



SID LEIKEN

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DATE: March 15, 2012
TO: House Committee on Revenue
RE: HB 2870, relating to local tobacco taxation

Chair Barnhart and Members of the Committee:

The Lane County Board of Commissioners is in support of HB 2870. It lifts the local pre-emption on tobacco taxation, and directs at least 20% of any revenue so-raised to be spent on public health.

The Oregon Constitution grants counties the "authority over matters of county concern." And within the Oregon Revised Statutes, this grant of authority "shall be liberally construed, to the end that counties have all powers over matters of county concern that is possible for them to have." Lane County believes the State's preemption of local tobacco taxes has usurped the authority of the counties to effectively address tobacco related economic costs within our communities.

We further note that several recent tax policy reviews point to the need for local government flexibility, including both the Governor's Task Force on Federal Forest Payments and County Services created by Executive Order of Governor Kulongoski in 2007 and the Task Force on Comprehensive Revenue Restructuring formed by the 2007 Legislature. Both reported their work in early 2009, just when we were entering the Great Recession. Since their publications we have consistently asked the Legislature to lift this pre-emption.

Finally, Oregon Law prescribes that counties are the local health authority. We enter into an annual agreement with the Oregon Health Authority to assure activities necessary for the preservation of health and prevention of disease. Yet we have no tool to adjust the price point of tobacco, one of the leading causes of death within our county, and a driver of our Medicaid related expenses. That tool is proven to limit first time smokers and is functional in terms of getting existing smokers to quit their habit.

HB 2780 puts that tool in local hands, and we urge your support.