

The Impact of North Dakota's Smoke-Free Law on Restaurant and Bar Taxable Sales

The Law

- On Aug. 1, 2005, a new smoke-free law went into effect in North Dakota requiring most public places and workplaces to be smoke-free, with some exemptions. The exemptions include stand-alone bars; separately enclosed bars in restaurants, hotels and bowling centers; and hotel and motel rooms and other lodging establishments.

The Study

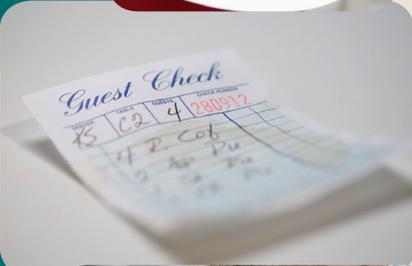
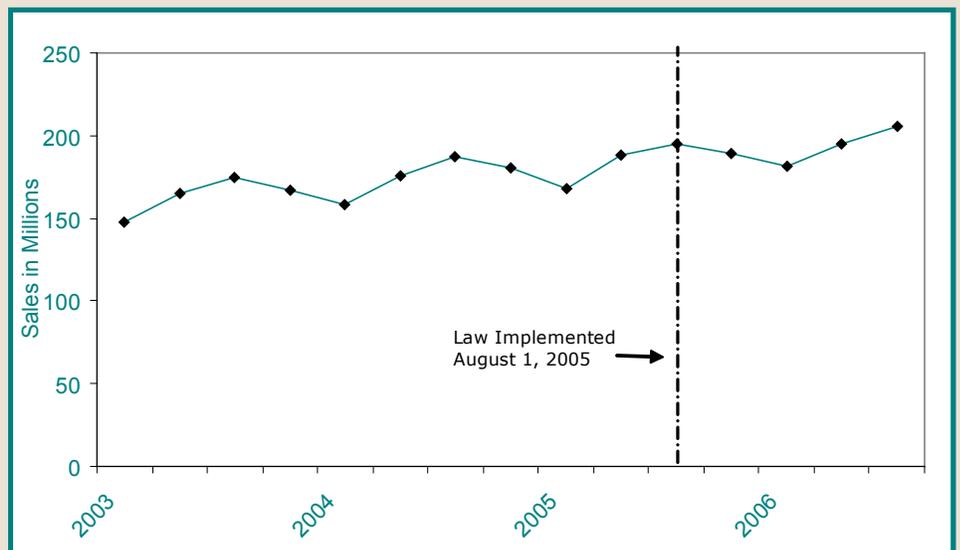
- The North Dakota Department of Health (NDDoH) determined it was important to measure the economic impact of the new law on taxable sales in food and drinking establishments. The NDDoH commissioned Healthy Communities International (HCI) of Minot State University to examine quarterly taxable sales from 2003 through the third quarter of 2006, one year after the smoke-free law went into effect.

The Outcome

- In any given year, taxable sales at food and drinking establishments consistently follow a seasonal trend of increases and decreases. This trend of increases and decreases remained the same after the law was enacted.

The study concluded that the smoke-free law had a neutral impact on the taxable sales of restaurant and bar establishments in North Dakota.

Taxable sales of food and drinking places before and after the law was implemented





The Process

- The North Dakota Office of the Tax Commissioner supplied quarterly data for taxable retail sales in North Dakota from 2003 through the third quarter of 2006, with separate totals indicated for food and drinking establishments.

Comparisons of a given quarter after the law went into effect were made to the same quarter in the previous year.

Subsequent studies with longer post-law follow-up are recommended.

For the complete text of this study, *The Impact of North Dakota's Smoke-Free Law on Restaurant and Bar Taxable Sales*, visit www.ndhealth.gov/tobacco/Reports/Impact_Report_2007.pdf.



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