



BERNARD C. "JACK" YOUNG
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 3

January 29, 2020

TO: Members of the Senate Budget and Taxation Committee

FROM: Nicholas Blendy, Deputy Director, Mayor's Office of Government Relations

RE: Electronic Smoking Devices, Other Tobacco Products, and Cigarettes – Taxation and Regulation

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) supports Senate Bill (SB) 3.

SB 3 applies state tax laws regulating the sale, manufacture, distribution, possession, and use of cigarettes and other tobacco products to electronic smoking products, alters the definition of "other tobacco products" to include consumable products and the components of those products, and requires the Governor to include at least \$21 million in the annual budget for tobacco use reduction efforts beginning in FY 22.

Tobacco use remains the leading cause of preventable death in the United States. It is known to cause cancer, heart disease, and respiratory disease, among other health disorders, and costs the U.S. as much as \$170 billion in health care expenditures each year. The Campaign for Tobacco-Free Kids reports that each day, more than 250 kids under the age of 18 become regular, daily smokers and almost one third will eventually die from smoking related illness.¹

In Maryland in 2017, 8.2 percent of high school students who responded to the Behavioral Risk Factor Surveillance System (BRFSS) smoked on at least once per day in the past 30 days. Of those students, 13.3 percent used e-cigarettes, 6.2 percent used smokeless tobacco, and 9 percent smoked cigars.

¹ "Raising the Tobacco Age to 21," Campaign for Tobacco Free Kids, January 2020.

Tobacco use disproportionately affects many marginalized populations including people in low-income communities, racial and ethnic minorities, LGBTQ individuals and those with mental illness. Research by the “Truth Initiative,” shows that more tobacco retailers exist in areas with higher concentration of black, Hispanic and low-income populations and that tobacco companies strategically market to those groups.

According to the Centers for Disease Prevention scientific studies support that increasing the price of tobacco products its effectiveness in preventing or reducing tobacco use. Taxes on tobacco and tobacco- related products discourage youth use and encourage current smokers to quit, while preventing vulnerable populations from starting in the first place.

In 2016, the City of Chicago increased its tobacco tax. The tax increase resulted in decreased smoking among high school students. Under the city’s *Healthy Chicago* plan, Chicago used the tax dollars to fund tobacco cessation and control efforts.² The city passed and implemented bans on, while restricting retailers selling tobacco from doing so within 500 feet of a school. Rewards were offered such as black market sales outside of retail shops, sales to minors, and sale of single cigarettes. Chicago also introduced smoking cessation programs. Following this model by increasing Maryland’s tobacco taxes would help fund similar efforts.

SB 3 represents a step toward a smoke-free generation for Baltimore’s residents. The allocation of tax revenues is critical for tobacco control. It will build on existing Baltimore City efforts to expand enforcement efforts of tobacco laws, and limit the access of tobacco products to our communities. It will also expand the educational, prevention, and enforcement services to our city through increased funding to decrease health disparities, and reduce expenditures related to premature smoking.

For the forgoing reasons, we respectfully request a **favorable** report on SB 3.

² Tobacco Taxes, Health Affairs, September 2016.