



## WHAT DOES THE “SENSIBLE TOBACCO ENFORCEMENT” BILL DO?

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On March 18, 2013, Mayor Bloomberg introduced the Sensible Tobacco Enforcement bill (Int. No. 1021), which includes pricing policies and enforcement provisions to further reduce tobacco use among New York City youth.

The specific provisions of the bill can be grouped into four categories and include:

### 1. Prohibiting tobacco product discounts

- Prohibiting the redemption of coupons
- Prohibiting multi-pack discounts (i.e., buy-one-get-one free offers)
- Prohibiting sales or offers of other products with the purchase of cigarettes or other tobacco products (OTPs)
- Prohibiting sales or offers of cigarettes or OTPs for less than the listed price

### 2. Setting a minimum price on cigarettes and little cigars

- Cigarettes and little cigars cannot be sold at retail for less than \$10.50 per 20-pack. The price floor can be modified due to inflation or tax rate changes.

### 3. Setting minimum package sizes for certain cigars and little cigars

- Cigars that cost less than \$3.00 per cigar at retail must be sold in packs of 4 or more
- Little cigars must be sold in packs of 20

### 4. Enhanced tobacco tax enforcement efforts

- Retailers must post signs at the point of sale, display, or offer that states that “cigarettes sold in the city of New York must be in packages bearing valid tax stamps”
- Retailers cannot hide nor sell unstamped or illegally stamped cigarettes, or illegal tax stamps
- Higher penalties for violating retailer licensing provisions

### Why Are These Provisions Necessary?

Pricing has become an important avenue for tobacco companies to keep tobacco users buying their products and appeal to kids. Tobacco tax increases effectively reduce tobacco use, but the tobacco industry uses price discounting strategies, including couponing and multi-pack discounts, to minimize the effects that tax increases have on price and thereby diminishes the effectiveness of tobacco tax increases in reducing smoking, especially among youth. The 2012 Surgeon General’s report states, “When retail prices rise following tax increases, companies engage in a variety of price-related marketing efforts that appear to be aimed at softening the impact of the increased prices.”<sup>1</sup>

*Campaign for Tobacco-Free Kids, April 24, 2013*

For evidence of the effectiveness of these provisions, see *Strategies to Increase Tobacco Product Prices Will Reduce Tobacco Use and Initiation*.

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<sup>1</sup> U.S. Department of Health and Human Services, *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General*, 2012, accessed April 20, 2012 from [http://www.cdc.gov/tobacco/data\\_statistics/sgr/2012/index.htm](http://www.cdc.gov/tobacco/data_statistics/sgr/2012/index.htm), pg. 527.