

Memorandum

To: The Honorable Representative Nathanson, Chair
House Committee on Revenue

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Subject: HB 2528 A - Closing Tobacco Prevention Loopholes

The Oregon Health Authority (OHA) would like to provide information requested by Chair Nathanson on the following issues raised during the May 13, 2025, House Committee on Revenue Public Hearing on HB 2528 A.

1. Nicotine is highly addictive and harmful.

- Nicotine is a highly addictive drug that activates the brain's reward circuits and reinforces repeated nicotine exposure.¹
- Nicotine is the fundamental cause of addiction among tobacco users.²
- Nicotine can harm brain development; therefore, youth and young adults are especially vulnerable to the harmful effects of nicotine.^{1,2}

¹ U.S. Department of Health and Human Services. E-cigarette Use Among Youth and Young Adults: A Report of the Surgeon General. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2016

² U.S. Department of Health and Human Services. The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General. Centers for Disease Control and Prevention, U.S. Dept of Health and Human Services; 2014.

- Using nicotine during adolescence can harm the parts of the brain that control attention, learning, mood, and impulse control.¹
- Youth can start showing signs of nicotine addiction quickly, even if they are not using tobacco products regularly or daily.¹
- Nicotine has been linked to worsened symptoms of mental health conditions, such as depression and anxiety, in youth.^{3,4,5}
- Nicotine also increases the risk of cardiovascular, respiratory, and gastrointestinal disorders; decreases immune response; negatively impacts reproductive health; has acute toxicity at high doses; and increases the risk for the development of other smoking related diseases.^{2,6}
- Nicotine is toxic to developing babies and is a health danger for pregnant women.⁷

2. Price of the nicotine pouches.

- HB 2528 A ensures new emerging nicotine products are subject to existing tobacco taxes. Oregon Health Authority suggests modifying the other tobacco product tax base by extending it to include nicotine pouches, nicotine lozenges and other products made or derived from tobacco or nicotine from any source.

³ Lechner WV, Janssen T, Kahler CW, Audrain-McGovern J, Leventhal AM. Bi-directional associations of electronic and combustible cigarette use onset patterns with depressive symptoms in adolescents. *Prev Med.* 2017 Mar;96:73-78. doi: 10.1016/j.ypmed.2016.12.034.

⁴ Kutlu MG, Gould TJ. Nicotine modulation of fear memories and anxiety: Implications for learning and anxiety disorders. *Biochem Pharmacol.* 2015 Oct 15;97(4):498-511. doi: 10.1016/j.bcp.2015.07.029.

⁵ Obisesan OH, Mirbolouk M, Osei AD, Orimoloye OA, Uddin SMI, Dzaye O, El Shahawy O, Al Rifai M, Bhatnagar A, Stokes A, Benjamin EJ, DeFilippis AP, Blaha MJ. Association Between e-Cigarette Use and Depression in the Behavioral Risk Factor Surveillance System, 2016-2017. *JAMA Netw Open.* 2019 Dec 2;2(12):e1916800

⁶ Mishra A, Chaturvedi P, Datta S, Sinukumar S, Joshi P, Garg A. Harmful effects of nicotine. *Indian J Med Paediatr Oncol.* 2015;36(1):24-31.

⁷ U.S. Department of Health and Human Services. *How Tobacco Smoke Causes Disease: The Biology and Behavioral Basis for Smoking-attributable Disease. A Report of the Surgeon General.* Centers for Disease Control and Prevention, U.S. Dept of Health and Human Services; 2010.

- In Oregon, all other tobacco products (other than cigarettes, cigars and moist snuff) fall into other tobacco products tax category at 65 percent of the wholesale sales price. This includes inhalant delivery systems.
- Oregon is committed to taxing tobacco and nicotine products as a component of prevention policy. In 2020 Oregon voters approved Ballot Measure 108 which increased cigarette taxes and introduced an e-cigarette tax. The law went into effect January 1, 2021.
- According to NielsenIQ Retail Scanner data, average e-liquid (fluid used in e-cigarettes and other vaping devices) price in Oregon after implementing a 65 percent tax of the wholesale sales price, increased by 22.8%; from \$5.55 to \$6.11.⁸
- In Oregon, the most popular nicotine pouches are about half the cost of combustible cigarettes. A variety of discounts and price promotions make them more accessible to consumers, particularly price-sensitive consumers such as youth.
 - When House Bill 2528 A passes, nicotine pouches would still be cheaper than combustible cigarettes.
- In Maine, nicotine pouches are subject to an excise tax of 43% of the cost price, beginning January 1, 2024.⁹
 - The average cigarette pack price in Maine is \$10.52,¹⁰ and nicotine pouches are sold at about \$8.75 per can.¹¹ Even after Maine’s nicotine pouch tax, the retail price of these products is cheaper than a pack of cigarettes. Note that Maine’s cigarette tax is also lower than Oregon’s.

⁸ Diaz MC, Braganza K, Minter T, et al Changes in price, income and e-cigarette affordability for young people in the USA from 2015 to 2021 Tobacco Control Published Online First: 29 October 2024. doi: 10.1136/tc-2024-058619

⁹ Maine Revised Statutes: <https://legislature.maine.gov/statutes/36/title36sec4403.html>

¹⁰ Word Population Review. Cigarette Prices by State 2025: <https://worldpopulationreview.com/state-rankings/cigarette-prices-by-state>

¹¹ In person store observations. May 2025. Portland, Maine.

3. Cigarette use decline can be repeated with other tobacco and nicotine products.

- Cigarette use in Oregon has decreased. In fact, since 1996, the percentage of Oregon adults who smoke cigarettes has declined by 54%. Youth cigarette smoking has also decreased; however, use of non-cigarette products is on the rise.¹²
 - Between 2023 and 2024, US 10th and 11th grader use of nicotine pouches doubled from 1.3% to 2.6%, and dual use of nicotine pouches and e-cigarettes also increased significantly. Sole use of e-cigarettes decreased during the same timeframe.¹³
 - In comparison, only 0.4% of US adults reported current nicotine pouch use.¹⁴
- According to testimony from OHA and retailers during the 5/13/25 hearing, Oregon has seen a decline in cigarette and vaping product use that aligns with key prevention policies from recent years, such as raising the minimum legal sales age for tobacco products from 18-21, increasing cigarette and imposing e-cigarette taxes, and implementing the state Tobacco Retail Licensure Program to improve enforcement of the minimum legal sales age.
- House Bill 2528 A aims to apply those same, evidence-based policies to emerging nicotine products, which are currently exempt from these regulations.
- Raising the price of tobacco is the most effective way to help people quit. Youth and people with low incomes are especially likely to cut back or quit using tobacco when prices increase. Research has consistently shown that increasing

¹² Oregon Tobacco Facts: <https://www.oregon.gov/oha/ph/preventionwellness/tobaccoprevention/pages/oregon-tobacco-facts.aspx#s4>

¹³ Han D, Harlow AF, Miech RA, et al. Nicotine Pouch and E-Cigarette Use and Co-Use Among US Youths in 2023 and 2024. *JAMA Netw Open*. 2025;8(4):e256739. doi:10.1001/jamanetworkopen.2025.6739

¹⁴ Dai HD, Leventhal AM. [Prevalence of nicotine pouch use among US adults](#). *JAMA*. 332(9):755–757.

the price of tobacco products results in fewer smokers and fewer tobacco products purchased. ¹⁵

¹⁵ Chaloupka FJ and Warner KE. The economics of smoking. In: Newhouse, J and Cuyler, A, eds. The handbook of health economics. New York: Elsevier Science, 2000. 1539-627.