Oregon Senate Bill 702A: A Concise Analysis of Negative Impacts

1. Introduction: SB 702A – A Counterproductive Measure

Oregon Senate Bill 702A (SB 702A) aims to ban most flavored tobacco and inhalant delivery system products to protect youth.[1] While preventing youth nicotine addiction is vital, SB 702A is flawed. It risks severe economic costs, harms adult smokers using these products as safer alternatives, and could worsen public health through unintended consequences like illicit markets. This analysis opposes SB 702A, highlighting its detrimental fiscal impact, damage to small businesses, and undermining of adult harm reduction. The bill's emergency declaration and allowance for stricter local laws could also create a chaotic regulatory environment.[1]

2. The Flawed Premise: Misdiagnosing Youth Use, Penalizing Adults

SB 702A incorrectly assumes flavored products are the main driver of youth nicotine use.[3] Existing measures, like Tobacco 21 and retailer diligence, have significantly cut youth smoking (2.1% in Oregon, down 86% since 2001) and e-cigarette use (down 57% since 2019).[4] Data shows Oregon teens use alcohol (10.6%) and marijuana (7%) more than cigarettes (2.1%).[4] The bill fails to address primary youth access points: online sales and the existing illegal market, where 86% of U.S. e-cigarette sales are already illegal products.[4] Flavors are also crucial for adult smokers switching from more harmful cigarettes.[5]

3. Significant Negative Fiscal Impact: A Drain on State Coffers

SB 702A is projected to cause substantial state revenue loss. The legislative fiscal office estimates biennial losses reaching $35.9 million by 2027-29 ($6.5M General Fund, $29.4M Other Funds).[6] Independent analyses suggest losses could be as high as $91.5 million annually or $180 million per biennium.[4] This could force cuts to essential services.[4] Oregon already allocates only a small fraction (around 2% in 2019) of tobacco-related revenue to control programs.[8] Past tax hikes led to increased smuggling and revenue loss, a likely outcome with this ban.[9]

4. Economic Hardship: Devastating Small Businesses

The ban would severely harm Oregon's small businesses, many of which rely on flavored tobacco sales.[4] This could lead to layoffs and store closures, impacting not only owners but also employees who may have found a "second chance" through these jobs.[4] The vapor industry alone supported 963 direct jobs and over $215 million in economic impact in Oregon in 2018.[8] The OLCC store exception is insufficient, as it excludes the vast majority of current retailers, effectively reallocating the market to a few state-contracted stores.[1]

5. Undermining Adult Harm Reduction: Denying Safer Alternatives

SB 702A would severely impede adult harm reduction by banning products many use to quit smoking.[5]Flavors are key for adults switching to less harmful alternatives like vaping, which is considered at least 95% less harmful than smoking by some public health bodies.[4] Studies show 83.2% of adult vapers use fruit flavors.[8] Flavor bans can lead to increased cigarette smoking, a net negative for public health.[11] The bill could also block future FDA-authorized flavored harm reduction products from Oregon, even if deemed "appropriate for the protection of public health".[5]

6. Perverse Outcomes: Fueling Illicit Markets and Increased Risks

A ban will likely shift sales to dangerous, unregulated illicit markets and encourage cross-border purchases.[13]Massachusetts saw a surge in smuggling after its flavor ban.[7] Illicit products pose greater health risks due to lack of safety standards.[13] The ban does little to address the existing illegal vape market, which is a major source for youth, and could make it more profitable.[4] Studies indicate flavor bans can increase traditional cigarette smoking.[11] This also risks disproportionate impacts on marginalized communities through increased law enforcement interactions.[7]

7. The OLCC Exception: An Impractical Fig Leaf

Permitting sales only in OLCC-established stores [1] is inadequate. It reduces retail outlets by over 90% (from thousands to just 282 potential OLCC stores), severely limiting access, especially in rural areas and for those with limited mobility.[6] OLCC stores are not equipped for the diversity or expertise found in current vape shops and face logistical hurdles in managing these new products.[6]

8. A More Effective Path Forward: Evidence-Based Recommendations

Instead of SB 702A, Oregon should:

- **Strengthen enforcement of existing laws** like Tobacco 21, especially against illegal online and unlicensed sellers.[4]
- **Invest in comprehensive youth prevention** addressing all substance use.[4]
- **Support adult access to regulated harm reduction products**, recognizing flavors' role in cessation.[5]
- **Dismantle existing illicit markets** through targeted law enforcement.[7]
- **Promote and fund proven cessation resources** like the Oregon Tobacco Quit Line.[19]

9. Conclusion: Reject SB 702A for Genuine Public Health Advancement

SB 702A will likely cause significant fiscal and economic harm, undermine adult harm reduction, and foster illicit markets, ultimately failing its public health goals. It misdiagnoses youth nicotine use and ignores effective existing strategies and the primary sources of youth access.[4] The OLCC exception is impractical.[6] Legislators should **reject SB 702A** and pursue comprehensive, evidence-based strategies that protect youth through targeted enforcement and prevention, support adult harm reduction, and address illicit markets. This approach will better serve Oregon's health, economy, and communities.