



June 17, 2019

Representative Nathanson, Chair
House Committee on Revenue
900 Court St. NE
Salem, Oregon 97301

RE: City of Eugene opposes -A15 amendment for HB 2270A

Eugene supports HB 2270A fully as it is an important step forward in public health in our state. Raising the price of tobacco by \$2.00 per pack and taxing gateway tobacco products like e-cigarettes will save lives, prevent youth from starting tobacco and will lower health care costs for all Oregonians. Tobacco use is the number one preventable cause of death and disease in Oregon.

However, we are opposed to the -A15 amendments which would pre-empt the ability for Oregon cities to implement a local tax on inhalant delivery systems, commonly referred to as 'vaping'. Cities are preempted from locally imposing taxes on cigarettes and other tobacco products in state law. In exchange for this preemption, cities were to receive a share of state tax revenues. However, today only cigarette tax revenues are included in the state-shared revenue distribution to cities and those revenues are decreasing; cities receive less than 2% of the state cigarette tax revenues or \$3.4 million a year under the formula.

Other tobacco products (chew, snuff, cigars, pipe tobacco, etc.) is also taxed by the state and those revenues have been increasing (now over \$60 million a year), but those revenues are distributed only to the state. Under the bill, vaping products would be newly taxed, but those tax revenues also would not be shared with cities.

The League of Oregon Cities was successful in removing the preemption for vaping taxes from the Governor's bill last week. The -15A amendments that were posted for public hearing today now include this negotiated approach.

Please do not pass the -15A amendments and allow for the authority provided in HB 2270A for cities to establish a vaping tax if they choose to.

Sincerely,

submitted electronically

Ethan Nelson
Intergovernmental Relations Manager