

**DEFEATED INITIATIVE PETITION**

Official Ballot Title  
Proposition B

[Proposed by Initiative Petition, November 6, 2012]

*Official Ballot Title:*

Shall Missouri law be amended to:

- create the Health and Education Trust Fund with proceeds of a tax of \$0.0365 per cigarette and 25% of the manufacturer's invoice price for roll-your-own tobacco and 15% for other tobacco products;
- use Fund proceeds to reduce and prevent tobacco use and for elementary, secondary, college, and university public school funding; and
- increase the amount that certain tobacco product manufacturers must maintain in their escrow accounts, to pay judgments or settlements, before any funds in escrow can be refunded to the tobacco product manufacturer and create bonding requirements for these manufacturers?

Estimated additional revenue to state government is \$283 million to \$423 million annually with limited estimated implementation costs or savings. The revenue will fund only programs and services allowed by the proposal. The fiscal impact to local governmental entities is unknown. Escrow fund changes may result in an unknown increase in future state revenue.

Fair Ballot Language:

A “**yes**” vote will amend Missouri law to create the Health and Education Trust Fund with proceeds from a tax on cigarettes and other tobacco products. The amount of the tax is \$0.0365 per cigarette and 25% of the manufacturer's invoice price for roll-your-own tobacco and 15% for other tobacco products. The Fund proceeds will be used to reduce and prevent tobacco use and for elementary, secondary, college, and university public school funding. This amendment also increases the amount that certain tobacco product manufacturers must maintain in their escrow accounts, to pay judgments or settlements, before any funds in escrow can be refunded to the tobacco product manufacturer and creates bonding requirements for these manufacturers.

A “**no**” vote will not change the current Missouri law regarding taxes on cigarettes and other tobacco products or the escrow account and bonding requirements for certain tobacco product manufacturers.

If passed, this measure will increase taxes on cigarettes and other tobacco products.

For — 1,321,586; Against — 1,362,005

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