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June 18, 2025

The Honorable Nathanson, Chair
House Committee on Revenue
Oregon State Capitol
900 Court St NE
Salem, OR 97301

Re: House Bill 3940 – Oppose A21 section 2

Dear Chair Nathanson, Vice-Chair Reschke, and members of the House Committee on Revenue:

The Campaign for Tobacco-Free Kids is submitting this letter in opposition to HB 3940 -A21 section 2 as written or any other amendment with similar language, specifically because of its provision to implement a 65 cent tax on a container of nicotine pouches, which is far below the rate of taxation on a pack of cigarettes and does not adequately protect our youth. Tobacco-Free Kids is the nation's largest non-profit, non-governmental advocacy organization solely devoted to reducing tobacco use and its deadly toll by advocating for public policies that prevent kids from using tobacco, and help smokers quit.

Nationally, nicotine pouches were the only category of tobacco product that saw an increase in youth use last year – in fact, the number of youth using nicotine pouch products more than doubled in recent years. Experts, including the U.S. Surgeon General, have concluded that increasing tobacco product prices is one of the most effective ways to reduce tobacco use and prevent initiation by young people. In order to make them harder for youth to buy, **setting the tax on nicotine pouches to at least \$3.33 per 20-pouch container, equal to the cigarette tax, will keep these products out of the hands of Oregon kids and help fend off further increases in youth use.**

Nicotine pouches come in an array of addictive nicotine levels and flavors that appeal to kids. These pouches, like Zyn, are following the JUUL playbook when it comes to attracting kids with a viral presence on social media, easily concealable from parents and teachers, and are available in a wide range of sweet flavors. All nicotine pouches contain nicotine, a highly addictive substance. Research indicates that nicotine pouches can deliver nicotine

at levels similar to cigarettes. Nicotine exposure during adolescence can harm the developing brain which continues to develop until about age 25. During adolescence, nicotine exposure can impact learning, memory, and attention. Finally, according to the U.S. Centers for Disease Control and Prevention (CDC), nicotine can also prime the brain for addiction to other drugs.

It should also be noted, that marketing authorization of tobacco products by the U.S. Food and Drug Administration simply allows a product to be on market, it does not approve it as a cessation device. Currently, no nicotine pouches are FDA approved for cessation and there is no evidence that nicotine pouches help smokers quit.

House Bill 3940 -A21 section 2 as written does not tax nicotine pouches high enough to keep these products out of the hands of Oregon kids and help fend off further increases in youth use. A tax rate for nicotine pouches should be at least \$3.33 per 20-pouch container, equal to the cigarette tax. We urge you to raise the proposed rate to protect our kids.

Sincerely,

A handwritten signature in black ink, appearing to read 'Heidi Low', with a horizontal line extending to the right.

Heidi Low
Director, U.S. Western Region
Campaign for Tobacco-Free Kids
hlow@tobaccofreekids.org