



February 17, 2021

Minnesota House of Representatives Taxes Committee

Re: Written testimony from Minnesotans for a Smoke-Free Generation on House File 991

Dear Chair Marquart and Committee Members:

We represent Minnesotans for a Smoke-Free Generation, a coalition of more than 60 organizations that share a common goal of reducing youth smoking and ending tobacco's harm for good. We are writing to urge you to adopt the bold tobacco tax proposals contained in the Walz/Flanagan budget. A tobacco price increase is overdue in Minnesota, and would be a major win for health and Minnesota kids. And taxing e-cigarette devices themselves, rather than just the portion that contains nicotine as is the case under current statute, will close an existing loophole and help Minnesota keep pace with the ever-evolving e-cigarette industry.

Raising commercial tobacco prices helps prevent young people from using tobacco products, helps smokers quit and saves lives. The youth tobacco epidemic has erased decades of progress to reduce youth tobacco use. Price is a powerful tool, since research finds that young people are two to three times more responsive than adults to tobacco price increases. Every 10 percent increase in cigarette prices reduces youth smoking by more than 5 percent and youth initiation by 10 percent.

Increasing tobacco prices is part of a comprehensive approach to reduce commercial tobacco use that also includes investing in tobacco prevention programs, and the coalition urges the Legislature to invest more funds in tobacco prevention and treatment. Higher tobacco prices – coupled with dedicated funding – are urgently needed to address Minnesota's stalled adult smoking rates and youth tobacco epidemic. For more than two decades ClearWay Minnesota<sup>SM</sup>, the foundation created with 3 percent of the tobacco settlement, has provided the majority of funding for tobacco prevention in Minnesota. ClearWay Minnesota will sunset at the end of 2021, leaving a gap in prevention resources. Last year, Minnesota took in nearly \$760 million in tobacco revenue and spent only 1 percent of that total on commercial tobacco prevention and treatment. The COVID-19 pandemic accentuates the need for strong tobacco prevention and treatment programs. Current and former smokers are at increased risk for severe illness from COVID-19. To make matters worse, communities targeted by the tobacco industry, including Black and Indigenous Minnesotans, are some of the hardest hit by COVID-19.

Increasing tobacco taxes is a triple win for Minnesota because it will raise revenue while reducing health care costs and improving health. The American Cancer Society Cancer Action Network and Campaign for Tobacco-Free Kids estimate that a \$1 per pack increase would lead to major health gains, including 8,800 fewer kids becoming adult smokers, 16,200 adult smokers quitting and \$533 million in long-term health savings.

In closing, the majority of Minnesotans support tobacco tax increases. A 2020 poll found 62 percent of Minnesotans favor increasing tobacco taxes and dedicating that revenue to funding prevention efforts.

Once again, we encourage you to adopt the tobacco price increase and we thank you for your consideration.

Sincerely,



Molly Moilanen  
Co-Chair, Minnesotans for a  
Smoke-Free Generation  
Vice President, ClearWay Minnesota<sup>SM</sup>



Janelle Waldock  
Co-Chair, Minnesotans for a  
Smoke-Free Generation  
Senior Director of Policy, Blue Cross and Blue Shield  
of Minnesota

### **About Minnesotans for a Smoke-Free Generation**

*Minnesotans for a Smoke-Free Generation is a coalition of more than 60 organizations that share a common goal of saving Minnesota youth from a lifetime of addiction to tobacco. The coalition supports policies that reduce youth smoking and nicotine addiction, including increasing tobacco prices, ending the sale of menthol and all flavored tobacco products, and funding tobacco prevention and treatment programs.*

*Partners include: The African American Leadership Forum, Allina Health, Allina Health | Aetna, American Cancer Society Cancer Action Network, American Heart Association, American Lung Association in Minnesota, Apple Tree Dental, Association for Nonsmokers – Minnesota, Aurora/St. Anthony Neighborhood Development Corporation, Becker County Energized, Blue Cross and Blue Shield of Minnesota, A Breath of Hope Lung Foundation, Cancer Legal Care, CentraCare, Children’s Defense Fund-MN, Children’s Minnesota, ClearWay Minnesota<sup>SM</sup>, Comunidades Latinas Unidas En Servicio – CLUES, Dodge County Public Health, Education Minnesota, Essentia Health, Gillette Children’s Specialty Healthcare, A Healthier Southwest, HealthPartners, Hennepin Healthcare, Horizon Public Health, Indigenous Peoples Task Force, ISAI AH, JustUs Health, LAAMPP Alumni, Lake Region Healthcare, Local Public Health Association of Minnesota, LPCFC – Lincoln Park Children and Families Collaborative, March of Dimes, Masonic Cancer Center - University of Minnesota, Mayo Clinic, Medica, Meeker McLeod Sibley Community Health Services, Minnesota Academy of Family Physicians, Minnesota Association of Community Health Centers, Minnesota Cancer Alliance, Minnesota Council of Health Plans, Minnesota Dental Association, MHA – Minnesota Hospital Association, Minnesota Medical Association, Minnesota Nurses Association, Minnesota Oral Health Coalition, Minnesota Public Health Association, Minnesota Society for Public Health Education, MNAAP – Minnesota Chapter of the American Academy of Pediatrics, ModelCities, NAMI Minnesota, North Memorial Health, NorthPoint Health & Wellness, Olmsted Medical Center, Open Cities Health Center, PartnerSHIP 4 Health, Perham Health & Living, Preventing Tobacco Addiction Foundation, SEIU Healthcare Minnesota, ShiftMN, St. Paul Area Chamber of Commerce, Steele County Public Health, Tobacco-Free Alliance, Twin Cities Medical Society, UCare, Vision In Living Life – Change is Possible, WellShare International and Zumbro Valley Medical Society. Find out more at: [smokefreegenmn.org](http://smokefreegenmn.org).*

# HIGH TOBACCO PRICES = FEWER KIDS SMOKING

The COVID-19 pandemic demonstrates the need for strong public health policies to improve lung health and reduce commercial tobacco addiction.

Minnesotans agree: We can do more to prevent kids from becoming addicted. Minnesotans for a Smoke-Free Generation supports increasing the price of tobacco products. Raising cigarette prices is the number one way to prevent kids from ever starting and help adults quit.

MINNESOTA IS FACING A HEALTH CRISIS OF YOUTH TOBACCO ADDICTION AND STALLED SMOKING RATES.

TOBACCO TAXES ARE A POWERFUL TOOL TO COMBAT ADDICTION.

- Since 1993, 53 percent of all smoking declines in Minnesota are attributable to tobacco price increases.<sup>5</sup>
- Youth are especially responsive to tobacco price changes.<sup>6</sup>
- Emerging evidence suggests higher prices may reduce youth e-cigarette use.<sup>7</sup>



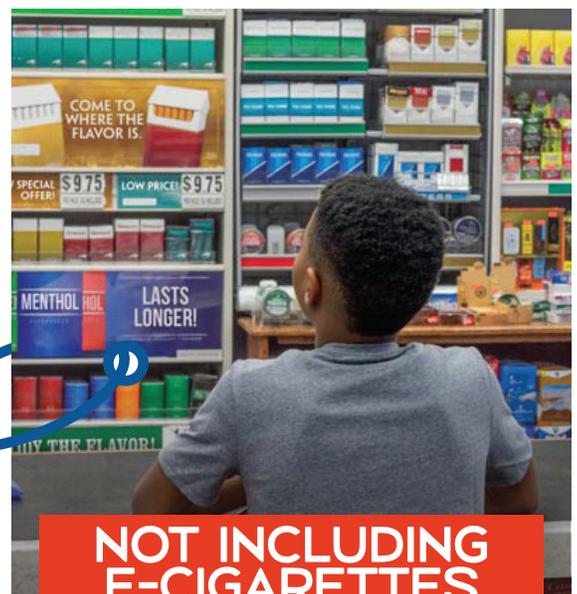
574,000 MINNESOTANS STILL SMOKE.

HIGH TOBACCO PRICES COUNTER BIG TOBACCO'S AGGRESSIVE MARKETING TO YOUTH.

- The tobacco industry spends more than \$100 million a year on marketing, not including e-cigarette advertisements.<sup>8</sup>
- Eighty-eight percent of Minnesota students report seeing ads for e-cigarettes.<sup>1</sup>

- The youth e-cigarette epidemic has erased decades of progress to lower youth tobacco use.<sup>1,2,3</sup>
- 574,000 Minnesotans still smoke, and quitting rates have dropped.<sup>4</sup>

\$100 MILLION A YEAR ON MARKETING



# A COMPREHENSIVE APPROACH IS NEEDED TO REDUCE TOBACCO'S HARM.

- Price and taxes are important elements of a comprehensive approach to tobacco addiction.
- Commercial tobacco addiction is growing while prevention resources are decreasing.
- Current and future tobacco tax revenues should be dedicated to prevention and treatment.

## THERE IS NO ONE SILVER BULLET TO THIS PROBLEM. LAWMAKERS SHOULD:

- End the sale of all flavored tobacco products
- Raise the price of all tobacco products
- Invest in tobacco prevention and treatment programs



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**Find out more at [www.smokefreegenmn.org](http://www.smokefreegenmn.org).**

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1. Minnesota Department of Health. Data Highlights From the 2017 Minnesota Youth Tobacco Survey. 2018.
2. U.S. Department of Health and Human Services. Surgeon General's Advisory on E-Cigarette Use Among Youth. 2018.
3. U.S. Food and Drug Administration. FDA takes new steps to address epidemic of youth e-cigarette use, including a historic action against more than 1,300 retailers and five major manufacturers for their roles perpetuating youth access. 2018.
4. ClearWay Minnesota<sup>SM</sup>, Minnesota Department of Health. Minnesota Adult Tobacco Survey, 2018 Update. 2019
5. ClearWay Minnesota<sup>SM</sup>. The role of public policies in reducing smoking: Minnesota SimSmoke Tobacco Policy Model 1993-2017. 2018.
6. Bader P et al. Effects of tobacco taxation and pricing on smoking behavior in high-risk populations: A knowledge synthesis. *Int J Environ Res Public Health*. 2011.
7. Pesko MF et al. E-cigarette price sensitivity among middle- and high-school students: evidence from monitoring the future. *Addiction*. 2018.
8. Campaign for Tobacco-Free Kids. Broken Promises to our Children: A State-by-State Look at the 1998 Tobacco Settlement 21 Years Later. 2019.

# FUNDING TOBACCO PREVENTION AND TREATMENT

The COVID-19 pandemic demonstrates the need for strong public health policies to improve lung health and reduce commercial tobacco addiction.

Minnesotans agree: We can do more to prevent kids from becoming addicted. Given declining funding sources and dangerously high youth tobacco rates, **Minnesotans for a Smoke-Free Generation** supports increasing public funding for tobacco prevention and treatment efforts.

TOBACCO PREVENTION AND TREATMENT IN MINNESOTA SAVED THOUSANDS OF LIVES AND BILLIONS OF DOLLARS.



- Over 20 years, prevention and treatment programs prevented 4,118 deaths, 4,560 cancers and tens of thousands of hospitalizations.<sup>1</sup>
- \$5.1 billion was also saved in worker productivity and health care costs.<sup>1</sup>
- Since 2001, over 195,000 Minnesotans got help quitting through ClearWay Minnesota's free cessation services.

## MINNESOTA'S PROGRESS IS SLOWING . . . AND YOUTH TOBACCO USE IS REMAINS AN EPIDEMIC.

- Smoking declines among Minnesota adults have stalled out at 14 percent – leaving 574,000 smokers who still need help quitting.<sup>2</sup>



- Cigarettes kill 6,300 Minnesotans per year, and cost Minnesota over \$7 billion.<sup>3</sup>
- Nicotine use among youth is an epidemic, with 26 percent of Minnesota 11<sup>th</sup>-graders now using e-cigarettes.<sup>4</sup>
- Even 11 percent of Minnesota 8<sup>th</sup>-graders are now vaping.<sup>4</sup>



## FUNDING FOR PREVENTION IN MINNESOTA IS RAPIDLY DECLINING.



- ClearWay Minnesota<sup>SM</sup>, a foundation that funds the majority of Minnesota tobacco prevention and cessation efforts, will sunset in 2021.
- CDC recommends Minnesota spend \$53 million per year on prevention and treatment . . . but Minnesota is only spending a fraction of that (\$12.4 million).<sup>5,6</sup>
- In comparison, each year the tobacco industry spends over \$100 million promoting tobacco products in Minnesota – not including e-cigarette advertisements.<sup>7</sup>
- The state of Minnesota collected nearly \$760 million in tobacco taxes and settlement fees last year, but spent just 1 percent of that on prevention and treatment.<sup>8</sup>

THE STATE OF MINNESOTA COLLECTED NEARLY \$760 MILLION IN TOBACCO TAXES AND SETTLEMENT FEES LAST YEAR, BUT THE STATE ONLY SPENT 1 PERCENT OF THAT TOTAL ON TOBACCO PREVENTION AND TREATMENT.<sup>8</sup>



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1. Maciosek MV et al. Twenty-year health and economic impact of reducing cigarette use: Minnesota 1998-2017. *Tob Control*. 2019.
2. ClearWay Minnesota<sup>SM</sup>, Minnesota Department of Health. Minnesota Adult Tobacco Survey: Tobacco Use in Minnesota: 2018 Update. 2019.
3. Blue Cross and Blue Shield of Minnesota. Health Care Costs and Smoking in Minnesota. 2017.
4. Minnesota Department of Health. 2019 Minnesota Student Survey: E-Cigarette and Cigarette Findings. 2019.
5. U.S. Centers for Disease Control and Prevention. Best Practices for Comprehensive Tobacco Control Programs — 2014. 2014.
6. Minnesota Department of Health and ClearWay Minnesota<sup>SM</sup>. 2020.
7. Campaign for Tobacco Free Kids. Broken Promises to Our Children: A State-by-State Look at the 1998 Tobacco Settlement 21 Years Later. 2019.
8. Minnesota Management and Budget, Consolidated Fund Statement, Budgetary Basis, 2020 November Forecast, December 7, 2020.