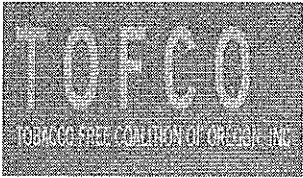


MEASURE: SB 692
EXHIBIT: K
Senate Finance and Revenue 76th Session
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SUBMITTED BY: BRETT HAMILTON

April 15, 2011



To: Senate Finance and Revenue Committee

From: Brett Hamilton, Executive Director, Tobacco-Free Coalition of Oregon

Re: SB 692, Removing prohibition against local government imposition of taxes on tobacco products

Smoking kills more people than alcohol, AIDS, car accidents, illegal drugs, and suicide combined, with thousands more dying from smokeless tobacco. Scientific studies, and experience in state after state, show that higher cigarette taxes are one of the most effective ways to reduce smoking among both youth and adults.



Therefore, the Tobacco-Free Coalition of Oregon (TOFCO), Inc. supports removing the prohibition against local government imposition of taxes on tobacco products so that an increase in tax can be levied.

TOFCO, Inc. is a statewide not for profit organization that includes businesses, organizations and individuals who advocate for programs and policies that will decrease the toll of tobacco-use in Oregon. TOFCO, Inc. is the convener of the TOFCO Partners coalition, but speaks only for itself. TOFCO, Inc. has long advocated for an increase in the state tobacco tax.

As stated in the opening paragraph, increasing the price of tobacco products is a proven strategy to reduce tobacco consumption and prevent youth initiation of tobacco use, which had been identified by the federal Centers for Disease Control and Prevention as an evidence based best practice for tobacco prevention.

Tobacco use is the leading cause of preventable death in the United States and in Oregon and is associated with numerous serious diseases, including multiple cancers, diseases of the respiratory and cardiovascular systems, and strokes. Tobacco use contributes to almost 7,000 deaths a year in Oregon.

In spite of those statistics, some sixteen percent of Oregon high school students continue to smoke. Further, use of smokeless tobacco is on the rise, coinciding with the introduction of a new wave of smokeless tobacco products and hookah lounges. And Oregon has been chosen by both Philip Morris and RJ Reynolds to test market new smokeless tobacco products.

Most experts agree that the diseases caused by tobacco use result in serious costs to society apart from and in addition to the loss of life, including higher medical expenditures for smokers, lost economic productivity due to smoker illness and mortality, and environmental smoke-related health complications in nonsmokers. Tobacco use costs Oregon \$1.25 billion in direct medical costs to cover all payers, both public and private. This number comes from national studies of smokers' medical costs, applied to Oregon data on smoking prevalence. According to the Centers for Disease Control and Prevention, \$347 million of that is in direct Medicaid costs (to the Oregon Health Plan). The rest is paid by private insurance or out-of-pocket.

In November 2010, the independent public opinion research firm Davis, Hibbitts, Midghall, Inc., conducted a statewide survey of registered voters (N=500) to gauge opinions about a \$1 increase in the cigarette tax. This survey Over 70 % of voters support a \$1 tobacco tax when revenue from the tax increase going towards each health program or service tested, especially funding tobacco prevention programs (including among children and teens), funding health care services for low income Oregonians, and funding public health programs in counties across the state.

An increase in tobacco taxes is a win, win, win solution. For Oregon it is a health wins because reducing smoking saves lives; it is a financial win because it raises revenue and reduces health care costs; and a political win because it is popular with the public.

I urge your support for, Senate Bill 692, removing prohibition against local government imposition of taxes on tobacco products.