



Deschutes County

TOBACCO RETAIL LICENSE

Fiscal Impact Report: Executive Summary

Background

Despite declines in tobacco use nationwide and within Oregon, tobacco use still remains the number one preventable cause of death and disease in our state. In Deschutes County, one in five adults use tobacco¹ and over \$50 million are spent annually on tobacco-related medical care costs.²

Tobacco addiction starts in adolescence with nine of ten adults who smoke reporting that they started before the legal smoking age of 18, and almost 100% starting before they turn 26.³ Deschutes County youth currently use most types of tobacco products at a higher rate than their peers around the state. Of particular note, youth use of other tobacco and nicotine products (e-cigarette/vaping products, large and small cigars, hookah, snuff, dip and chew) is on the rise. Nearly one in four 11th graders in Deschutes County report using tobacco products other than cigarettes.⁴

Currently, Oregon is one of only nine states that do not require tobacco retailers to hold a license. Without tobacco retail licensure, there is little the state or local government can do to influence a change in behavior among those businesses that knowingly or carelessly sell tobacco to underage youth. Minor decoy inspections of tobacco retailers in Deschutes County indicate varying levels of compliance with “no tobacco sales to minors” laws depending upon the inspection methodology and year. In 2014, more than a quarter (26.7%) of the tobacco retailers tested in Deschutes County sold tobacco to an underage youth during inspections conducted by the Oregon Health Authority.

In 2015, several tobacco policy goals focused on the retail environment were included in the Central Oregon Health Council’s 2016–2019 Regional Health Improvement Plan (RHIP), which is a long-term systemic effort to address public health problems on the basis of the results of health assessment activities in the community. The RHIP includes measurable health indicators for several priority health improvement areas identified by medical professionals and community stakeholders during a six-month strategic planning process throughout Deschutes, Crook, and Jefferson counties.

The tobacco retail environment policy action identified to help achieve the 2019 health indicator goal of decreasing the prevalence of smoking among 11th and 8th graders from 12% and 6%, respectively to 9% and 3%, reads as follows:

Implement a tobacco retail licensing program that will eliminate illegal sales to minors, prevent retailers from selling tobacco within 1,000ft. of schools, raise the age of purchase for tobacco to 21, and eliminate sales of flavored tobacco products.

To aid in advancing the RHIP tobacco policy goal, Deschutes County Public Health outlined a community engagement approach to move the concept of tobacco retail licensing and the other three companion policies forward:

1. Through one-on-one interviews with tobacco retail store owners/managers, learn more about their current efforts to keep tobacco out of the hands of youth and gain an understanding of if/how the tobacco policies in the RHIP would impact their businesses.
2. Convene a work group of city (Bend, LaPine, Redmond, Sisters) and county staff to conduct a fiscal impact analysis for implementing and enforcing a Tobacco Retail Licensure (TRL) program throughout Deschutes County.

Tobacco Retailer Survey

In November of 2016, Rede Group conducted 8 phone and 11 in-person interviews with known tobacco retailers suggested by DCHS. Retailer demographics and key findings from the interviews follow.

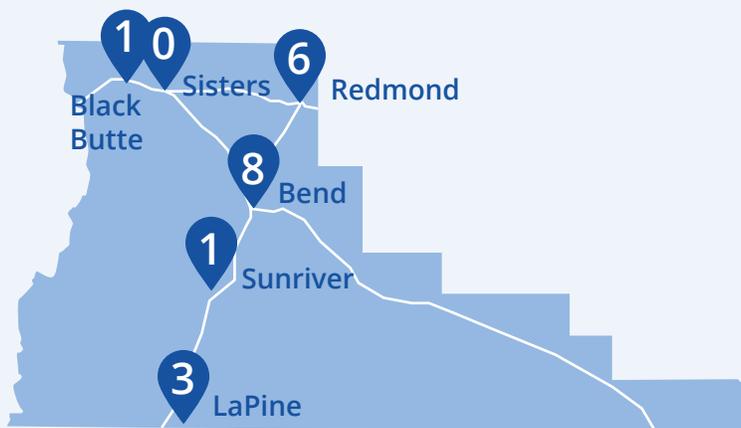
“I would support a tobacco retail license. I own three stores in Bend and one in Redmond. We don’t want to sell tobacco to kids—no matter what.”

—Owner, Convenience Store

“We used to be known as ‘easy to buy from’, proper training has changed this and I do understand that when you have to pay a license fee it makes you do a better job.”

—Manager, Mom & Pop Shop

Retailer Locations, Types of Retail Outlets, and Types of Employees Interviewed



Store Owners x5



Store Managers x14



Key Retailer Survey Findings:

- Approximately half of tobacco retailers interviewed do very little to train frontline staff on how to prevent illegal tobacco sales to youth from occurring.
- Owners/managers have varied ways of dealing with staff who sell tobacco to minors.
- The majority of tobacco retail outlet owners/managers interviewed for this survey would support TRL if it helps prevent kids from initiating use.
- The majority of interviewees also support license revocation for businesses who are found to repeatedly sell to minors.
- The majority of interviewees said their business would not be impacted if TRL was put into place.
- More than half of the interviewees were opposed to eliminating the sale of flavored tobacco products. Vape shops, in particular, were strongly opposed as flavored vaping products are predominately what they sell.
- The majority of interviewees support banning the sale of tobacco products within 1,000 feet of schools, however, retailers currently located near schools were opposed to this policy concept.
- The majority of interviewees oppose raising the legal smoking age from 18 to 21.

Cost Estimate of TRL Implementation & Enforcement

The Deschutes County Fiscal Impact Committee, composed of representatives from the cities of Bend, Redmond and Deschutes County, was charged with exploring how best to implement a TRL system across Deschutes County.

The Committee decided to formulate a recommendation based on Deschutes County Health Services acting as the licensing and enforcement agent for the entire county for the following reasons:

1. The cities indicated they did not have the staff or fiscal capacity to implement the program;
2. Deschutes County, as the local public health authority, could enact an ordinance requiring all tobacco retailers in the county to obtain a license; and
3. DCHS already employs staff with the knowledge and technical skills to implement the program.

After analyzing TRL programs in place in Lane, Multnomah and Klamath Counties, the Committee, with the aid of county fiscal staff, did a cost estimate and crafted five different options for implementing TRL in Deschutes County.

Deschutes County Tobacco Retail Licensure Fiscal Impact Committee

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Note: DCHS invited participation from all cities. Due to capacity issues, the City of Sisters declined to have representation on the committee. And, although interested in the policy issue, the City of LaPine was unable to replace their representative who dropped off the committee in early 2017.

TRL Fee Policy Options At-a-Glance

Option Number	Compliance Inspections	Minor Decoy Inspections	Total FTE Required	Total License Program Cost	Individual License Fee
1	Yes, all stores annually	Yes, all stores twice a year	.6	\$64,023.52	\$492.49
2	Yes, all stores annually	Yes, all stores once a year	.425	\$43,760.99	\$336.62
3	No	Yes, all stores once a year	.325	\$34,551.35	\$265.77
4	No	Yes, 50% of stores, annually	.252	\$25,388	\$195.29
5	No	No	.095	\$8,744.34	\$67.26

Table Note: Options 1-5 are listed in descending order of effectiveness relating to reducing sales of tobacco to minors.

Committee Recommendations

The Committee unanimously supports policy option 2, which would, at a reasonable cost to the tobacco retail community, improve community health by funding the establishment of a TRL system designed to:

1. Create an accurate list of retailers who sell tobacco in Deschutes County
2. Provide for coordinated efforts to educate retailers about tobacco laws and help them to train their clerks to comply with these laws
3. Institute a local license inspection program which would guarantee that all tobacco retailers receive an annual license compliance inspection and a minor decoy inspection
4. Provide a mechanism for education and enforcement of additional retail policies known to impact youth tobacco use rates (i.e. banning sales of tobacco near schools etc.)

End Notes

1. Deschutes County Behavioral Risk Factor Surveillance Survey 2012-2015. https://public.health.oregon.gov/BirthDeathCertificate/Surveys/AdultBehaviorRisk/county/Documents/1013/ORCountyBRFSS_tobacco.pdf
2. Portland State University Population Research Center 2014; Oregon Behavioral Risk Factor Surveillance System 2013; CDC Smoking-Attributable Morbidity and Mortality Cost calculator 2013.
3. U.S. Department of Health and Human Services. Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2012.
4. Oregon Healthy Teens (OHT) Survey, 2015. Oregon Health Authority. Chronic Disease Data. Youth Data. Tobacco use and related topics. Oregon Health Authority Webpage. https://public.health.oregon.gov/DiseasesConditions/ChronicDisease/DataReports/Documents/datatables/ORAnnualOHT_Tobacco.pdf.

This report was produced by the Rede Group for Deschutes County Health Services (DCHS) in August of 2017.

