

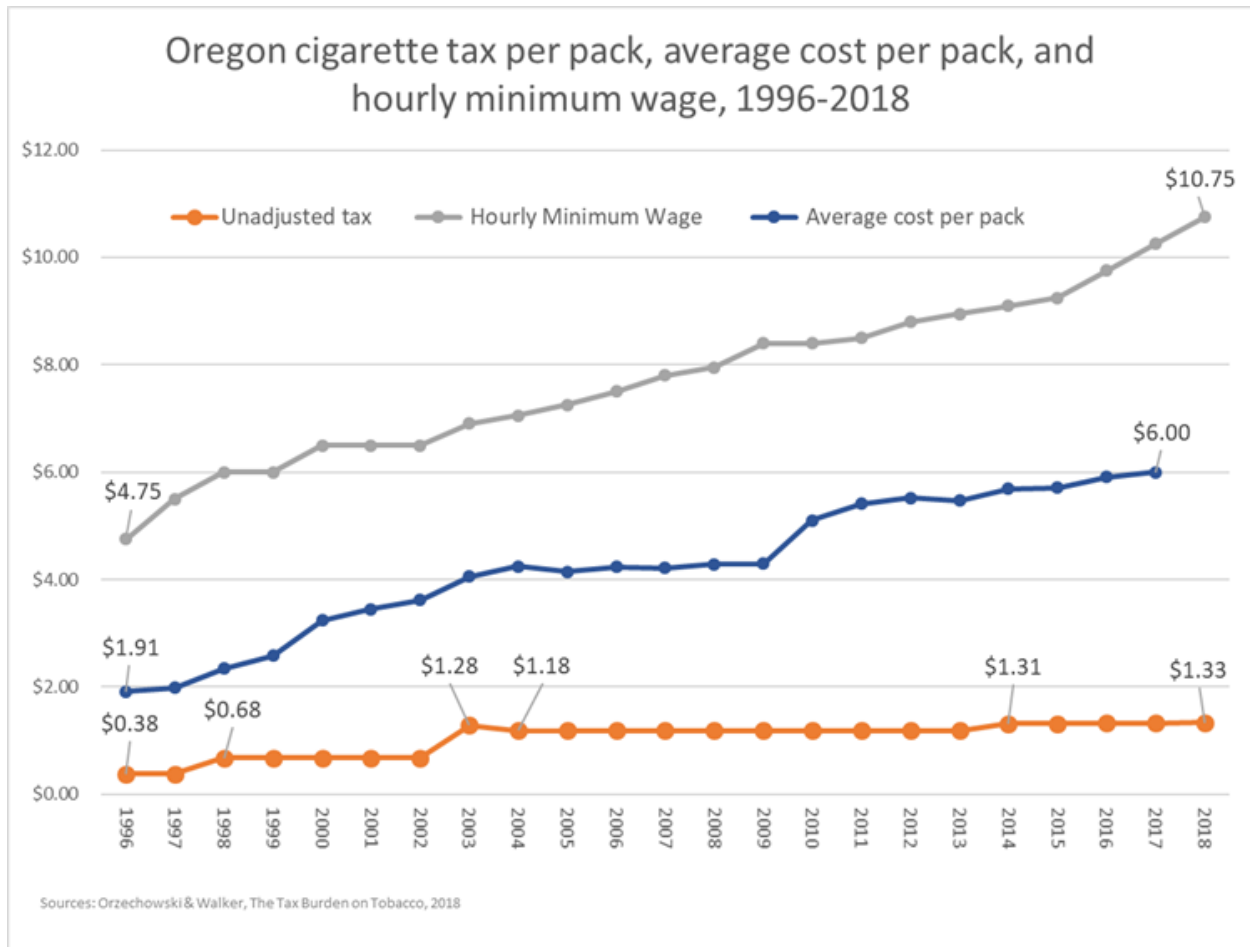
1. *Findley and Reschke: What is the impact of an increased tax on youth tobacco use? Saw data that shows it's going in the wrong direction.*

- According to the U.S. Surgeon General, increasing the price of tobacco products is one of the most effective ways to decrease youth use of tobacco.
 - For every 10% increase in the price of tobacco, youth tobacco use decreases by 7%.
 - A \$2.00 per pack increase in the tobacco tax in Oregon is estimated to prevent 19,200 youth from ever starting to smoke.
- Youth cigarette use has been decreasing for years in Oregon and Washington. Note that the two state youth surveys are not directly comparable as they survey different grades in different years.
 - From 1996 to 2017, cigarette smoking among Oregon 11th graders declined by 72%, from 28% to 8%.
 - In Washington, cigarette smoking among 12th graders declined from 23% in 2002 to 11% in 2016. This is a decrease of 50%.
- In recent years, youth e-cigarette use has reversed the decline in youth tobacco use. In fact, youth use of any tobacco product has increased nationally.
 - From 2013 to 2017, e-cigarette use among Oregon 11th graders nearly tripled, from 5% to 13%.
 - In Washington, e-cigarette use among 12th graders nearly tripled from 2012 to 2016, from 7% to 20%.
- Inhalant delivery systems are not taxed under Oregon or Washington law. Low prices make tobacco products more accessible for youth.

2. *Smith: Wants to know about the regressive nature. Wants to see a chart that shows minimum wage on one line and on another line that indexes the cost of tobacco against that number. Wants to see if the gap is widening or shrinking.*

- Raising the price of tobacco is the most effective way to help people quit. People with low incomes are especially likely to quit using tobacco when prices increase because they are more price-sensitive.
- Increases in the price of tobacco over time have helped lower tobacco use, but Oregon's cigarette tax has effectively declined due to inflation.

- When people quit smoking, it helps their families escape the health and economic burdens of nicotine addiction. In Oregon, someone who smokes a pack of cigarettes a day and quits will save over \$2,100 a year by not purchasing cigarettes.



3. *What types of distributors are licensed for other products? (Nathanson)
Does it include businesses, like hookah bars, on premises use? (Deanna...on site use she believes comes under OHA authority)*

- Tobacco retailers need to acquire tobacco products from a licensed distributor. This includes tobacco retailers that are certified for on-premise tobacco consumption.
 - Retailers that only produce or distribute inhalant delivery systems, or e-cigarettes, are not required to be licensed distributors.

- OHA certifies certain businesses to allow indoor smoking of tobacco products on the premises. Certified smoke shops were grandfathered in when the Indoor Clean Air Act (ICAA) was strengthened in 2007.
 - There are currently 23 certified smoke shops in Oregon, and loopholes in the ICAA led to the creation of hookah lounges.
 - OHA does not receive any fees to cover the costs of the smoke shop exemption. Smoke shop certification costs OHA approximately \$100,000 per year to administer.
- DOR would have information on the distribution of tobacco products to retailers, including to retailers that sell tobacco products for on-premises use, such as to OHA-certified smoke shops.