

W. S. A.

March xx, 2007

Dear Legislator:

The Lane County Board of County Commissioners unanimously supports HB 2535 which will raise more than \$121.6 million per biennium, through a 10¢ /bottle increase in the tax on beer and other specified malt beverages. The proceeds would be primarily targeted to state, county and cities, which overwhelmingly provide prevention, treatment and law enforcement services to deal with the harm caused by alcohol consumption. Lane County and its citizens stand to benefit strongly from this legislation. Without substantial and meaningful allocations to prevention or treatment, we will not be successful in reducing demand for alcohol and drugs in our communities.

Beer is the alcohol of choice in Oregon. More than 80% of Oregonians who drink alcohol drink beer. Most of the beer drunk in Oregon comes from outside of our state. Leveraging an excise tax on large breweries benefits Lane County's and Oregon's economy in at least two ways. First, it levels the playing field for Oregon's small craft breweries. This excise tax allows Oregon brewers to be more competitive in the marketplace against the large manufacturers of high volume beer that is less expensive. And, second, it funds needed services to effectively address the harm that irresponsible drinking causes.

Investing in programs to prevent drug use and treat people with addictions creates *real and substantial* cost-savings benefits: Substance abuse researchers find profound reductions in a number of costly events after alcohol and drug treatment:

- Patients involved in DUII arrests decreased from 18 percent (pretreatment) to 3 percent (post treatment).
- Patients involved in accidents decreased from 14 to 1 percent.
- Patients' families who sought counseling decreased from 31 to 5 percent.
- Patients' children who missed school decreased from 5 to 1 percent.
- Patients' spouses who missed work decreased from 10 to 1 percent.

According to two surveys conducted by Lane County's Health and Human Services in 2005 and 2006, most of Lane County citizens support *at least a* 10¢ increase per bottle of beer (for a total of 60¢ extra per six pack) with the proceeds aimed at prevention, treatment, and law enforcement. Research confirms what Lane County citizens intuitively know, that is, raising the price of beer abates many of the social ills that currently exist in our county.

- Higher beer taxes are associated with lower rates of traffic fatalities. For every one percent increase in the price of beer, the traffic fatality rate declines by 0.9% (Journal of Health Economics, 1996).
- Increases in the state excise tax on beer decrease the probability of overall violence toward children. Specifically, a 10 percent increase in the excise tax on beer will reduce the probability of severe violence by 2.3 percent, the probability of overall violence by 1.2 percent, and unconditional overall violence (the sum of participation and frequency) by about 2.1 percent (Contemporary Economic Policy 1998).
- A beer tax increase of 20¢ per six pack, would reduce gonorrhea rates by 8.9% and syphilis rates by 32.7% (Journal of Law and Economics 2000)
- A beer tax increase reduces youth binge drinking by about 15% (Institute of Medicine-2004).

Beer is cheap in Oregon and has been since 1977. Today, beer drinkers pay less than 1 penny per bottle. Yet, the cost of irresponsible beer drinking is significant in Lane County and Oregon. Alcohol abuse and alcoholism costs each Oregonian \$638 annually in direct and indirect costs. Each dollar invested in prevention and treatment saves an estimated \$5.50 in other costs. HB 2535's aim is to strongly invest in proven programs and services to reduce and prevent the harm caused by irresponsible drinking of cheap beer, not produced in Oregon. On behalf of the Board of County Commissioners of Lane County, I ask you to support this legislation.

Sincerely,

Faye Stewart  
Chair  
Board of County Commissioners