

Good morning Chair Meek and Members of the Committee.

Thank you for the opportunity to speak with you today. My name is Matt Evans, I'm a native Oregonian and I'm here representing the Taxpayer Association of Oregon to urge a "no" vote on SB 702 A.

I'd like to make three brief points about SB 702 A. First, this bill, attempting to keep flavored tobacco and vaping products away from children, moves the supply of an adult product in to Oregon Liquor and Cannabis Commission stores. To state the obvious, the OLCC has a, shall we say, "imperfect" record in keeping its current products away from youth. Furthermore, OLCC has shown itself in recent years to be a less than trustworthy Agency. Hoarding rare liquor for themselves, failure to control illegal marijuana sales, financial mismanagement – well, it's a lengthy list and my time is short.

Since sale of these products is already illegal under federal law and the current private retailers are taking reasonable precautions to ensure no underage sales take place, this bill seems unnecessary. The State shouldn't put itself into the position of feeling as though it has to pick up the slack if the federal government is providing inadequate monitoring. If we're going to do that everywhere the federal government is falling down, you're going to need to dramatically increase the number of State regulatory employees in almost every Agency.

Lastly, I want to quickly address a couple of things on the fiscal side. First, it has been argued during this hearing that we need to regulate now to save money later. Having been a reasonably close observer of State and local government over the past few decades, I can say I wish I had a dollar for every

time promises like this have been made – but have never come to pass. The Oregon Health Plan in fact was originally sold to the Legislature in part based on the huge future savings as individuals on Medicaid made regular doctor visits and any health problems were taken care of when minor. Needless to say, we'll spend more tax dollars on the Oregon Health Plan this coming biennium than ever before. If all the promises of “tax and regulate now to save money later” had come to pass, this Legislature would have almost nothing to do on the budget side.

It should also be noted that the fiscal impact statement that was presented at the start of the hearing included only the loss of revenue from tobacco tax receipts, not the economic impact of this bill.

This points up a disconnect we see between this body and how you are able to do your jobs. Oregon's General Fund is almost wholly dependent on personal and corporate income tax revenues. A thriving, diverse economy is essential to the success of government in Oregon. We take a lot of actions designed to bring large businesses to Oregon, or to encourage them to expand here. But the Office of Economic Analysis would tell you that small businesses provide most of the jobs in Oregon. This bill could allow a dramatic, and perhaps fatal injury to a large number of small businesses in our State. It could shut down hundreds of tax-paying small businesses and put thousands of tax-paying Oregonians out of work. State Government is already facing a worsening economic forecast and a potential budget shortfall – passing this bill will make that problem worse, not better. We

**encourage you to always consider your decisions in the light
that strong economic activity in our State is the only thing
allowing you to fund what you truly care about.**

We urge a “No” vote on SB 702 - A.