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**DATE:** March 12, 2015  
**TO:** Senate Committee on Finance and Revenue  
**FROM:** Stacy Michaelson, Association of Oregon Counties  
**SUBJECT:** SB 14

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Chair Hass and Members of the Committee:

For the record, I am Stacy Michaelson, Health and Human Services Policy Manager with the Association of Oregon Counties. I'm here today to speak in favor of SB 14.

The removal of the local preemption on tobacco taxes would be a big win for our member counties. Counties serve as the Local Public Health Authorities in our state, and the option for a local tobacco tax would offer a very powerful tool for addressing the public health needs of local communities. Currently, Oregon ranks 46<sup>th</sup> in the nation in terms of per capita funding for public health. As a result of lack of state funds dedicated to public health, counties end up contributing a good portion of their general fund to public health.

As you are aware, a number of counties are dealing with strapped budgets, struggling to balance such basic services as public safety and public health. Giving counties an option – not a requirement, but an option – to increase their revenue stream would greatly alleviate this challenge. It would be a particular boon to the health of our communities to have a local revenue source that could be dedicated to public health needs.

This would also potentially reduce public health costs by lowering the use of tobacco in our communities. There is a strong relationship between increases in tobacco prices and declines in consumption, especially among price-sensitive youth. This one of the primary reasons why public health regularly supports tobacco tax increases and helped shape AOC's principles around tobacco tax issues this session.

Counties are doing their best to provide strong public health programs and services, but these services are often coming at the expense of other county needs. Allowing local governments to consider tobacco taxes would be a tool for both having a direct impact on one of our largest public health threats as well as an option for raising revenue to continue supporting public health priorities. I urge your support of SB 14.

Thank you.