

SANTA FE NEW MEXICAN.com

Official: Tobacco payments declining

RECEIVED

NOV 09 2011

LESC

By | The Associated Press

11/3/2011

Big Tobacco's payments to New Mexico for smoking-related deaths are declining, joining a number of states that are seeing drops due to falling national smoking rates, a state economist told state lawmakers.

The Las Cruces Sun-News reports that state economist Elisa Walker-Moran said that New Mexico expects to receive \$38.6 million from tobacco companies this year, down from \$40.9 million in 2010.

Walker-Moran also projected that the amount of revenue from the tobacco settlement will be flat in the next few years.

She told a legislative committee that one reason for the decline is that tobacco companies subject to the agreement are losing market share.

But state Rep. Gail Chasey, D-Albuquerque, said lower payments were just another example of how tobacco companies had maneuvered a mass settlement to their advantage.

She said tobacco companies that settled lawsuits with New Mexico and 45 other states are just taking advantage of market changes. These cigarette makers may be losing some of the domestic market, Chasey said, but they are making that up with worldwide sales.

Tobacco has been under siege in the United States since 1994, when Mississippi's attorney general sued the four largest companies for health care costs associated with smoking.

Mississippi, Texas, Florida and Minnesota then reached individual financial settlements with major tobacco companies.

The rest of the states and U.S. territories approved a joint settlement in 1998 with four cigarette giants — Philip Morris USA, R. J. Reynolds Tobacco Co., Brown & Williamson Tobacco Corp. and Lorillard Tobacco Co.

At the time, the companies had 99 percent of the market share. Another 50 tobacco companies have since joined in the master settlement.

New Mexico had hoped to stash half of the settlement money in its biggest savings account. But in recent times the state has had to spend that money to keep Medicaid solvent.