



Coalition of Local Health Officials

MEASURE: HB 2533
EXHIBIT: 0
HOUSE REVENUE COMMITTEE
DATE: 3/29/2011 PAGES: 2
SUBMITTED BY: KAREN GILLETTE

March 24, 2011
House Revenue Committee
Support HB 2533 – Tobacco Tax Increase

Good Morning Co-Chairs Representative Berger and Representative Barnhart and Members of the House Revenue Committee:

My name is Karen Gillette and I am the Public Health Manager for Lane County. I am here on behalf of the Oregon Coalition of Local Health Officials and the Lane County Board of County Commissioners to urge your Support of HB 2533, which would increase the tobacco tax this session.

There are three points that I would like to make this morning:

First, increasing the tobacco tax decreases consumption – especially amongst price-sensitive youth. Youth smoking prevalence is strongly correlated with cigarette pack prices. In the Center for Disease Control and Prevention scientific review titled “U.S. Youth Smoking Prevalence vs. Cigarette Pack Price, 1991-2009”, a dramatic decline in youth smoking rates was seen between late 1990’s and early 2000’s. It was during this time period that many states, including Oregon, increased taxes on cigarettes. Then between 2003 and 2005, the average price for a pack of cigarettes in the U.S. declined and subsequently youth smoking rates. We know without a doubt that tobacco tax increases are one of the most effective ways to reduce smoking rates in the population. Every 10 percent increase in cigarette prices reduces youth smoking by about seven percent and total cigarette consumption by about four percent.

In addition, the Oregon Health Authority estimates that for every \$1 the tobacco excise tax increases, consumption would be driven down by 8% in the first biennium. For each percentage point decline in adult and youth smoking rates, Oregon will see 28,400 fewer adult smokers, 460 fewer pregnant smokers, 2,000 fewer high school smokers, a \$270 million reduction in health care costs from reduced adult smoking and a \$149 million reduction in future health care costs from reduced youth smoking. In Lane County, in one year’s time, \$127 million is spent on medical care for tobacco-related illnesses and it is estimated \$116 million is lost in productivity due to tobacco-related deaths.

Second, HB2533 would dedicate a small portion of the tax revenue raised to support Oregon’s effective, comprehensive Tobacco Prevention and Education Program which was established by Oregon voters when they passed Ballot Measure 44, raising the cigarette tax in 1996. All county health departments in Oregon receive some of this cigarette tax revenue to pursue local tobacco prevention efforts.



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This program has been particularly impactful in my county, with participation at both the state and local levels. One example of a significant local public health success, due in part to increased public health staffing through these funds occurred when the City of Eugene passed a comprehensive smoke free workplace policy including restaurants and bars in 2000, nine years before the state law took effect (Clean Indoor Air Act). More recently, our public health staff worked with HACSA, the local public housing authority, to establish a no smoking policy in all their almost 1,400 units, in all indoor common areas and smoking within 10 feet of unit doors, windows and vents. Our prevention staff have also worked closely with many other large employers, including both hospitals, Lane Community College and the University of Oregon as they develop and implement tobacco free property policies designed to reduce secondhand smoke exposure at the worksite. There's much more work to be done and aided by an increase in the tobacco tax we would be able to move forward on other evidence-based prevention work.

Third, funding is needed for broader chronic disease prevention programs. Although tobacco-related illness continues to be the leading cause of death in Oregon, the growing epidemic of obesity is also a major public health concern. According to the CDC cost calculator, in 2009 Oregon spent \$481 million in Medicaid costs for the top six chronic diseases (asthma, diabetes, cancer, heart disease, stroke, chronic obstructive pulmonary disease -COPD) related to obesity.

An increase on the tobacco tax would result in more tobacco revenue being raised. Under HB 2533, a small portion of this revenue would be distributed to cities and counties in Oregon. Cities and counties could then choose to enhance local chronic disease prevention efforts lead by local public health staff.

In closing, I would like you to know that tobacco use inflicts a tremendous toll on the people who live in my county. In one year, 50,492 adults regularly smoke cigarettes and 13, 550 people suffer from a serious illness caused by tobacco use. Twenty-three percent of all deaths in Lane County (or 693 people) are due to tobacco use.

On behalf of the Coalition of Local Health Officials and Lane County Board of County Commissioners, we urge your support for HB 2533, increasing the tobacco tax. Thank you for your time and consideration.

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