

Report finds smoke-free Legislation doesn't hurt bars or restaurants; gaming industry impact unclear

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(PhysOrg.com) -- Smoking bans have not negatively affected revenues of restaurants and bars, but the impact is less clear at gambling institutions, a new University of Michigan report indicates.

In the first of a series of research briefs, the Center for Local, State, and Urban Policy (CLOSUP) at the U-M Gerald R. Ford School of Public Policy analyzes the proposed legislation in Michigan to prohibit smoking in all workplaces, which has been opposed by some in the hospitality industry.

Separate bills have passed in the Michigan House of Representatives and the Senate, but the provisions differ. The House bill under consideration would ban smoking at most workplaces, including bars and restaurants, but not casinos and [tobacco](#) shops. The Senate favors a bill that would ban smoking without exceptions. Both government entities would have to agree on a version of the ban for it to become law.

Twenty-four states, Washington D.C. and Puerto Rico have passed smoke-free workplace legislation.

Two major issues surrounding the proposed legislation are health hazards of second-hand smoke and the economic consequences of smoking bans for restaurants, bars and casinos.

“Beyond the economic arguments, some opponents also believe the legislation is an intrusion on the rights of private business owners, represents unnecessary government meddling in the private market, and raises concerns about equitable enforcement of the legislation,” said Tamara Wilder, a Research Fellow at CLOSUP.

On the economic front, however, most research shows smoke-free legislation had either no effect or a positive effect on hospitality industry revenues. Wilder said other studies that found negative effects from the legislation were poorly designed and didn’t factor economic conditions, which is important to determine what causes revenue decreases.

Among the strongest opponents have been Detroit’s three casinos, which contend they would be at a disadvantage with Michigan’s 18 tribally owned casinos. The latter casinos would not be covered by the legislation.

CLOSUP officials researched how other states’ revenues were affected by the smoke-free legislation. For instance, Delaware’s racinos, which are racetracks with video lottery terminals, saw revenues dip after a [smoking ban](#) was implemented. In Massachusetts, smoke-free ordinances did not affect the revenues of gambling sponsored by charitable organizations, such as bingo.

Despite the public health concerns and economic factors, Wilder points to the political questions that must be debated regarding the role of public sector versus the private market in determining smoke-free zones.

CLOSUP helps scholars conduct policy-relevant social science research. It functions as an information resource for academics, policymakers, the media and the public. The center works to foster effective communication between academic researchers and the policymakers dealing with today's state, local, and urban policy problems.

The smoke-free legislation analysis is one of a series of research briefs that will be published this summer. Other topics include business taxes, transportation funding, corrections expenditures, economic development and college scholarships, and the individual health insurance market.

More information: closup.umich.edu/

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