



**TESTIMONY BEFORE THE  
SENATE BUDGET AND TAXATION COMMITTEE  
SENATE BILL 3**

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

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For the Maryland Association of County Health Officers MACHO)**

*Position: Support – January 29, 2020*

The Maryland Association of County Health Officers strongly supports SB 3.  
Tobacco remains the leading cause of preventable death and disability in the U.S.<sup>1</sup>

**Each year, tobacco-related diseases:**

- **Cost the Maryland economy \$2.7 billion in direct medical expenses**
- **Result in \$576 million of Medicaid expenses**
- **Cost Maryland businesses \$2.2 billion in lost productivity**
- **Cost the average Maryland household \$824 in higher taxes**<sup>2</sup>

Currently, 14 states have higher average prices for cigarettes than Maryland.<sup>3</sup>

E-cigarettes are being used at an alarming rate among youth. In Maryland, there was a 73 percent increase in high school use between the 2017 and 2019 school years.<sup>4</sup> **Due to lack of taxation, vaping costs teens approximately 50% less than cigarettes for a comparable amount of nicotine.**<sup>3,5</sup>

- Effects of nicotine on the adolescent brain include harming attention regulation, learning, impulse control, and mood.<sup>6</sup>
- Adolescent nicotine addiction increases the risk for addiction to other drugs, including opioids.<sup>6</sup>

Increases in price are very effective in reducing smoking among lower socioeconomic populations that have been targeted for decades by the tobacco industry.<sup>7</sup>

Increased taxation results in **4x greater reduction in smoking among adolescents than adults.**<sup>8</sup>

Research shows that greater investments in comprehensive state tobacco control programs lead to quicker and greater declines in smoking rates and in smoking-related disease and death.<sup>9,10</sup> **Adequately funded state tobacco programs can save 14 to 20 times the cost of implementing them.**<sup>11</sup>

**Therefore, MACHO encourages the Maryland General Assembly to devote \$2.4 million/year from this new revenue to MDH nicotine-cessation programs and underage sales enforcement** (an average of \$100,000/jurisdiction).

Raising the tax on tobacco products, including the institution of a specific tax on e-cigarettes, will lead to a healthier and more fiscally sound Maryland for generations to come. For more information, please contact Ruth Maiorana, MACHO Executive Director at [рмаioral@jhu.edu](mailto:рмаioral@jhu.edu) or 410-614-6891. *This communication reflects the position of MACHO.*

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3. <http://worldpopulationreview.com/states/cigarette-prices-by-state/> Accessed 1/25/2020.
4. 2018-2019 Maryland Youth Risk Behavior/Youth Tobacco Survey (YRBS/YTS), unpublished data, retrieved 23January2020
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11. Chattopadhyay, S. and Pieper, D., “Does Spending More on Tobacco Control Programs Make Economic Sense? An Incremental Benefit-Cost Analysis Using Panel Data,” *Contemporary Economic Policy*, 2011.