth also have weaker lungs. These problems can continue as they grow older and even when they become adults.

WHAT THE SCIENCE SAYS

The main place young children breathe secondhand smoke is in their homes. Almost 3 million children in the United States under the age of 6 years old live with secondhand smoke at home at least 5 days a week.

Older children are in danger, too.

Studies show that older children whose parents smoke get sick more often. Like babies, their lungs grow less than children who do not breathe secondhand smoke. They get more bronchitis and pneumonia. Wheezing and coughing are also more common in children who breathe secondhand smoke.

Secondhand smoke can trigger an asthma attack in a child. Children with asthma who are around secondhand smoke have worse asthma attacks and have attacks more often. More than 40 percent of children who go to the emergency room for asthma live with smokers. A severe asthma attack can put a child's life in danger.



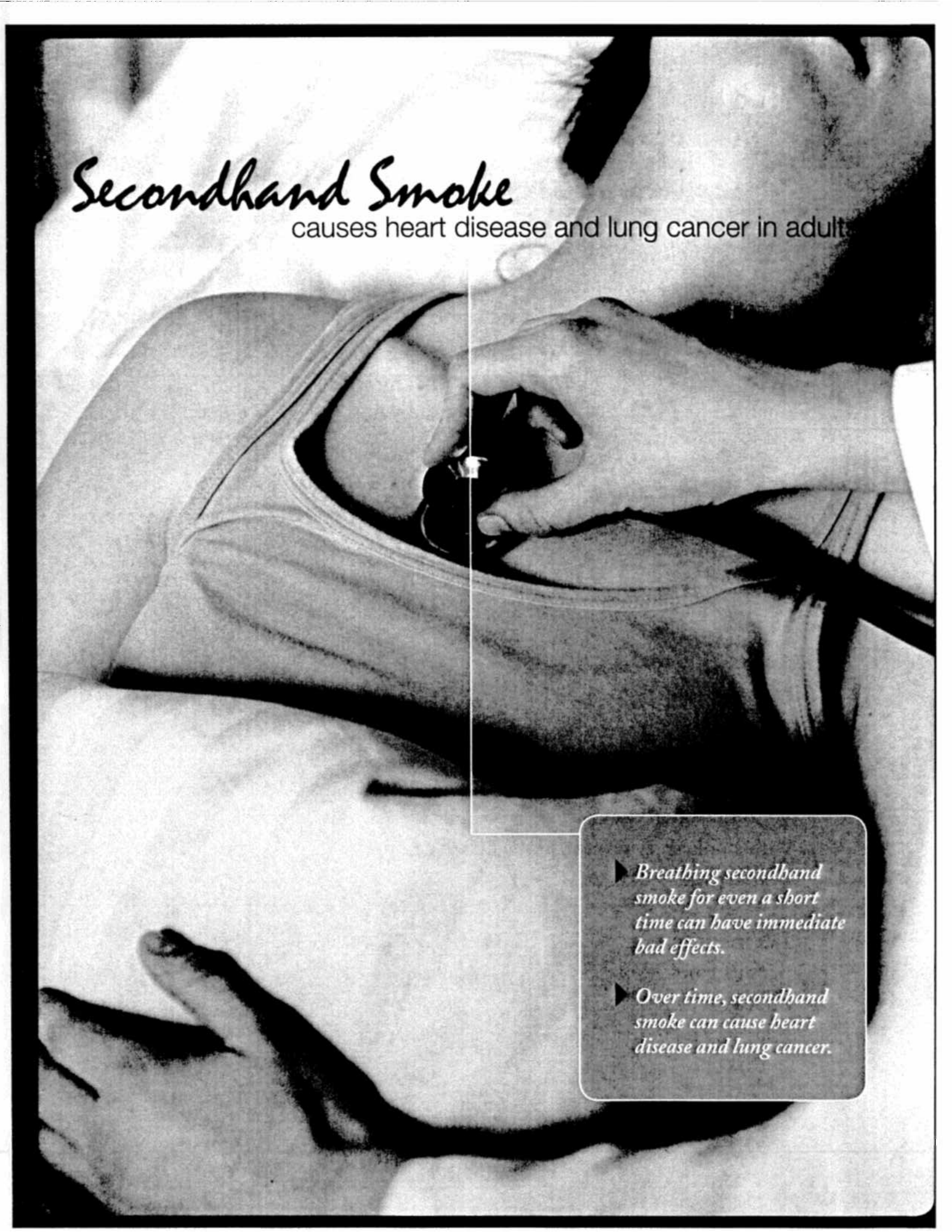
Ear infections are painful. Children whose parents smoke around them get more ear infections. They also have fluid in their ears more often and have more operations to put in ear tubes for drainage.



WHAT CAN PARENTS DO?

Protect your children's health.

- *Do not allow anyone to smoke near your child.*
- *Do not smoke or allow others to smoke in your home or car. Opening a window does not protect your children from smoke.*
- *Use a smoke-free day care center.*
- *Do not take your child to restaurants or other indoor public places that allow smoking.*
- *Teach older kids to stay away from secondhand smoke.*



Secondhand Smoke

causes heart disease and lung cancer in adults

▶ *Breathing secondhand smoke for even a short time can have immediate bad effects.*

▶ *Over time, secondhand smoke can cause heart disease and lung cancer.*



Secondhand smoke hurts adults too.

The longer you are around secondhand smoke, the more likely it is to hurt you.

Nonsmokers who breathe smoke at home or at work are more likely to become sick and die from heart disease and lung cancer. Studies show that secondhand smoke may cause other serious diseases, too.

Secondhand smoke is bad for your heart.

Breathing secondhand smoke makes the platelets in your blood behave like those of a regular smoker. Even a short time in a smoky room causes your blood platelets to stick together. Secondhand smoke also damages the lining of your blood vessels. In your heart, these bad changes can cause a deadly heart attack.

Secondhand smoke changes how your heart, blood, and blood vessels work in many ways. Adults who breathe 5 hours of secondhand smoke daily have higher “bad” cholesterol that clogs arteries.

WHAT CAN YOU DO?

Protect your health.

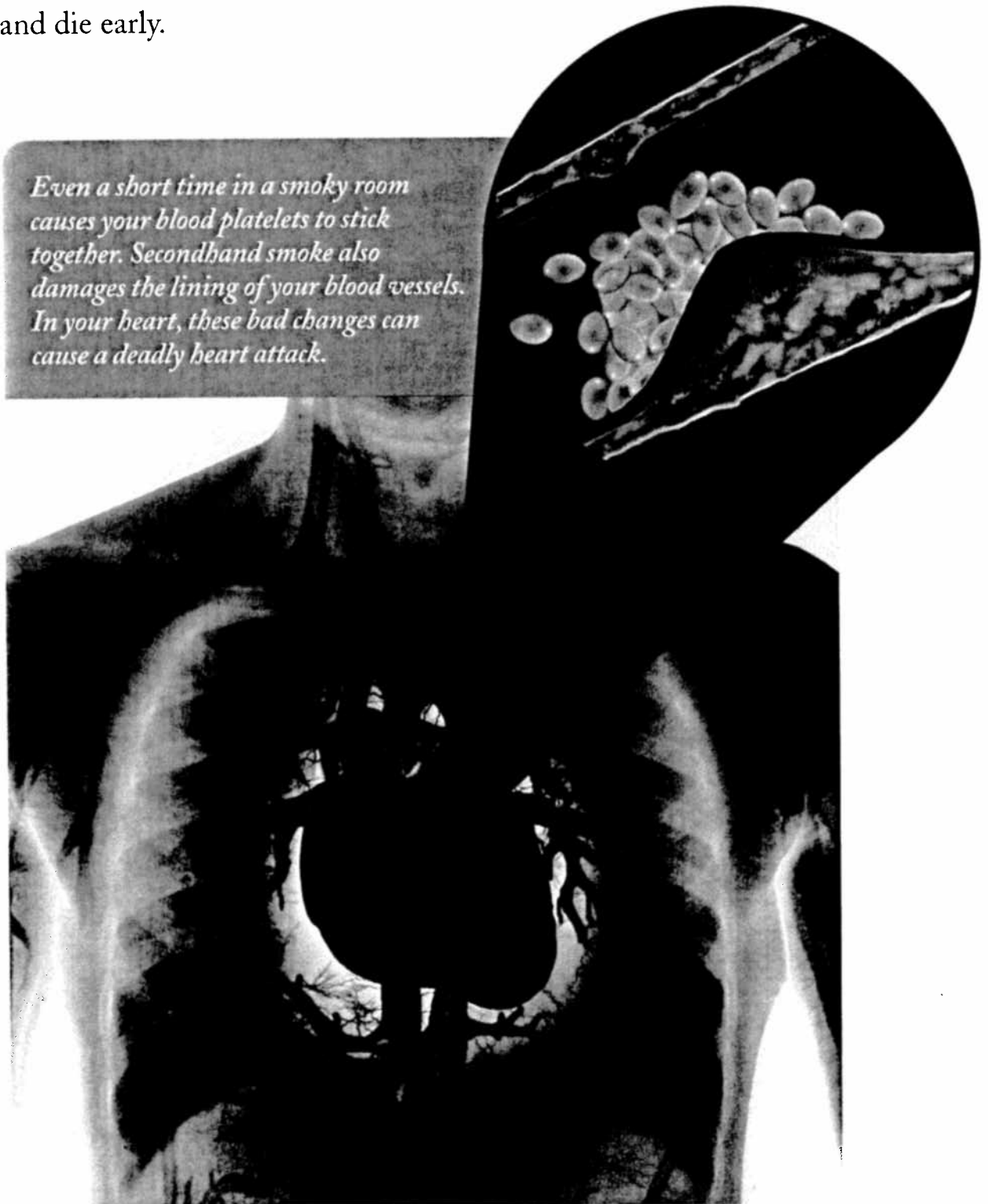
More restaurants and bars are smoke-free than ever. New York City restaurants and bars increased business by 9 percent after becoming smoke-free.

- *Choose restaurants and bars that are smoke-free. Thank them for being smoke-free.*
- *Let owners of businesses that are not smoke-free know that smoke bothers you. Tell them a “no smoking” section is not good enough.*

■ People who have heart disease should be very careful not to go where they will be around secondhand smoke.

The bottom line is that breathing secondhand smoke makes it more likely that you will get heart disease, have a heart attack, and die early.

Even a short time in a smoky room causes your blood platelets to stick together. Secondhand smoke also damages the lining of your blood vessels. In your heart, these bad changes can cause a deadly heart attack.



Secondhand smoke hurts your lungs.

Secondhand smoke includes many chemicals that are dangerous for your lungs. Secondhand smoke is especially dangerous for young children and adults with heart and lung disease.

Secondhand smoke causes lung cancer.

Secondhand tobacco smoke contains the same cancer-causing chemicals that smokers inhale.

Secondhand smoke causes lung cancer in adults who don't smoke. Breathing in secondhand smoke at home or work increases your chances of getting lung cancer by 20 percent to 30 percent.



WHAT CAN HEALTH CARE EXPERTS DO?

- *Ask patients if they smoke and if they are around secondhand smoke.*
- *Advise patients who smoke to stop, and help them quit.*
- *Advise patients who smoke not to smoke around others.*
- *Advise nonsmokers to protect themselves by avoiding all secondhand smoke.*
- *Remind parents to protect their children from secondhand smoke.*
- *Discuss the added dangers of secondhand smoke for adults who have heart disease or asthma.*
- *Offer special warnings to parents when treating children with respiratory infections, asthma, or ear disease.*

WHAT CAN EMPLOYERS DO?

Protect your workers.

Secondhand smoke is harmful for all workers.

Restaurant and bar workers breathe more secondhand smoke than other workers and have higher rates of lung cancer.

- *Make sure your employees do not breathe secondhand smoke at work.*
- *Make all indoor places smoke-free.*
- *Don't allow smoking near doorways and entrances.*
- *Offer programs to help employees quit smoking.*

Secondhand smoke causes other breathing problems.

Secondhand smoke affects how well your lungs work, especially if you already have asthma or other breathing problems.

Being around smoke makes you more congested and cough more.

Secondhand smoke also irritates your skin, eyes, nose, and throat. If you have allergies or a history of breathing problems, secondhand smoke can make you even sicker.

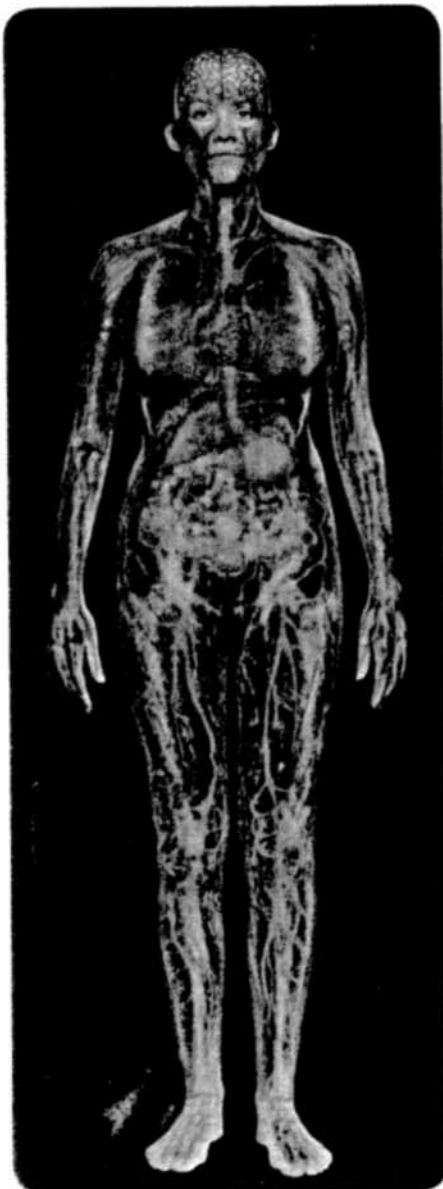
WARNING

You should especially speak to your doctor or healthcare provider about the dangers of secondhand smoke if:

- **You have breathing or heart problems**
- **You are pregnant**
- **You are concerned about your children's health**

Secondhand smoke may cause disease in other parts of your body.

We know that smoking causes many forms of cancer. Scientists believe even a little tobacco smoke is dangerous. Scientists also believe secondhand smoke may cause other diseases throughout your body. They are doing studies on possible links to stroke, breast cancer, nasal sinus cancer, and chronic lung problems in children and adults.



Secondhand smoke may cause disease in other parts of your body.

There's no such thing as a

NO SMOKING

section

No amount of secondhand smoke is safe.

Here are some unexpected ways you may breathe secondhand smoke every day:

- *Sitting in the "no smoking" section, even if it doesn't smell smoky*
- *Riding in a car while someone else is smoking, even if a window is open*
- *Being in a house where people are smoking, even if you're in a another room*
- *Working in any restaurant, warehouse, or building that allows smoking inside, even if there is a filter or ventilation system*

Acknowledgments

This public document was prepared by the U.S. Department of Health and Human Services under the direction of the Office of the Surgeon General to make information in *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General* available to everyone.

Richard H. Carmona, M.D., M.P.H., F.A.C.S., Surgeon General, U.S. Public Health Service, Office of the Surgeon General, Office of the Secretary, Washington, D.C.

Kenneth P. Moritsugu, M.D., M.P.H., Deputy Surgeon General, U.S. Public Health Service, Office of the Surgeon General, Office of the Secretary, Washington, D.C.

A special thanks to the many people who provided expert advice and suggestions: Dr. Jonathan Samet, Senior Scientific Editor of the 2006 Surgeon General's report and Professor and Chairman, Department of Epidemiology, Bloomberg School of Public Health, Johns Hopkins University; Dr. Karen Near, Senior Science Advisor, Office of the Surgeon General, DHHS; Ellen Field, Deputy Assistant Secretary, DHHS; Dr. Terry Pechacek, Associate Director for Science, Office on Smoking and Health, CDC; Leslie Norman, Managing Editor of the 2006 Surgeon General's report, CDC; Dana Shelton, Associate Director for Policy, Planning and Coordination, Office on Smoking and Health, CDC; Peggy Williams, Writer-Editor, Quantell, Inc.; Gabrielle Robinson, Writer-Editor, Northrop Grumman; the CDC Health Literacy Workgroup; Dr. P. Lynne Stockton, CDC; Victoria Barnard, Teacher, Chamblee High School; Tommy Jones, Reviewer; and the scientific and communications staff of the Office on Smoking and Health, CDC.

Project Leads, Writers, and Editorial Assistance

Sarah Gregory, Health Communications Specialist, CDC

Peter Xiques, Writer, Science Applications International Corporation

Vickie Reddick, Writer, Science Applications International Corporation

Graphic Design

C. Mark Van Hook, Graphic Designer, Science Applications International Corporation



About

the Surgeon General's Report

The Surgeon General is the nation's highest-ranking health officer. The President appoints the Surgeon General to help promote and protect the health of all Americans.

The Surgeon General gives Americans the best scientific information available on how to improve their health and reduce their risk of illness and injury.

The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General was prepared by many of the country's leading scientists and public health experts. The full report is more than 600 pages long. It took more than 4 years to complete. It is written for a scientific audience. However, Surgeon General Richard H. Carmona believes the findings are very important to everyone.

Secondhand Smoke

It hurts you.

It doesn't take much.

It doesn't take long.

For more information

For more information on secondhand smoke, talk to your doctor, nurse, pharmacist, or other healthcare professional.

More information about the Surgeon General's report is available on the Surgeon General's website at

www.surgeongeneral.gov

More facts and advice are available from
Centers for Disease Control and Prevention

www.cdc.gov/tobacco

Toll free: **1-800-CDC-INFO** (1-800-232-4636)

In English, en Español

24 hours/day, 7 days/week

Text telephone for hearing impaired: **1-888-232-6348**

Other helpful information is available at www.smokefree.gov.

To access a telephone quitline serving your area, call
1-800-QUIT-NOW (1-800-784-8669).

To download copies of this booklet or the full Surgeon General's report, *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General*, go to

www.cdc.gov/tobacco.

To order single copies of these documents, call toll free

1-800-CDC-INFO.