



ALEX CUYLER

Intergovernmental Relations Manager
Alex.Cuyler@co.lane.or.us

MEASURE: SB 692
EXHIBIT: F
Senate Finance and Revenue 76th Session
DATE: 04-15-2011 PAGES: 5
SUBMITTED BY: ALEX CUYLER

DATE: April 15, 2011
TO: Senate Committee on Finance and Revenue
RE: SB 692, relating to county tobacco taxes

Members of the Committee:

The Lane County Board of Commissioners has reviewed SB 692 and is in support of this measure. We urge a DO PASSS recommendation for SB 692 as a result of today's hearing.

ORS 431.416 provides that local public health authorities (counties) carry out certain tasks relative to the preservation of health and the prevention of disease. Oregon Administrative Rules then provide additional details with regards to activities that the public health authority must carry out. This is a responsibility we accept, and carry out professionally.

Related to this authority is an annual contract that we enter into with the State to provide these services. It is the unfortunate fact that the dollars for these functions are threatened due to State budgetary cuts. We fully expect additional cuts this biennium. Additionally, we are watching closely the activities and recommendations of the Health Care Transformation Committee. This may further impact the local public health authority.

This is all to say that local control is desperately needed in this arena. A local cigarette tax is one tool that should at least be something that the health authority gets to evaluate. As you know, this is currently prohibited by Oregon law.

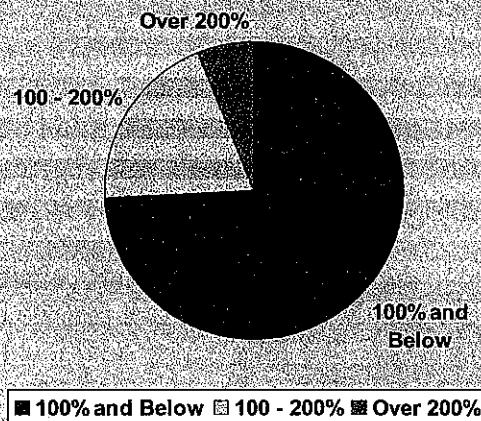
SB 692 would fix that, and we urge your support.

CHC – Serving the Most Vulnerable Members of our Community...



75 PERCENT OF OUR PATIENTS have incomes that are under the federal poverty level. (Currently \$22,350 annual income for a family of four.)

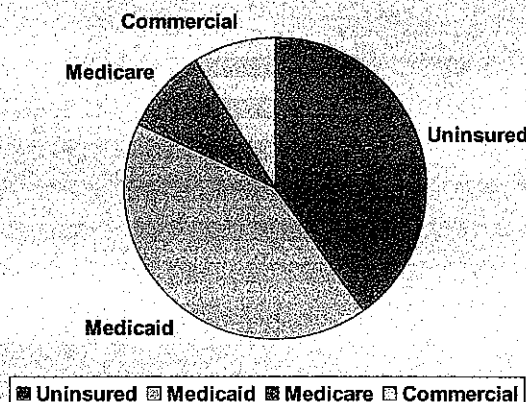
Patient Income Level
– (as a % of Federal Poverty Level)



Last year, **82 PERCENT OF OUR PATIENTS** were uninsured or had Medicaid coverage:

- 40 percent had no insurance,
- 42 percent had Medicaid,
- 9 percent had Medicare, and
- 9 percent had commercial (private) insurance

Insurance Coverage



Cigarette Prices

(inner Southeast Portland)

E BURNSIDE

3 Brothers Market (638 East Burnside)

\$6.85

Camel Lights

711 (1930 SE Hawthorne)

\$5.93

Camel Lights
(2 for \$4.93 each)

Fred Meyer (SE Hawthorne & Cesar Chavez)

\$6.55

Camel Lights

Plaid Pantry (2110 SE Powell)

\$5.50

Camel Lights

Safeway (SE Powell & Cesar Chavez)

\$6.79

Camel Lights

March 22, 2011



LOCAL GOVERNMENT CIGARETTE TAX RATES & FEES

Most counties and cities do not have their own cigarette tax rates because they are prohibited by state law, but there are major exceptions. More than 450 local jurisdictions nationwide have their own cigarette tax rates or fees, bringing in more than \$500 million in annual revenue and working effectively to reduce smoking rates, especially among youth, and to decrease smoking-caused death, disease, and costs. The following are some examples, including the local jurisdictions with the highest local and state-local cigarette tax rates.

City/County (Partial List)	Local Cigarette Tax (Per Pack)	State Cigarette Tax (Per Pack)	Total State + Local Tax (Per Pack)
1. Cook County, Illinois	\$2.00	\$0.98	\$2.98 ¹
2. New York City, New York	\$1.50	\$4.35 (on 7/1/10)	\$5.85
3. Anchorage, Alaska	\$1.452	\$2.00	\$3.452
4. Barrow, Alaska	\$1.00	\$2.00	\$3.00
5. Matanuska-Susitna Borough, Alaska	\$1.00	\$2.00	\$3.00
6. Sitka, Alaska	\$1.00	\$2.00	\$3.00
7. Juneau, Alaska	\$1.00	\$2.00	\$3.00
8. Falls Church, Virginia	\$0.75	\$0.30	\$1.05
9. Alexandria, Virginia	\$0.70	\$0.30	\$1.00
10. Chicago, Illinois	\$0.68	\$0.98	\$3.66
11. Hampton, Virginia	\$0.65	\$0.30	\$0.95
12. Newport News, Virginia	\$0.65	\$0.30	\$0.95
13. Norfolk, Virginia	\$0.55	\$0.30	\$0.85
14. Chesapeake, Virginia	\$0.50	\$0.30	\$0.80
15. Fairfax, Virginia	\$0.50	\$0.30	\$0.80
16. Middleburg, Virginia	\$0.50	\$0.30	\$0.80
17. Portsmouth, Virginia	\$0.50	\$0.30	\$0.80
18. Suffolk, Virginia	\$0.50	\$0.30	\$0.80
19. Virginia Beach, Virginia	\$0.50	\$0.30	\$0.80
20. Leesburg, Virginia	\$0.50	\$0.30	\$0.80
21. Vienna, Virginia	\$0.50	\$0.30	\$0.80
22. Franklin, Virginia	\$0.50	\$0.30	\$0.80
23. Herndon, Virginia	\$0.50	\$0.30	\$0.80
24. Evanston, Illinois	\$0.50	\$0.98	\$3.48
25. Lynchburg, Virginia	\$0.35	\$0.30	\$0.65
26. Cuyahoga County, Ohio	\$0.345	\$1.25	\$1.595
27. Fredericksburg, Virginia	\$0.31	\$0.30	\$0.61
28. Harrisonburg, Virginia	\$0.30	\$0.30	\$0.60
29. Haymarket, Virginia	\$0.30	\$0.30	\$0.60
30. Purcellville, Virginia	\$0.30	\$0.30	\$0.60
31. Charlottesville, Virginia	\$0.25	\$0.30	\$0.55
32. Manassas, Virginia	\$0.25	\$0.30	\$0.55
33. Williamsburg, Virginia	\$0.25	\$0.30	\$0.55
34. Smithfield, Virginia	\$0.25	\$0.30	\$0.55
35. San Francisco, California	\$0.20 ²	\$0.97	\$1.07
36. Fairbanks, Alaska	\$0.20	\$2.00	\$2.20
37. Arlington County, Virginia	\$0.20	\$0.30	\$0.50

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2009; media reports; state and local tax officials.

¹ In Chicago (\$0.68 per pack) and Evanston (\$0.50), which are in Cook County, the total state-local tax is higher.

² Regulatory fee, not tax, to pay for cigarette litter cleanup. State law prohibits San Francisco from implementing a local cigarette tax.

The table does not list all localities with their own cigarette tax or fee. Overall, Alabama (42.5 cents per pack) has 240 cities and 46 counties with their own cigarette taxes. Three other Illinois cities not in the above table have their own cigarette taxes, two of which are Cicero (16 cents per pack) and Rosemont (5 cents per pack). Missouri (17 cents per pack) has 120 cities and two counties. Ohio (\$1.25 per pack) has one county with its own tax, Cuyahoga County (34.5 cents per pack). Tennessee (20 cents per pack) has one city. Virginia (30 cents per pack) has 50 cities and two counties with their own cigarette taxes.

New York City is the only locality with its own cigarette tax in New York State. Anchorage's cigarette tax is annually adjusted for inflation; Fairbanks' tax is actually 8 percent of wholesale price (about 20 cents per pack); and no unlisted Alaska cities have their own cigarette tax.

The combined cigarette tax rates in the table do not include the federal cigarette tax of \$1.01 per pack or any state or local sales taxes that apply to cigarettes.

The U.S. Centers for Disease Control & Prevention (CDC) estimates that total smoking-caused health costs and lost productivity totals \$10.28 per pack nationwide.

Some states prohibit localities from having their own cigarette tax rates or limit the maximum amounts.

The average state cigarette tax rate is \$1.45 per pack and the highest state-only rate is New York (\$4.35 per pack). Currently, 29 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate higher than \$4.00 per pack.

Campaign for Tobacco-Free Kids, June 23, 2010 / Ann Boonn

For more information on cigarette taxes and the many public health and economic benefits from increasing them, please see the Campaign's website at <http://tobaccofreekids.org/reports/prices> and <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>.

For a listing of the highest combined state-local tax rates in the country, see TFK Factsheet, *Top Combined State-Local Cigarette Tax Rates (State plus County plus City)*, <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.