

The Politics of **CIGARS**



What happened in 2023-2024 and a crystal ball view toward 2025



The 2023-2024 series of legislative sessions presented challenges and opportunities from one end of the nation to the other. The following is a review of the political landscape in the premium cigar sector.

During the most recent biennium, some form of tobacco legislation was considered in all fifty states.

- 499 bills tracked with at least one in every state;
- 404 bills failed;
- 85 passed;
- Ten remain in limbo.

The major issues monitored for impact in the premium sector revolved around the following:

- Minimum age to purchase;
- Licensing to sell (with a focus on vape and e-cigarette products, but broadened to all tobacco, as another layer of permitting);
- Flavor tobacco bans – none passed;
- Remote sellers regulation and taxation;
- Local authority (limit in some states and expand in others);
- Cigar bar or lounge with mixed beverage licensing;
- Premium cigar tax caps;
- Tax increases (only Maryland and Rhode Island raised cigarette taxes); no OTP increases;
- Generational smoking bans.

Significant local issues include:

- A tobacco control package adopted in Minneapolis, Minnesota, included:
 - Mandated minimum purchase price;
 - Flavor ban;
 - Cigar lounge “sampling” ban
- Generation smoking bans targeting fifty communities in Massachusetts





Federal Update

- Monitor FDA flavor ban rule;
- September oral arguments on vacating premium cigar regulation;
- Monitor manufacturing standards rule-making.
- Compliance Inspections Review:
 - 1,500,000 inspections
 - 134,000 “warning letters” (91% compliance)
 - 33,000 “civil money penalties” (2.2% of all inspections)
 - 230 “no tobacco sale order” (.015333% of all inspections)

2025 Legislative “Crystal Ball”

1. Planning for premium cigar tax cap legislation in Nebraska and Georgia; reintroducing tax cap bills in Wyoming, Illinois, New York, New Jersey, and Virginia; “tax ceiling” legislation in Colorado; and tax decrease legislation in Delaware. Possible cap-lowering bill in Indiana.
2. Cigar bar legislation in Ohio, Wisconsin, New York, and possibly Maryland and Michigan.
3. Tax increase legislation anticipated in New York and Massachusetts;
4. Massachusetts: legislation anticipated limiting the authority of local health boards;
5. Flavor bans (anticipated in a dozen states);
6. New licensing requirements;
7. Local authority.