

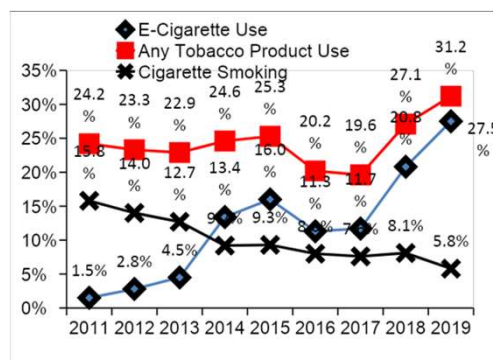
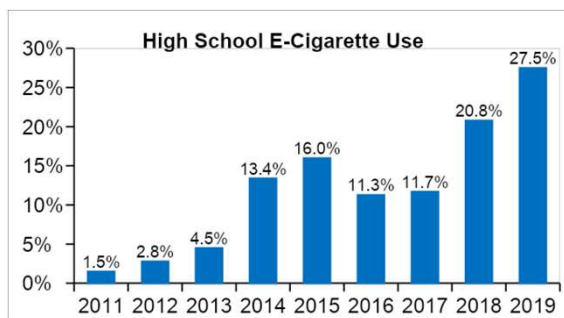
HB20-1001 State and Local Retail Licensure Aspects

Andrea Stojsavljevic
 Policy Manager
 Healthier Colorado

The Problem...

Colorado leads the nation with 26.2% of our youth reporting using e-cigarettes (potentially higher - waiting on updated data for just CO as this is from the 2017 Healthy Kids School Survey)

- National Numbers only growing as the national average is now 27.5% as of 2019 national data



Longterm Effects

- 91,000 youth alive today in Colorado will die prematurely from tobacco use
 - Smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined — and thousands more die from other tobacco-related causes.

There is a tax-burden on every family in Colorado because of the health costs related to smoking.

- **\$1.89 billion.** Annual health care costs in Colorado directly caused by smoking.
- **\$386.3 million.** Medicaid costs caused by smoking in Colorado.
- **\$629 per household.** Residents' state and federal tax burden from smoking-caused government expenditures.
- **\$1.27 billion.** Smoking-caused productivity losses in Colorado.

Source: Tobacco Free Kids



- The tobacco industry spends over \$9 billion nationwide on marketing expenditures, and over \$140 million in Colorado alone.

Problem Continued

- Colorado has lacked fundamental tobacco control policies for quite some time that could have limited the impact of the current vaping epidemic:
 - Colorado is one of only a handful of states that doesn't require a state retailer license to sell tobacco and nicotine products
 - Our age of sale was 18 up until a couple months ago.
 - Until last year we financially penalized localities from doing just about anything proactive in the tobacco control space - ie 1033.
 - Our tax rate ranks 39th in the nation for cigarettes and other tobacco products
 - We don't tax liquid nicotine (ie vaping liquids) at all

How to Tackle the Problem:

There is no 'silver bullet' when it comes to tobacco control, all these evidence-based policies will have impact on youth access and utilization of these products - we view as a comprehensive package:

- **Raise age of sale to 21** - 4 out of 5 regular smokers begin before age of 21!
- **Licensure** - provides enforcement and accountability on retailers to make raising the age of sale meaningful! An essential building block
- **Close online sales loop**
- **Flavor Ban**
- **Tobacco Tax** - coming thru citizens initiative. We know every 10% increase in price leads to 7% reduction in youth usage.

HB19-1033 Brief History

Key Provisions of HB19-1033

- Until last year Colorado kept localities from doing just about anything proactive in the tobacco control space to keep youth in their communities from accessing/using these products.
HB1033:
 - Eliminated the financial penalty that existed for locals if they set-up licensure, taxes etc
 - Expressly authorized all localities to be able to set-up licensure, raise the age of sale, etc
- Since the passage of HB19-1033: Around 25 localities have already made moves on setting up retailer licenses, and so we don't want to undo any of their amazing work with the State license set-up, and want to encourage localities to continue to set-up their own licenses

Set-up and Intent of HB20-1001

- One of the main component of HB20-1001 is setting up a statewide retail licensure for enforcement and accountability purposes
- Many of the licensing aspects in HB1001 are meant to mirror how liquor and marijuana are duly licensed.
 - Distinct difference with tobacco and nicotine products is that we are not requiring localities to license - where in liquor localities must license retailers.
- Lots of details in the bill (happy to take questions on) just digging into the specifics of licensure

State Retailer License & Local Coordination

The State License will act as 'the floor' and localities can go more stringent (or must be as stringent) with their licensing aspects. Details on licensing/coordination:

- Retailers will need both licenses (local if their locality requires) to operate in the state
- The State annual license fee will cover the cost of the state enforcement, and administration of the program (the amount is not set in statute)
- State is required to do 2 compliance checks of each retailer each year
 - Localities compliance checks can count up towards the State's required 2
 - If a retailer is found to violate during a compliance check - they must be checked up on again within 3-6 months

State Retailer License & Local Coordination

- There is a state penalty structure for fines, revocation and suspension of license in place for violations
 - Nothing in the bill prohibits a local government from imposing sanctions on a retailers for a violation of a local ordinance or resolution
- These aspects have been kicked to rule-making, but the state will develop systems to coordinate with locals on:
 - Streamlining License approvals and renewals
 - Compliance checks performed and violations with local licensing authorities
 - Revocations/suspensions of licenses

Questions?

Andrea Stojsavljevic

Healthier Colorado

E: astojsavljevic@healthiercolorado.org