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February 7, 2017

TO: The Honorable Laurie Monnes Anderson, Chair

Senate Committee on Health Care

FROM: Karen Girard, MPA

Health Promotion & Chronic Disease Prevention Section Manager

Public Health Division Oregon Health Authority

Subject: SB 235, Tobacco Retail Licensure

Chair Monnes Anderson and members of the committee, I am Karen Girard, the Section Manager for the Public Health Division of the Oregon Health Authority. I am here today to present information related to tobacco prevention and education in Oregon and the public health benefit of enacting tobacco retail licensing.

Oregon's Tobacco Prevention and Education Program (TPEP) is an evidence-based program that is effective. Since TPEP started in 1997, cigarette consumption in Oregon has been reduced by over 50%. The TPEP works in partnership with local public health authorities and tribes to prevent and reduce tobacco related deaths in every Oregon community.

Despite declines in tobacco use, it remains the No. 1 preventable cause of death and disease in Oregon. Tobacco is responsible for killing over 7,000 Oregonians each year<sup>ii</sup>.

Addiction to nicotine starts in adolescence. Nine out of ten adults who smoke started smoking before turning 18.<sup>iii</sup> Around 1,800 youth under 18 become new daily smokers in Oregon each year.<sup>iv</sup> That's more than graduated from all public high schools in Pendleton, Forest Grove, Ashland and Klamath County combined.

Since the inception of TPEP in 1997, smoking rates for 11<sup>th</sup> graders have declined by over 60%, with current smoking prevalence falling below 10%. However, youth use of other tobacco and nicotine products—e-cigarettes, large and small cigars, hookah, snuff, dip and chew—are on the rise. Almost one in four 11<sup>th</sup> graders use other tobacco products (not inclusive of cigarettes). Vi

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Higher levels of tobacco marketing at the retail space, lower tobacco prices, and greater availability of tobacco coupons and promotions are associated with product uptake among middle and high school students. Tobacco products are cheap, readily available and easy to get, and are heavily promoted and marketed in stores where kids frequent. In Oregon, 5 out of 6 tobacco retailers sell products at discounted prices, and 1 in 5 place products near candy or toys. ix

The tobacco industry has shifted their marketing from billboards and T.V. commercials to convenience stores, pharmacies and grocery stores. 91% of the tobacco industry's total marketing expenditures for cigarettes and smokeless tobacco products is in the retail environment. In fact, the tobacco industry is spending \$111 million dollars to advertise and promote their products in Oregon's stores. Retail marketing prompts initiation, promotes daily consumption and discourages quitting.

Also, where tobacco and nicotine retailers are located affects whether youth use tobacco. Minority youth who live or go to school in neighborhoods with more tobacco outlets or retail advertising have higher smoking rates compared to youth in neighborhoods with fewer tobacco outlets. These kids are more likely to experiment with smoking, more likely to start smoking and more likely to remain smokers. The second remains moved to youth in neighborhoods with fewer tobacco outlets.

Currently, Oregon is one of nine states that does not require tobacco retailers to hold a license. SB 235 requires a license for tobacco retailers and includes core components that are key to monitoring and enforcing current and future laws that keep kids from using tobacco. These components include the ability to suspend or revoke a license for violations of laws and no preemption that restricts local governments from enacting stronger, tailored policies.

Retail licensure also creates a straight-forward method for tracking businesses that sell tobacco products and inhalant delivery systems. The sale of tobacco products is illegal to children under 18, however, 17% of Oregon 11<sup>th</sup> graders who used tobacco reported obtaining it from a store or gas station in 2013.<sup>xvi</sup> A recent survey of Oregon adults showed two thirds of Oregonians support requiring tobacco retailers to have a license.<sup>xvii</sup> This bill would help ensure stores follow rules and don't sell tobacco to youth.

Laws that prohibit sales to minors are important, but alone, will not keep kids from using tobacco and nicotine products. We know that to prevent youth initiation of tobacco products, we must take a comprehensive approach that includes reducing youth exposure to products that are cheap, readily available, and easy to find.

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This bill sets in motion an effective tool for reducing the number of Oregon children and young adults that become addicted to nicotine. It expands opportunities through shared responsibilities and collective action- cornerstones of a modern public health system.

The Public Health Division appreciates this committee addressing tobacco retail licensure. Thank you for the opportunity to testify today. I am happy to answer any questions you may have.

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