

MOTION

E-cigarettes, which are commonly referred to as "vape pens," have been in the United States marketplace since 2007. Over the past six years vaping has become the most common way for young people to consume tobacco or cannabis. A federal report estimated 5 million middle and high school students used e-cigarettes in a recent 30 day period, a significant increase from 3.6 million the year before.

Given the vaping epidemic, federal, state, and local leaders have taken action in an attempt to curb vaping by its young users. Most recently Governor Newsom proposed an additional tax based on nicotine content that would be \$2 for every 40 milligrams of nicotine in a product. The proposed tax would take effect on January 1, 2021 and is expected to generate \$32 million for the last half of the next fiscal year.

Tobacco products already face state taxes totaling \$2.87 per pack of cigarettes in California, and the tax extends to products used for vaping. However, vaping products are taxed at the wholesale level before the products are marked up in price for retail sale. They are arguably undertaxed compared to cigarettes. According to the Governor's budget the money will go to enforcement of vaping rules, youth vaping prevention, and healthcare workforce programs. It is in the City's best interest to fully understand how the newly proposed tax revenue will be distributed amongst the aforementioned categories and how much of the revenue will be allocated to Los Angeles.

I THEREFORE MOVE that the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) be instructed to report to the Council on how the proposed funds will be distributed, including an analysis of how much of the new revenue will go to the County and City of Los Angeles.

I FURTHER MOVE that the CLA and CAO be instructed to report on the feasibility of levying a local tax on vape cartridges to fund youth development programs in the City of Los Angeles.

PRESENTED BY:



MONICA RODRIGUEZ  
Councilwoman, 7th District

SECONDED BY:



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