

Submitter: Denice Searcy
On Behalf Of: Tina Kotek's Power Grab Bill
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB2528

Vote NO on HB 2528- This is a "power grab" by Tina Kotek

On page 3 of HB 2528 Lines 5-7: "The authority may adopt rules to regulate the wholesale or retail sale of tobacco products or inhalant delivery systems in this state to protect the public health and safety of the residents of this state."

The above rule authority gives too much discretion to OHA on issues that are clearly in the purview of the legislature to decide. This violates the Federal overturn of the Chevron Doctrine. HB 2528 gives unelected bureaucrats the power to raises taxes and the power to ban legal products without a vote of the people or lawmakers. This bill will not produce the results as intended and will instead shift sales to an unregulated market. I urge you to consider the following:

- Kids are still going to be able to buy these products off the internet, across the river in Washington, etc.
- As an adult, I should have the freedom to be able to purchase these products.
- This will impact so many small businesses in our state that pay their taxes and support the economy. This will hurt more than it helps.
- Bans in other states have proven that this policy approach is not an effective solution to addressing youth access and tobacco use. In California, Massachusetts, and Washington, D.C., youth access of flavored tobacco products actually increased post-ban, and the illicit market for vapes in California is now larger than the legal market.
- Oregon already ranks as the ninth-highest state for illicit tobacco sales. According to the Tax Foundation, nearly 25% of all cigarettes consumed in Oregon are smuggled from other states, meaning no IDs are checked, and no sales tax is collected.
- There is no concrete or scientific evidence yet that shows vaping is more harmful than smoking cigarettes; the big tobacco companies are using all their leverage to sponsor these bills and keep American smoking cancer sticks.
- If OHA officials do indeed wipe out these small businesses under HB 2528 (all without a vote), Oregon will lose an estimated \$176 million of health care tax dollars from the current tobacco tax.

I would encourage targeting illegal sales directly and increase enforcement.

From Oregon Catalyst:

HB 2528 gives unelected bureaucrats the power to raises taxes and the power to ban legal products without a vote of the people or lawmakers.

Kotek's own bill, House Bill 2528 gives the Oregon Health Authority (OHA) extraordinary added powers to regulate any nicotine product including the power to ban outright any nicotine product they dislike without a vote of the people or without a vote of our elected representatives. Under HB 2528, unelected OHA officials could ban vaping/cigarettes at a whim and effectively destroy a hundred local small family businesses overnight. This is a new way for politicians to outsource both power and decision making to unelected agencies.

If OHA officials do indeed wipe out these small businesses under HB 2528 (all without a vote), Oregon will lose an estimated \$176 million of health care tax dollars from the current tobacco tax. Ironically, vaping is often the #1 method people use to quit smoking. Any OHA ban or partial ban (like banning flavor) will push Oregonians to buy their products online (made in China/Mexico) that are untaxed and unregulated. HB 2528 gives OHA the power to extend nicotine taxes to other untaxed nicotine products without a vote of the people or lawmakers. This is taxation without representation. This will lead to other products being taxed w/o a vote.