

LISA REYNOLDS, MD
STATE SENATOR
District 17



OREGON STATE SENATE

Testimony in Opposition of HB 3940 -A21 & -A22: Oral Nicotine Tax

June 18th, 2025
House Committee on Revenue
2:00 P.M., Hearing Room A

Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee,

I feel very odd coming before you today in opposition to HB 3940, because I wholeheartedly agree that we *must* fix our funding structure for fighting wildfires in this state. I applaud the work that has gone into this issue, and I don't envy your position. I do not oppose the goal of this bill to provide additional support to our wildland firefighters – and to protect Oregonians' lives and property.

I am here *specifically* in opposition to the inclusion of the Oral Nicotine Products Tax in the proposed amendment. While I certainly do agree that these Oral Nicotine Products *must* be taxed, this is the wrong way to do it. I am philosophically opposed to taxing a public health concern like Nicotine – and using it to fund something completely unrelated, like wildfire.

When we tax gasoline, we use it to fund our roads and highways – because the impact of cars driving falls onto our transportation system. When we tax cigarettes including E-cigarettes and vapes, those funds largely go to fund public health programs and Medicaid – because the societal impact of cigarette smoking falls largely on our public health and Healthcare systems. These taxes fund tobacco cessation programs, because it is hard to quit - nicotine is one of the most addictive chemicals on the planet. It's demoralizing to be addicted to nicotine - I hear it from my patients. And with this tax set at only .65 cents for a pack of twenty, it will do nothing to deter use.

This bill would break the longstanding philosophy of using specific revenues for related expenditures by tying a public health-related tax to a completely unrelated cost. That just does not make sense.

Furthermore, funding something as critical as wildfire response with this revenue stream is shortsighted. As counties ban the sale of flavored tobacco products, this revenue stream will decrease. As we're already seeing with declining liquor and tobacco tax revenues, these are not steady options to fund critical services. If our public health outreach programs are successful, and people use less Oral Nicotine – do we really want that to result in *less funding for wildfires*? Or worse, do we want to risk getting so addicted to this funding stream that it colors our public health decisions?

And finally, the Legislative Revenue Office estimates that this tax will only bring in about \$10 million in the upcoming biennium. While \$10 million isn't nothing, our wildfire expenditures can reach into the hundreds of millions. The reward from this measure – a small increase of only about \$5 million a year to wildfires – is far outweighed by the risk: an unstable, unrelated revenue source which, once enacted, will be incredibly difficult to undo.

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Again, I appreciate the work that has gone into this issue, and I urge the committee in the strongest terms to move forward with this bill *without* the Oral Nicotine Products Tax. An Oral Nicotine Products Tax should fund cessation, public health, and health care programs – just like our current tobacco taxes.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Lisa Reynolds". The signature is fluid and cursive, with the first name "Lisa" and last name "Reynolds" clearly distinguishable.

Senator Lisa Reynolds, MD
Senate District 17

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