

REPORT NO. 26 of the
PUBLIC SAFETY STANDING COMMITTEE
of its meeting held April 18, 2012

Present: **Councillor Jones, Chair**
 Councillor Dilkens
 Councillor Gignac
 Councillor Maghnieh
 Councillor Payne

Referencing: **Presentation by Ontario Convenience Stores Association**
 "Contraband Tobacco and Community Safety"

That the following recommendation of the Public Safety Standing Committee **BE APPROVED** as follows:

Moved by Councillor Gignac, seconded by Councillor Dilkens

WHEREAS contraband tobacco has negative public consequences and impacts such as unrestricted youth access to tobacco products, and an increase in criminal activity, and

WHEREAS contraband tobacco products are easily accessible in our community, and

WHEREAS small businesses are sometimes forced to close because of the sale of contraband tobacco, and

WHEREAS small business in our community and government in general stand to benefit from the institution of tougher restrictions on contraband tobacco,

THEREFORE be it resolved that this Committee request the Mayor write a letter to the Ontario Minister of Finance in support of the Ontario Government's most recent Budget commitments to eradicate contraband tobacco through the implementation of additional regulatory, enforcement and other provisions in Bill 186 and amendments to the Tobacco Tax Act. Particularly, in support of measures such as:

-increased fines for those convicted of offenses related to contraband tobacco;

-more authority for law enforcement officials with respect to forfeiture of items seized, and impounding of vehicles and the local retention of the seized and impounded vehicles;

-drawing on the best practices of other jurisdictions and working collaboratively with the Federal Government and other jurisdictions to enhance contraband tobacco control through joint enforcement efforts,

AND that the Provincial Government be encouraged to continue to strengthen their strategies to address the manufacture and supply of contraband tobacco and

maintain their commitment to introduce amendments this fall to implement these measures,

AND that surrounding municipalities be made aware of the actions taken by this Council to address the concerns presented by contraband tobacco. -

Carried.

Clerk's Note: The presentation by the Ontario Convenience Stores Association entitled "Contraband Tobacco and Community Safety" is **attached** as background information.

NOTIFICATION:				
Name	Address	Email Address	Telephone	FAX
Dave Bryans, CEO Ontario Convenience Stores Association		<u>bryans@conveniencestores.ca</u>		
Lindsay Doyle		ldovle@summa.ca		

Contraband Tobacco and Community Safety

Ontario Convenience
Stores Association

**Presentation to City of Windsor Public Safety Committee
Wednesday, April 18th, 2012**

Contraband Tobacco Usage

- Usage is at historically high levels and can be found in the homes of one out of every three smokers;
- CAMH found 43% of cigarettes smoked by youth are contraband (the other most likely source were legal products given by friends or family);
- Vast majority of contraband being purchased is in the form of loose-bags of cigarettes.

What is contraband;

- Any cigarettes without government endorsement stamp .
- There are SIX categories of contraband tobacco:
 1. Illegally manufactured or imported cigarettes (mostly as 200 cigarette baggies)
 2. Bootlegged name brand cigarettes illegally imported from low tax regime US States
 3. Counterfeit cigarettes (i.e. fake Marlboros imported from China)
 4. Illegally manufactured cigarettes (so called secondary runs at otherwise legal plants)
 5. Non-tax paid (excise only) name brand peach band (quota stock) sold to non-status aboriginals
 6. Non-tax paid (PTT and excise only) name brand yellow band sold to non-status aboriginals

Effects of Contraband Tobacco

- Erodes respect for the law and minimizes consequences for organized criminal activity;
- Federal and provincial governments lose millions in tax revenue that could fund social programs, education, employment programs and health care;
- Increases the tax burden for taxpayers;
- Prevents legitimate small businesses from carrying out their activities in a fair competitive market; and
- Encourages young people to take up smoking through unrestricted access to inexpensive cigarettes.

Proposed Motion for Adoption by Windsor City Council

- WHEREAS Contraband tobacco has negative public consequences and impacts such as unrestricted youth access to tobacco products, and an increase in criminal activity
- AND WHEREAS contraband tobacco products are easily accessible in our community;
- AND WHEREAS small businesses are sometimes forced to close because of the sale of contraband tobacco;
- AND WHEREAS small business in our community and government in general stand to benefit from the institution of tougher restrictions on contraband tobacco;
- THEREFORE be it resolved that this Committee request the Mayor write a letter to the Ontario Minister of Finance in support of the Ontario Government's most recent Budget commitments to eradicate contraband tobacco through the implementation of additional regulatory, enforcement and other provisions in Bill 186 and amendments to the Tobacco Tax Act. Particularly, in support of measures such as:
 - increased fines for those convicted of offenses related to contraband tobacco;
 - more authority for law enforcement officials with respect to: forfeiture of items seized, and impounding of vehicles.
 - drawing on the best practices of other jurisdictions and working collaboratively with the federal government and other jurisdictions to enhance contraband tobacco control through joint enforcement efforts.
- AND that the provincial government be encouraged to continue to strengthen their strategies to address the manufacture and supply of contraband tobacco and maintain their commitment to introduce amendments this fall to implement these measures.
- AND that surrounding municipalities be made aware of the actions taken by this Council to address the concerns presented by contraband tobacco.