

**1999 HOUSE POLITICAL SUBDIVISIONS**

**HB 1082**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1082

House Political Subdivisions Committee

Conference Committee

Hearing Date 01-07-99

Tape Number	Side A	Side B	Meter #
1	x		7.1-4.0
1-dated 1-15-99	x		49.0-59.0
		x	.3-12.0
Committee Clerk Signature <i>Pam Hever</i>			

Minutes:

BILL SUMMARY: A bill for an Act to amend and reenact subsection 1 of section 57-36-07 of the North Dakota Century Code, relating to the size of packages for cigarette sales; and to declare an emergency.

Chairman Froseth : Opened the hearing on HB 1082; committee members present Chairman Froseth, Vice Chair Maragos, Rep. Delmore, Rep. Disrud, Rep. Eckre, Rep. Ekstrom, Rep. Glassheim, Rep. Gunter, Rep. Johnson, Rep. Koppelman, Rep. Niemeier, Rep. Rose, Rep. Severson, Rep. Thoreson, and Rep. Wikenheiser.

Rosellen Sand, Office of Attorney General testified in support of HB 1082. The amendment would accomplish two objectives. First, it would discourage youth smoking, and second, it implements a provision of the National Tobacco Settlement agreement that attempts to establish uniformity among all the states and reduce youth smoking. (See attached testimony) 7.4-10.5.

Chairman Froseth 10.6 : Is there any history of anyone trying to sell five packs or has it been just promotional?

Ms. Sand : No

11.7-13.6 - General discussion on what is .60 ounces of tobacco.

Rep. Severson : .60 is a standard in a pouch of tobacco.

Rep. Johnson : Do all 45 states in the national settlement have to enact this law?

Ms. Sand : If we enact the law it would be prohibited in North Dakota but not in Minnesota.

There is a concern with black market.

Rep. Delmore 13.7 : Would you have an objection to us adding an amendment in here to roll your own?

Ms. Sand : No

Ms. Sand : The best thing is if we have uniformity among all the states.

Chairman Froseth : Are there other states proposing this same legislation?

Ms. Sand : I believe there are because they had to sign on to the settlement agenda.

Rep. Glassheim 17.0 : If one of the 45 states do not pass this, will the limitation on the national settlement be compromised in some way?

Ms. Sand : Right now, all the manufactures who have signed onto the settlement agreement, have agreed to not sell cigarettes in packs of less than 20 until Dec. 31, 2001.

Vice Chair Maragos 20.4 : If we change the law, that means start up tobacco companies, would they be subject to this same law, even they are not a party to the national tobacco settlement?

Ms. Sand : The answer is not a simple yes and no. We do have a bill in to address this issue.21.1

Vice Chair Maragos 21.8 : What is the penalty for this infraction?

Ms. Sand : I do not know. I can check it out.

Rep. Ekstrom 22.3 : Have there been any talks with vending machine people regarding selling smaller packs or even one cigarette at a time?

Ms. Sand : I don't know.

Vice Chair Maragos 23.5 : Have we developed any laws to address Internet sales of cigarettes or was there anything in the tobacco settlement concerning that?

Ms. Sand : No, but the attorney general would know more of the specifics.

Vice Chair Maragos : Is it illegal to ship cigarettes through the mail?

Ms. Sand 25.1 : You need a license in North Dakota to sell cigarettes. The Internet issue brings up where is the point of sale. I don't know if we have a delivery prohibition or not. The State Treasurer needs to address the Internet issue.

Chairman Froseth : Asks if there is any more testimony in favor of the bill.

John Quinlan, N.D. State Tax Dept. : 29.5 I can shed some light of this issue. We have had inquiries from companies outside of North Dakota who have wanted to sell cigarettes in smaller packs. Currently the law specifies in packs of five or greater. To my personal knowledge in North Dakota, the smallest packs physically sold over the counter is ten and that is a specialty company out of New York. If adopted, this company would have to abide, and those smaller packs could no longer be sold. Concerning Internet sales, there is a law under the Jinkins Act that our office must be notified when wholesalers ship cigarettes in to North Dakota. We then go after the person purchasing the cigarettes and bill them directly. Presently, one carton purchased without tax is allowed by North Dakota law.

Vice Chair Maragos 31.8 : How about a retailer from out-of-state shipping to North Dakota?

John : Technically, any cigarettes shipped into the state from any source through the Internet, they have the obligation under the Jinkins to report to my office.

Chairman Froseth : Any other testimony in favor of 1082?

Murray Sagsveen, Health Dept., : We previewed the testimony from the AG Office. I just wanted to show support of this bill.32.5

Chairman Froseth : Any further testimony? Hearing none, the hearing is closed. (no action)

Hearing opened again: 1-15-99

Heidi Heitkamp, Att. General, came to answer any questions and to clarify how the tobacco settlement relates to this bill. She said under the master settlement, the Tobacco companies can not sell any more small packs or give them away. We need an effective date now. We need this for the health of our youth.

ACTION TAKEN: Rep. Delmore made a motion to accept amendments; Rep. Niemeier seconded the motion. Voice vote called: All Yes and 0 No. Vice Chair Maragos made a motion to DO PASS as amended; Rep. Delmore seconded the motion.

ROLL CALL VOTE: 14 Yes and 0 No with 1 Absent and not voting. Rep. Delmore will carry the bill. Hearing closed on HB1082.

January 15, 1999

VK  
1/15/99

**HOUSE** AMENDMENTS TO HOUSE BILL NO. 1082

Page 1, line 1, remove "subsection 1 of"

Page 1, line 2, after "cigarette" insert "and roll-your-own tobacco" and after "sales" insert "or distribution"

Page 1, line 5, replace "Subsection 1 of section" with "Section"

Page 1, replace lines 7 and 8 with:

**"57-36-07. Packaging - Presumption from possession.** Cigarettes must be packaged as follows:

1. All cigarettes sold or distributed in this state must be in packages containing ~~five~~ twenty or more cigarettes each.
2. If the cigarettes are to be sold to an enrolled tribal member pursuant to section 57-36-11.1, within seventy-two hours of receipt by the licensee, a special stamp must be affixed to each package of cigarettes indicating that it is not subject to tax.
3. Each package of cigarettes displayed, exhibited, stored, or possessed in original cartons or containers upon the premises where consumer sales are made is conclusively presumed to be for sale to consumers.
4. All packages of roll-your-own tobacco sold or distributed in this state must be in packages containing at least 0.60 ounces of tobacco.

Renumber accordingly

Please type or use black pen to complete

Date 1-15-99

Roll call vote # 1

### 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1082

House POLITICAL SUBDIVISIONS Committee

Subcommittee on \_\_\_\_\_

Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number 98080.0101

Action Taken Do Pass as amended

Motion Made By Rep. Maragos Seconded By Rep. Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Froseth	/		Rep. Wikenheiser	/	
Vice Chair Maragos	/				
Rep. Delmore	/				
Rep. Disrud	/				
Rep. Eckre	/				
Rep. Ekstrom	/				
Rep. Glassheim	/				
Rep. Gunter	/				
Rep. Johnson	/				
Rep. Koppelman	/				
Rep. Niemeier	/				
Rep. Rose	/				
Rep. Severson	/				
Rep. Thoreson	/				

Total 14 0  
(Yes) (No)

Absent 1

Floor Assignment Rep. Delmore

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE

HB 1082: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1082 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "subsection 1 of"

Page 1, line 2, after "cigarette" insert "and roll-your-own tobacco" and after "sales" insert "or distribution"

Page 1, line 5, replace "Subsection 1 of section" with "Section"

Page 1, replace lines 7 and 8 with:

**"57-36-07. Packaging - Presumption from possession.** Cigarettes must be packaged as follows:

1. All cigarettes sold or distributed in this state must be in packages containing ~~five~~ twenty or more cigarettes each.
2. If the cigarettes are to be sold to an enrolled tribal member pursuant to section 57-36-11.1, within seventy-two hours of receipt by the licensee, a special stamp must be affixed to each package of cigarettes indicating that it is not subject to tax.
3. Each package of cigarettes displayed, exhibited, stored, or possessed in original cartons or containers upon the premises where consumer sales are made is conclusively presumed to be for sale to consumers.
4. All packages of roll-your-own tobacco sold or distributed in this state must be in packages containing at least 0.60 ounces of tobacco."

Renumber accordingly



**1999 SENATE POLITICAL SUBDIVISIONS**

**HB 1082**


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1082

Senate Political Subdivisions Committee

Conference Committee

Hearing Date February 5, 1999

Tape Number	Side A	Side B	Meter #
1	x		620 to 1904
2	X		930- 1155
Committee Clerk Signature 			

Minutes:

SENATOR LEE: open hearing on House Bill 1082, an emergency measure for the amount of cigarettes in a package

HEIDI HEITKAMP: see testimony, also passes out testimony from MURREY SAGVEEN

SENATOR WATNE: sales to tribal members and the special stamp needed to avoid federal tax

HEIDI HEITKAMP: exists in current law and the amendment that will be following this bill to eliminate the stamp and telling the difference between product going to the reservations and product staying within the cities

SENATOR WATNE: go from manufacturer to the reservation and will pay no state taxes, but they do pay federal

Page 2  
Senate Political Subdivisions Committee  
Bill/Resolution Number Hb1082  
Hearing Date February 5, 1999

HEIDI HEITKAMP: correct, federal tax is still used even on the reservation, collected by the ATF on the reservations, bonded warehouses and the paying of taxes to get the cigarettes out of the bonded warehouses, concern for black market cigarettes

SENATOR LYSON: cant buy Bull Durham any more

DISCUSSION

HEIDI HEITKAMP: health department officials are here

SENATOR LEE: anyone opposed or neutral

SENATOR FLAKOLL: line 7, strike line 20 and insert 25 per pack

MOTION: SECONDED BY SENATOR LYSON:

HEIDI HEITKAMP: state legislation for controlling the gray market, but I have no model bill for this

SENATOR LEE: hold the bill for further discussion, committee adjourned

**MARCH 18, 1999 TAPE 2 VOTE ON HOUSE BILL 1082**

no amendments on this bill from the Attorney General

Committee discussion on this bill

MOTION: do pass by LYSON:

Seconded by NELSON:

CARRIED ON FLOOR BY <sup>Flakoll</sup> ~~KELSH~~:

HEARING CLOSED ON 1082

Date: 3-18-99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1082

Senate Political Subdivisions Committee Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do pass

Motion Made By Lyson Seconded By Nelson

Senators	Yes	No	Senators	Yes	No
Senator Lee (Chairman)	/				
Senator Lyson (Vice-Chaiman)	/				
Senator Flakoll	/				
Senator Watne	/				
Senator Kelsh	/				
Senator Nelson	/				

Total (Yes) 6 No 0

Absent \_\_\_\_\_

Floor Assignment Flakoll

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
March 18, 1999 11:04 a.m.

Module No: SR-49-5074  
Carrier: Flakoll  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1082, as engrossed: Political Subdivisions Committee (Sen. Lee, Chairman)**  
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1082 was placed on the Fourteenth order on the calendar.

**1999 TESTIMONY  
HB 1082**

TESTIMONY OF THE  
OFFICE OF ATTORNEY GENERAL  
BEFORE THE  
HOUSE POLITICAL SUBDIVISIONS COMMITTEE  
January 7, 1999

State law currently provides that cigarettes may be sold in a pack size of as few as 5 cigarettes. HB 1082 amends the law to require a minimum pack size of 20 cigarettes.

The amendment would accomplish two objectives. The primary objective is to discourage youth smoking; the secondary objective is to implement a provision of the National Tobacco Settlement agreement that attempts to establish uniformity among all the states and reduce youth smoking.

Smaller packs are cheaper and their size makes them easier to conceal. A young person can more easily afford to purchase a smaller pack and then hide it more easily. Requiring packages to contain at least 20 cigarettes will make the packages more expensive to purchase initially, and more difficult to conceal. It is our understanding the public health community believes that large pack size present a smoking deterrent to young people.

The second purpose of the bill is to bring about uniformity for the size of cigarette packs. Recognizing the deterrent impact on youth smokers, the National Tobacco Settlement, recently entered into by the State of North Dakota, 45 other states, 5 territories and the District of Columbia, prohibits the sale of cigarettes in a pack size of less than 20 in all the signing states until December 31, 2001. (The Settlement also prohibits sales of roll-your-own tobacco in packages containing less than .60 ounces of tobacco until that same date. North Dakota statutes do not now address the package size of roll-your-own tobacco and that is not addressed in this bill.) The prohibition on cigarette package size does not become permanent unless all the jurisdictions enact laws that prohibits the sale to packs containing less than 20 cigarettes. (See attached provisions).

consideration, use or cause to be used as a brand name of any Tobacco Product any nationally recognized or nationally established brand name or trade name of any non-tobacco item or service or any nationally recognized or nationally established sports team, entertainment group or individual celebrity. Provided, however, that the preceding sentence shall not apply to any Tobacco Product brand name in existence as of July 1, 1998. For the purposes of this subsection, the term "other valuable consideration" shall not include an agreement between two entities who enter into such agreement for the sole purpose of avoiding infringement claims.

(k) Minimum Pack Size of Twenty Cigarettes. No Participating Manufacturer may, beginning 60 days after the MSA Execution Date and through and including December 31, 2001, manufacture or cause to be manufactured for sale in any Settling State any pack or other container of Cigarettes containing fewer than 20 Cigarettes (or, in the case of roll-your-own tobacco, any package of roll-your-own tobacco containing less than 0.60 ounces of tobacco). No Participating Manufacturer may, beginning 150 days after the MSA Execution Date and through and including December 31, 2001, sell or distribute in any Settling State any pack or other container of Cigarettes containing fewer than 20 Cigarettes (or, in the case of roll-your-own tobacco, any package of roll-your-own tobacco containing less than 0.60 ounces of tobacco). Each Participating Manufacturer further agrees that following the MSA Execution Date it shall not oppose, or cause to be opposed (including through any third party or Affiliate), the passage by any Settling State of any legislative proposal or administrative rule applicable to all Tobacco Product Manufacturers and all retailers of Tobacco Products prohibiting the manufacture and sale of any pack or other container of Cigarettes containing fewer than 20 Cigarettes



(or, in the case of roll-your-own tobacco, any package of roll-your-own tobacco containing less than 0.60 ounces of tobacco).

(l) Corporate Culture Commitments Related to Youth Access and Consumption.

Beginning 180 days after the MSA Execution Date each Participating Manufacturer shall:

(1) promulgate or reaffirm corporate principles that express and explain its commitment to comply with the provisions of this Agreement and the reduction of use of Tobacco Products by Youth, and clearly and regularly communicate to its employees and customers its commitment to assist in the reduction of Youth use of Tobacco Products;

(2) designate an executive level manager (and provide written notice to NAAG of such designation) to identify methods to reduce Youth access to, and the incidence of Youth consumption of, Tobacco Products; and

(3) encourage its employees to identify additional methods to reduce Youth access to, and the incidence of Youth consumption of, Tobacco Products.

(m) Limitations on Lobbying. Following State-Specific Finality in a Settling

State:

(1) No Participating Manufacturer may oppose, or cause to be opposed (including through any third party or Affiliate), the passage by such Settling State (or any political subdivision thereof) of those state or local legislative proposals or administrative rules described in Exhibit F hereto intended by their terms to reduce Youth access to, and the incidence of Youth consumption of, Tobacco Products. Provided, however, that the foregoing does not prohibit any Participating Manufacturer from (A) challenging enforcement of, or suing for

TESTIMONY OF  
ATTORNEY GENERAL  
BEFORE THE  
SENATE POLITICAL SUBDIVISIONS COMMITTEE  
February 5, 1999

I am Attorney General Heidi Heitkamp and I am appearing in support of HB 1082.

State law currently provides that cigarettes may be sold in a pack size of as few as 5 cigarettes. HB 1082 amends the law to require a minimum pack size of 20 cigarettes and a minimum "roll-your-own" package size of .60 oz.

These amendments will accomplish two objectives. The primary objective is to discourage youth smoking; the secondary objective is to implement a provision of the National Tobacco Settlement agreement that attempts to establish uniformity among all the states and reduce youth smoking.

Smaller packs are cheaper and their size makes them easier to conceal. Requiring packages to contain at least 20 cigarettes or .60 oz. will make the packages more expensive to purchase initially, and more difficult to conceal. It is our understanding the public health community believes that large pack size presents a smoking deterrent to young people.

The second purpose of the bill is to bring about uniformity for the size of cigarette packs and roll-your-own tobacco packages. Recognizing the deterrent impact on youth smokers, the National Tobacco Settlement, recently entered into by the State of North Dakota, 45 other states, 5 territories and the District of Columbia, prohibits the sale of cigarettes in a pack size of less than 20 and roll-your-own tobacco in packages containing less than .60 ounces of tobacco in all the signing states until December 31, 2001. The prohibition on cigarette and roll-your-own package size does not become permanent unless all the jurisdictions enact laws that prohibits their sale. (See attached provisions).

I asked that you give this bill a do pass.

## Y2K WATCH Bond ratings in jeopardy

FOR LOCAL GOVERNMENTS that haven't yet squashed the millennium bug, out-of-sync traffic lights and uncollected trash may be the least of their worries. Municipalities could see their bond ratings tumble if the year-2000 computer glitch results in missed interest payments.

The two leading bond-rating firms, Moody's Investors Service and Standard & Poor's, have yet to downgrade any municipal bonds on the basis of year-2000 preparedness, but neither is ruling out the possibility. "It's difficult to evaluate the impact of Y2K



on creditworthiness," says Moody's senior vice-president, Adam Whiteman.

In the past decade there's been a rush to privatize many municipal services, so municipalities don't have much control over working out Y2K bugs, says Whiteman. And it's already clear that many localities won't correct their own year-2000 woes in time. In California, 26% of the state's cities and counties had no plan in place, according to one survey, and 58% hadn't budgeted for fixing any problems.

As investments, bonds issued by better-prepared states, such as Florida and Texas, are a safer bet, and U.S. Treasury securities are the safest of all. No matter what happens, "the federal government is not going to default on its bonds," says John Mauldin, editor of the Year 2000 Alert Newsletter. "By the end of the day, they can always print more money."

—CATHERINE SISKOS

acquired, your ability to contribute or borrow could be frozen for a period of time, or the plan could be terminated or merged with the acquiring company's plan. "Most employees want the opportunity to get their hands on the money" and roll it into their own IRA, says Rich Koski, a principal with Buck Consultants, a benefits consulting firm. But you probably won't get that chance. More likely, the money will eventually be transferred to the new plan and allocated among similar investment options.

Participants with outstanding loans need to be the most cautious, says Laura Van Domelen, a benefits expert with Milliman & Robertson. The new plan may refuse to allow you to roll over a loan from your old plan, so you would be forced to take the loan amount as a distribution. Unless you could borrow money from another source and roll the 401(k) funds into an IRA within 60 days, you'd be stuck paying income taxes plus a 10% early-withdrawal penalty.

You can expect a blackout period of anywhere from 30 days to six months while the old plan is being terminated or merged into the new one. So if your company is in the midst of merger negotiations, now is a good time to make asset-allocation changes.

When it comes to joining the new plan, "some companies will count your service with the acquired company, but they don't have to," says Koski. If the new plan includes employer matching contributions, you could be required to work

for the merged firm for five years before you're fully vested in the employer funds.

You could still end up better off if your company is taken over by a larger one with more generous benefits. But companies involved in mergers are often intent on cutting costs, says Garrett, so the transfer could mean a smaller match.

## SPENDING

### A chilling effect on the Marlboro Man

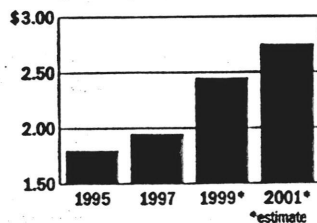
By the time tobacco companies finish passing on to their customers the cost of their 46-state, \$206-billion liability settlement, smokers will be craving the heyday of Joe Camel. Since the settlement, the average price for a pack of cigarettes has risen nearly 30%, to about \$2.40.

And that's just the tip of the tobacco leaf. "Over the next few years, the industry will continue to raise prices for profit and to pay for the settlement," says David Adelman, an analyst with Morgan Stanley Dean Witter & Co. By 2001, after a federal excise tax of 10 cents per pack kicks in, Adelman predicts that cigarettes will cost an extra 35 cents per pack.

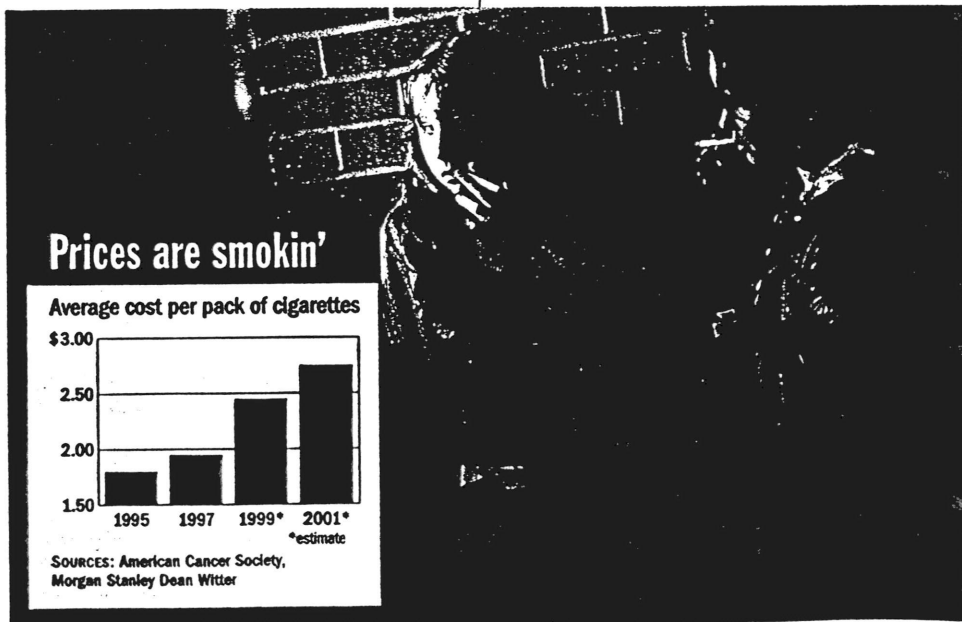
Some smokers may decide that lighting up isn't worth the price. For every 10% increase in price, smoking by adults drops 2% and smoking by teens 5%, according to research by William Evans, a professor of economics at the University

### Prices are smokin'

Average cost per pack of cigarettes



SOURCES: American Cancer Society, Morgan Stanley Dean Witter



ZIGY KALUZYNI/TONY STONE IMAGES

## COMING UP

## Axed fees, etc.

**CHARGES DROPPED:** To even up the competition with networks of large banks (and make customers happy), two dozen community banks in the Pittsburgh area have formed the Freedom ATM Alliance, agreeing not to charge one another's customers for ATM transactions. At least five similar ATM alliances have sprung up across the country, with more expected.

**PRIVACY PROTECTION:** This year you won't find your social security number on the peel-off label on your tax forms. The IRS has implemented the change for 1998 forms to cut down on the number of form packages stolen by thieves looking to swipe SSNs.

**BLINDED BY LOVE:** Don't part with two months' salary for a diamond engagement ring or surprise your valentine with a pair of diamond earrings until you check out the four c's—carat weight, clarity, color and cut—at the Diamond Information Center, sponsored by De Beers, at [www.diamondisforever.com](http://www.diamondisforever.com).

**CREDIT CYBERSALE:** First USA has launched a no-annual-fee card that pays 5% cash back for purchases at selected online retailers, including Amazon.com, eToys.com and Reel.com. You can also receive electronic statements and make payments online. For more information, visit [www.getecard.com](http://www.getecard.com).

**TRY A LOAN FOR SIZE:** Provided it gets a go-ahead from regulators, Nordstrom, the upscale department store, will expand its credit card subsidiary into a savings bank. Nordstrom could then offer existing card customers home-equity loans, checking accounts and even mortgages.



of Maryland, and Lynn Huang of the National Opinion Research Center.

The age difference in price sensitivity owes as much to image as to income. Kids are snooty smokers, with a taste for expensive brands such as Marlboro and Camel rather than the cheaper brands adults smoke. "Teenagers would rather not smoke at all than be caught smoking a cheap brand," says Evans.

But another study by Cornell University suggests that higher prices don't deter teenagers from picking up the habit in the first place. By their senior year, the study found, 25% of high school students had started smoking, even in states where prices rose as a result of state tax increases. —C.S.

## TRAVEL

Need a break?  
Take a cruise

It may be high season in the Caribbean, but it's not too late to book a late-winter or spring-break cruise.

For example, The Cruise Line (800-327-3021), a cruise discountor, is offering a seven-night cruise of the southern Caribbean, departing from San Juan, on Carnival Cruise Lines for \$579 per person (based on double occupancy and excluding airfare). Lest you fear being marooned at sea with hundreds of rowdy college students, Carnival now requires passengers under 21 to share a cabin with someone over 25.

For \$348 per adult and \$169 per child, including port charges, Travel Express International is offering a deal: a three-night stay in Orlando (at a Best Western, Holiday Inn or similar hotel); a 14-hour, round-trip cruise between Florida and Grand Bahama Island on Discovery Cruise Lines and three nights on Grand Bahama, within walking distance of the beach. (To get this special price, call 800-284-9474 and tell the representative you're a *Kiplinger's* reader.)

On the West Coast, both Royal Caribbean and Princess cruise lines are offering reduced prices on cruises to the Hawaiian Islands. And Alaskan cruises, which have actually declined in price over the past few years, will continue to be a good value because so many ships ply those waters. —LYNN WOODS

## SHOPPING

## Coins are welcome here, for a change

In this era of ATMs and bank-teller fees, where in the world—other than Rome's Trevi fountain—can you unload a jar full of pennies?



Alchemy at the grocery store: Turning pennies into big bucks.

Try your neighborhood supermarket. Nearly 5,000 grocery stores across the country now offer Coinstar coin-counting machines, which to date have turned \$1 billion worth of coins—that's 87,000 tons—into cash. The Coinstar machine sifts through pocket lint and paper clips, and your kids' piggy banks, to count your coins at a rate of 600 per minute, then issues a voucher you can apply to your grocery bill or exchange for cash. As a fee, Coinstar holds back 8.9 cents of every dollar processed, of which the store keeps a small cut.

Every machine has a built-in phone line and a modem that automatically summons an armored truck when the machine needs to be emptied and pages a repairman when it malfunctions. The machines can be programmed to issue cents-off coupons or allow customers the option of donating their loose change to charity.

Coinstar machines are also showing up in bank lobbies and credit unions. Even if the bank absorbs the fee, "it may still be cheaper for the bank than tying up a teller," says Coinstar spokesperson David Herrick. •

**Testimony on House Bill 1082**  
before the  
**Senate Political Subdivisions Committee**  
**Murray G. Sagsveen, State Health Officer**  
**February 5, 1999**

We concur with Attorney General Heitkamp's testimony concerning House Bill 1082. The legislation is consistent with the November 1998 Master Settlement Agreement and the Department of Health's efforts to prevent the purchase of cigarettes by minors.

Accordingly, we urge this committee to give a "do pass" recommendation to House Bill 1082.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1082

Page 1, line 1, after "Act" insert "to create and enact a new subsection to section 57-36-07 of the North Dakota Century Code, relating to the size of packages for roll-your-own tobacco sales or distribution;"

Page 1, line 2, after "sales" insert "or distribution"

Page 1, line 7, after "sold" insert "or distributed"

Page 1, line 9, after "**SECTION 2.**" Insert:

"A new subsection to section 57-36-07 of the North Dakota Century Code is created and enacted as follows:

All packages of roll-your-own tobacco sold or distributed in this state must be in packages containing at least 0.60 ounces of tobacco."

Renumber accordingly

Fifty-sixth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 1082**

Introduced by

Political Subdivisions Committee

(At the request of the Attorney General)

A BILL for an ACT to create and enact a new subsection to section 57-36-07 of the North Dakota Century Code, relating to the size of packages for roll-your-own tobacco sales or distribution; to amend and reenact subsection 1 of section 57-36-07 of the North Dakota Century Code, relating to the size of packages for cigarette sales or distribution; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Subsection 1 of section 57-36-07 of the North Dakota Century Code is amended and reenacted as follows:

1. All cigarettes sold or distributed in this state must be in packages containing ~~five~~ twenty or more cigarettes each.

**SECTION 2.** A new subsection to section 57-36-07 of the North Dakota Century Code is created and enacted as follows:

All packages of roll-your-own tobacco sold or distributed in this state must be in packages containing at least 0.60 ounces of tobacco.

**SECTION 3. EMERGENCY.** This Act is declared to be an  
emergency measure.