

DATE: April 15, 2011

TO: The Honorable Ginny Burdick, Chair
Senate Finance and Revenue Committee

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MEASURE: SB 692
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SUBMITTED BY: Dr. MELVIN KOHN

SUBJECT: SB 692: Local Tobacco Taxes

Chair Burdick, members of the Committee, I'm Dr. Mel Kohn, Public Health Director and State Health Officer in the Public Health Division, Oregon Health Authority. I am here today to provide information regarding SB 692, which relates to local tobacco taxes.

Allowing county jurisdictions to pass local ordinances to increase the price of tobacco, through a tobacco excise tax, could have a significant impact on the health of Oregonians. Increases in the price of tobacco result in a reduction in tobacco use, Oregon's leading cause of preventable death and disease.

Tobacco use is the leading preventable cause of death in Oregon, killing nearly 7,000 people each year. Tobacco use and exposure is expensive and leads to more than \$1 billion in medical spending for treatment of tobacco-related diseases every year. Consequences of tobacco use include heart disease, asthma, emphysema, cancers and low-birth weight babies. Oregon spends much more treating these diseases than it gets back from tobacco excise taxes. A pack of cigarettes would need to sell for more than \$13 a pack to match what tobacco use costs taxpayers.

Oregon saves money when fewer people use tobacco. Since the beginning of the Tobacco Prevention and Education Program, adult tobacco use in Oregon has decreased 26 percent and 11th grade prevalence has decreased 46 percent. This translates to 182,000 fewer adult smokers in Oregon today. The tobacco-related cancer death rate also has dropped nearly 12 percent

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since the start of the program. Fewer smokers means Oregon has reduced future tobacco-related health care costs by more than \$3.8 billion – a return of more than \$45 for every dollar invested in tobacco control.

Thank you for the opportunity to testify today. I am happy to answer the Committee's questions.