

Reducing Youth Smoking in South Carolina



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Furthermore, while this paper was written for South Carolina Department of Health and Environmental Control's Division of Tobacco Prevention and Control, the judgments and conclusions represented here are solely those of the author and are not necessarily endorsed by the Division, the Department, or by any other South Carolina government agency or entity.

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Honor Statement

On my honor as a University of Virginia student, I have neither given nor received unauthorized aid on this Applied Policy Project.

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Executive Summary

The state of South Carolina currently has one of the least expensive and least-regulated tobacco retail environments in the country. Smoking rates in SC for adults and minors are both higher than the national average. There is little effective legislature aimed at reducing youth access to and use of tobacco and smoking devices, despite the fact that almost 1 in 10 children in the state currently under the age of 18 are projected to suffer and die prematurely from smoking-related illnesses.

This report reviews three policy alternatives which the state of South Carolina can enact to reduce the tobacco usage amongst minors: instituting a state-wide tobacco retail license program, raising the cigarette pack tax to \$1, and mandating the tobacco retail license programs at the county and municipal level. These alternatives are evaluated on four criteria: Political Feasibility, Implementation Costs, Effectiveness, and Fiscal Sustainability.

This report recommends that the South Carolina State Legislature pass legislation allowing for the creation of a state-wide tobacco retail license program. This program will be created and run by the South Carolina Department of Health and Environmental Control's Division of Tobacco Prevention and Control. A licensure program will allow the state to better monitor and regulate retail practices, and will especially help to reduce the access that minors have to tobacco and other smoking products.

Problem Definition

South Carolina currently faces a public health crisis in which approximately 1 in 10 children currently 18 (Campaign for Tobacco Free Kids, 2021) and under are project to die prematurely due to smoking-related causes. Low consumer costs and lack of preventative regulations in particular have contributed to a population that has a higher percentage of teen smokers than the national average.

The South Carolina Department of Health and Environmental Control (SCDHEC) is responsible for improving the quality of life for all South Carolinians by protecting and promoting the health of the public and the environment (SCDHEC, 2019). The Division of Tobacco Control and Prevention (DPTC) specifically is charged with smoking-related health issues, and focuses on four areas: Quitting Tobacco Use, Eliminating Second-hand Smoke Exposure, *Preventing Youth Use*, and Addressing Health Disparities. SCDHEC and DPTC both work with state partners such as health care systems and providers as well as non-government organizations and advocacy groups to help improve the quality of life and healthcare for the people of South Carolina.

Background

Across the United States, smoking-related illnesses cost more than \$300 billion each year (Centers for Disease Control and Prevention, 2020). Over half of that – approximately \$170 billion- is spent on direct costs such as medical care. Indirect costs make up an additional \$150+ billion and include costs incurred due to lost productivity, including \$5.6 billion in lost productivity due to exposure to secondhand smoke (Centers for Disease Control and Prevention, 2020). Lost productivity can be interpreted as income lost due to inability to work.

Population

As a nation, the United States has seen a decline in smokers as a percentage of its population for several decades. Currently, national averages for all adults and high school students are 13.7% and 5.8%, respectively (Campaign for Tobacco Free Kids, 2021). Despite this trend, South Carolina's population has a **higher percentage** of smokers in both subgroups. As of 2020, 17.6% of adults in South Carolina (710,400 people) smoke, and about 6% of high schoolers (16,000 children) are smokers (Campaign for Tobacco Free Kids, 2021). In addition, over 1,500 kids under the age of 18 become new daily smokers each year (Campaign for Tobacco Free Kids, 2021).

Consumer Cost

As of 2020, South Carolina is the fifth-least expensive state to be a smoker (McCann, 2021). This is largely due to cost of living and cost of tobacco products versus states such as New York and California, and also due to lack of tobacco taxes. The total annual (estimated) cost per smoker in South Carolina in 2020 is \$24,088 (McCann, 2021). This is calculated from a variety of factors such as purchase costs, healthcare costs, lost income cost, and more. In total, South Carolina's combined smoking population (adults and teenagers) incurs approximately \$17.112 billion in annual smoking costs.

State and Taxpayer Costs

Smoking costs South Carolina (South Carolina, 2020):

- **\$1.9 billion** annually in direct health care costs
- **\$476 million** in Medicaid costs
- **\$2.35 billion** in productivity losses.

- **\$1.75 billion dollars** in state and federal tax burden from smoking-related government expenditures (as of 2020 there were approximately 2 million households in the state, which averages to about \$875 annually per household) (United States Census Bureau, 2021).

In total, smoking costs the people of South Carolina an estimated \$6.476 billion dollars, on top of the \$17.112 billion burden on smokers themselves, each year. Expecting at least some overlap in costs, total yearly smoking costs South Carolina are roughly around \$20 billion. In comparison, the *total* GDP of South Carolina in 2019 was \$247.54 billion dollars, meaning that the total costs of smoking are equivalent to roughly 8.1% of the state's GDP (Department of Numbers, 2019). Relative to South Carolina's 2020 population of 5,210,100, the average cost of smoking per person (not per smoker) was approximately \$3,839 last year (McCann, 2021).

Health Implications

30.1% of all cancer deaths in South Carolina can be attributed to smoking (Campaign for Tobacco Free Kids, 2021). As of 2020, total cancer deaths are estimated to be at just below 11,000 in South Carolina, while estimated new annual cases is just under 32,000 cases (American Cancer Society, 2020). Currently, it is projected that there are 103,000 kids now under 18 that are alive today who will ultimately die prematurely from smoking (South Carolina, 2020). As of 2020, the portion of South Carolina's population numbered 18 and under numbered just over 1 million, meaning that smoking will prematurely shorten the lives of about 1 in 10 children.

Tobacco Retail Licenses and Youth Smoking Prevention Strategies

Implementation and reports have shown that tobacco retail licensing laws are effective at 1) limiting youth access to tobacco, 2) providing a framework for implementing and enforcing other tobacco control policies that can advance health equity, 3) creating a self-financing program that allows for regular enforcement (ChangeLab Solutions, 2018). Licenses are typically location-specific, non-transferable, and are typically renewed (and paid for) annually (County Health Rankings, 2018).

Tobacco retail licensure laws have been implemented in over 30 states and territories. Resources currently exists to help states and municipalities model their laws and ordinances in the most effective ways. These resources include the *TRL Model Ordinance Checklist*, and *Comprehensive TRL Model Ordinance*, and the *Comprehensive TRL Model Ordinance Plug-in Policy Options* (ChangeLab Solutions, 2018). Tobacco retail licenses are often cited as important and effective means for curbing youth and underage smoking because they allow state and/or local officials to effectively regulate and enforce all laws and aspects of commercial tobacco sale within jurisdiction (Myers et al., 2015). Licensing ordinances require retailers to obtain a license before they sell or stock any tobacco products (thus creating a vital registry of legal vendors within the jurisdiction). They also stipulate a list of laws to adhere to and violations to avoid, as well as the fines and penalties associated with misbehavior. Licensing also offers a way to eliminate repeat violators from the tobacco retail market (temporarily or permanently) (ChangeLab Solutions, 2018).

Licenses may also outline or restrict the areas where tobacco retailers may operate. Tobacco retail licenses implemented specifically to limit and reduce youth and underage smoking may limit the number of tobacco retailers within a certain radius or zone classification

and restrict retailers from being within a certain distance from schools, churches, or places of childcare (County Health Rankings, 2018). Tobacco retail licenses can also restrict the sale of menthol cigarettes and other flavored tobacco products (which make up the majority of products smoked by young and underage smokers), establish a minimum price for tobacco products, and establish “tobacco” or “tobacco-free retail zones” (ChangeLab Solutions, 2018).

Tobacco retail licenses allow community leaders and public health officials greater control over tobacco use and commercial sale within their localities. The FDA’s Youth Tobacco Prevention Plan outlines important goals and milestones for reducing youth access to tobacco materials such as: conducting 1 million+ retail inspections, suspending and barring retail locations that repeatedly to sell minors/underage adults, curbing youth e-cigarette use, prevent 1,300 retailers and 5 major manufacturers from continuing to perpetuate youth access, taking actions against retailers and manufacturers from marketing and selling to underage individuals, and more (U.S. Food and Drug Administration, 2020). All of these can be accomplished, to varying extents, through the implementation of state or local tobacco retail licensure.

A study in Santa Clara County, California, from 2010-2012, mapped 36 tobacco retailers before and after the implementation of a local tobacco retail license ordinance. The study found that by the end of the two-year period, 30.6% (11 stores) of retailers had stopped selling tobacco (although this is not directly confirmed to be due solely to the implementation of the tobacco retail license) (Coxe et al., 2014). Three of the 11 retailers that closed or stopped selling tobacco were within 1000 feet of a K-12 school (Coxe et al., 2014). The wording of the report suggests that the reduction in retailers occurred “immediately” after and was due in large part to licensure implementation (Coxe et al., 2014). Of the remaining 25 retailers, all underwent compliance checks and were found to be in compliance with laws prohibiting sales of tobacco to minors.

Like similar sources, this study proclaims the likely and potential effects of tobacco retail licenses, but fails to show direct correlation. This report, while emerging as a prominent source of evidence during my research, is also on the older side- ten years since the start of the observation period. It is also unable to take into account the new federal smoking age of 21, which is designed to limit youth and underage smoking, particularly at high schools.

No federal or state laws prevent local licensing of tobacco retailers, nor do any make local licenses redundant (Tobacco Retail Licensing: Promoting Health Through Local Sales Regulations, 2020). Some states, such as New York, have stringent statewide tobacco retail laws and regulations (Tobacco Retail Licensing: Promoting Health Through Local Sales Regulations, 2020). Others, such as South Carolina, have little to no laws or ordinances specifically aimed at reducing youth smoking. However, licensing systems can complement state and local laws although local licensures are typically stricter than their statewide counterparts (Tobacco Retail Licensing: Promoting Health Through Local Sales Regulations, 2020).

One of the largest potential impacts of tobacco retail licenses is their effect of tobacco marketing and point-of-sale (essentially retailers). There is direct and repeated evidence that has demonstrated that the advertising and promotional effort of tobacco companies in retail environments (posters, flags, discounts, etc.) cause young people to start smoking and/or become regular/daily smokers. (Truth Initiative, 2017). In 2014 alone, domestic cigarette and smokeless tobacco manufacturers spent more than \$8.6 billion (equivalent to \$990,000 every hour) on advertising and promotional expenditures in the retail environment, including advertisements posted at retail locations, price discounts, promotional allowances, coupons, and samplings (Truth Initiative, 2017). Manufacturers will often pay retailers to place tobacco items at the front of the store or in a prominent location to attract more attention and purchases. Experimental

smoking among youth has been shown to be correlated with the number of tobacco retailers in high school neighborhoods as well as in and near communities where youths and young adults live (Truth Initiative, 2017). Retailers also tend to be disproportionately located in more heavily populated areas with a greater number of minority and low-income populations, which is thought to also at least partially account for the significantly higher percentage of youth and adult smokers in low-socioeconomic status populations (Truth Initiative, 2017). There is also significant evidence that signals that keeping the price of tobacco high (by instituting a price floor throughout a locality) is directly beneficial to public health. A CDC study in 2014 found that a \$10-per-pack retail price, combined with eliminating discounts, could result in almost 638,000 fewer youth smokers, almost 4.2 million fewer young adult smokers, and more than 7.7 million fewer adult smokers ages 26 years and up, one year after implementation (Truth Initiative, 2017). This price ceiling would also be expected to prevent almost 1.5 million early smoking-related deaths in America in youth and young adults (Truth Initiative, 2017).

Alternatives

1. Statewide Tobacco Retail License (TRL) Program

Tobacco retail licenses is a form of legal regulation designed to give states, localities, and communities better and greater control over the sales of tobacco and related products within their jurisdiction. TRLs are used in some fashion by over half of the states, and are recommended by the CDC as a method of reducing tobacco use. Licenses offer a certain degree of fluidity, as they can be enacted at multiple levels of government/regulation (some states make use of state-wide TRLs, whereas others allow for the enactment of TRL systems on a county or municipality jurisdiction). Retail stores are where most tobacco is bought, sold, advertised, and promoted

(Pizacani et al., 2012). TRLs provide state health officials with better tools and transparency to regulate the practices of retailers and the access that minors have to acquiring smoking products.

In this instance, a TRL would be instituted on a state-wide basis. It would function similar to other licensure programs (such as liquor or ABC licenses, for example). In South Carolina, sellers and potential sellers (typically POS locations) would need to apply and be approved for a license before they could begin or continue selling tobacco and nicotine products. License applications would be made available on the SCDHEC website, and the DTPC will internally create a license review board or appoint independent board members. At this time, it is recommended that the board be an internal component of the department, so as to avoid politics and the inclusion of tobacco-industry friendly board members that may seek to neuter the program's effectiveness.

The licenses would stipulate several new regulations for tobacco retailers. These are ultimately up to the state legislature and/or DTPC, but licenses in other states typically include regulations such as limiting the number of retailers in a square mile and/or in certain zoned areas, limiting both concentration and distance of retailers from areas with a high population of minors and children (such as school/educational buildings, playgrounds and parks, etc.) The TRL system would also increase government revenue by charging a flat fee for a license application, and by instituting a tiered system of fines for license breaches by retailers.

2. Increase the Cigarette Pack Tax

South Carolina has one of the ten-lowest excise taxes on cigarettes, at \$0.57 for a pack of 20 cigarettes. It is one of just 13 states with an excise tax below a dollar. State regulations currently only name two taxes: a cigarette tax, or "cigarette stamp tax," and the Other Tobacco Product

(OTP) tax. Both are typically paid once per product, either by distributors or by POS locations or retailers who self-supply. Both taxes have been repeatedly criticized for failing to deter young and new smokers, and for also failing to raise significant amounts of government revenue.

This alternative proposes raising the excise tax on tobacco and nicotine products across the board. A very arbitrary raise for the 20-cigarette packs would be to \$3 (again this is an arbitrary number, numbers and data for appropriate tax amounts for cigarette and OTPs is forthcoming).

Increasing the excise tax will, at the very least, increase state tax revenue. A 2007 report (when the tax was \$0.07) estimated that a tax increase up to \$1 would increase annual state tax revenue by \$220 million (note: tax per pack of cigarettes as of 2020 was \$0.57). The same report demonstrated that lower-income and younger smokers would be more likely to be deterred due to the relative cost of the tax than higher income smokers; lower-income smokers are also disproportionately negatively affected by health issues and costs due to smoking. An increase in the state excise tax is something that only the state legislature can approve and write into law. South Carolina's General Assembly would need to introduce a bill or an amendment in either the House or the Senate, achieve approval from both houses and final approval from the governor before the legislation could become law. Opposition lobbying from the tobacco industry would likely be strong, but there are many NGOs and advocacy groups such as the American Lung Association and American Heart Association that currently work to establish coalitions and help legislatures pass better smoking laws.

3. State Mandate and Support TRL regulations at County and Municipal levels

This alternative would function similar to Alternative #1: Statewide TRLs. Whereas the first alternative would require the state government to construct licensing program responsible for incorporating and regulating all aspects of the South Carolina, this alternative would only require state officials to issue a mandate for tobacco licenses at a county level. Counties make up the primary form of effective local government in South Carolina, and typically have their own health and commerce boards that set guidelines and also have their own regulatory bodies. SCDHEC would be in a position to advise counties and municipalities on best practices for TRLs, but would not have to bear the burden of running a state-wide program. Passing a statewide mandate would place regulatory burdens largely on the counties themselves, and create a much more politically-easy framework for establishing new state and local tobacco retail stipulations.

This alternative would not recommend that the state add regulatory stipulations to the mandate, as in that case that would lead to more legislative friction at the state level and reduce the ease at which the mandate could be passed. The burden should be at the county level to create license programs that make the most sense for individual counties. Variables such as population density, number of schools, youth population, amount of tobacco retailers, and more may influence what regulations a county may wish to establish for their license program. Two issues that may arise from this alternative is that of unequal effects (some counties may enforce stronger regulations than others) and lack of effective take up (some counties may include relatively few regulations or not really enforce license breaches). Breaches/regulations may vary based on county decisions, but may include failure to ID buyers/selling products to minors, displaying certain types of advertising, failing to properly advertise health risks associated with smoking, and more.

Criteria

#1 Political Feasibility

How likely is the alternative to be accepted by governing bodies? Namely, how will it be received at the state and county levels. This will be measured by looking at the voting histories of the members of the South Carolina General Assembly, analyzing current and recent legislation focused on tobacco products, and by looking at current tobacco legislation policies of South Carolina counties (as well as third party rankings of those policies). Alternatives that are projected to receive a sizeable majority of support at both the state and county levels will receive a 4 or 5, those that are predicted to receive split support will receive a 3, and those that appear to largely opposed will receive a score of 1 or 2.

#2 Implementation Costs

This criterion specifically looks at the start-up costs of alternatives to state taxpayers. Long term costs will be largely factored into and analyzed in the Sustainability criterion. Costs such as personnel costs, economic costs, time and materials will be included. Costs will also be examined at a county level to try to analyze the equitableness of implementation.

#3 Effectiveness

Does the alternative reduce youth smoking levels? This criterion will analyze alternatives based on research and information gleaned from related programs and expected smoking statistics relative to the 2019 statistic of 30% of high school students (approximately 165,000 students). Similar policies in other states will be used to give guiding projections.

#4 Fiscal Sustainability

On a 1-5 scale, this criterion will analyze the ease at which, if implemented, an alternative will be able to support itself. Alternatives will be measured based on the projected amount of state and local tax revenue raised, and their projected impact on tax payers. Alternatives that are projected to generate significant revenue relative to their cost to taxpayers will receive higher scores, whereas the inverse will receive lower scores.

Evaluation of Policy Alternatives

1. Alternative #1: Statewide Tobacco Retail Licenses (TRLs)

Political Feasibility

For a bill or policy to become state legislation, it must be read and approved by the heads of both houses of South Carolina's General Assembly, and then approved and signed by the governor (currently Henry McMaster). Both the Governor's Office and the General Assembly are controlled by state Republicans, who have typically not prioritized tobacco safety and prevention measures. In 2019, the state's tobacco prevention regulations received an "F" grade from the American Lung Association (Schwieters, 2020). In April of 2019, Governor McMaster signed and approved an amendment to the Youth Access to Tobacco Prevention Act of 2006 that required South Carolina schools to include alternative tobacco/nicotine products such as vapes in their written anti-tobacco policies (Heatwole and Nilges, 2019). The last time the General Assembly approved a cigarette pack tax raise was in 2010, when a bill raising the tax from \$0.07/pack to \$0.57/pack was passed by the General Assembly and signed by then-Governor Mark Sanford (Partnership to End Addiction, 2010). This was the first time since 1977 that South Carolina passes a cigarette tax increase (Partnership to End Addiction, 2010). State Republicans have typically voted against tax hikes and increased commercial regulations over

the last few decades. There is little existing evidence or examples of attempted legislation in the past ten years to establish a state program such as a TRL. While the program is not a tax, it lacks the revenue driver of a tax increase and therefore is unlikely to gain much support amongst Republican members of the state government. Republicans have a 30-16 majority in the State Senate, an 81-43 majority in the House of Representatives, and the Governor's Office. It is unlikely that this Republican majority would be in favor of a state TRL program and therefore this alternative receives a 1 for Political Feasibility.

Implementation Costs

Main implementation priorities would be working with the South Carolina Department of Revenue to inform all current tobacco-product retailers of the licensure program, its start date, and its stipulations (South Carolina Department of Revenue, 2021). This can be accomplished through government press releases and state emails to retailers. No new agency or body is needed to conduct and oversee implementation of a state-wide retail system. A pre-existing division in SCDEHC, the Division for Tobacco Prevention and Control, already develops and conducts structured program evaluations and tobacco-specific statewide surveillance. Development of a state website/digital registry for licenses is likely to be the most expensive part of implementation; estimates range from \$15,000-\$65,000. Therefore, this alternative receives a score of 4 for Implementation Costs.

Effectiveness

This alternative would provide a direct mechanism through which to enforce policies aimed at reducing the use of tobacco products among youths. Licenses are dynamic in that they are relatively easily able to incorporate new or updated state and federal regulations; they also allow for administrative enforcement which is much easier and less time consuming than filing civil or criminal court proceedings (McLaughlin, 2010). There have been multiple studies and reports examining TRLs that have concluded that they can be and are effective at reducing tobacco product usage, particularly among young and teenage populations. However, due to the variance of licenses across both states and local districts, there is little clear evidence that speaks to best practices (what components of licenses are most effective at tackling youth smoking, what are ideal environments for licenses, area/state's history with the tobacco industry, etc.) and quantifiable reduction of smoking rates. Since there is evidence that this alternative is effective, but less clear evidence as to how effective it is, TRLs score a 4 for Effectiveness.

Fiscal Sustainability

State wide TRLs have been demonstrated to be incredibly fiscally sustainable. 36 states currently require at least some form of retail license for tobacco products (Centers for Disease Control and Prevention, 2020). That number represents a historic maximum; the number of states and localities that have instituted some form of licensure and enforcement regulations. With that being said, no state licensure program generates enough revenue from one-time or yearly license fees to fully cover the post of program administration and enforcement (as of 2012) (Pizacani et al., 2012). Some states such as California supplement program finances with revenue from tobacco taxes; other state's support their TRL programs via other sources of revenue (Pizacani et al., 2012). South Carolina's cigarette tax is one of the nation's lowest, at \$0.57/pack; in 2019 the

state received only about \$238 million in revenue from tobacco taxes (Campaign for Tobacco Free Kids, 2021). This alternative will generate annual revenue that will help support itself, but is not projected to be fully self-sufficient. This alternative scores a 3 for Fiscal Sustainability.

2. Alternative #2: Increase Cigarette Tax to \$1

Political Feasibility

Cigarette pack taxes must be approved by both houses of the South Carolina General Assembly and approved by the governor. In rare cases when there is a large amount of legislative support, the South Carolina Senate can override a veto from the governor. Governor McMaster has repeatedly campaigned against raising taxes (McMaster-Evette'22, 2021). In 2017, he vetoed a bipartisan effort to raise the SC gas tax in order to raise more revenue for road repairs and infrastructure maintenance, citing unused and misspent tax money (Cope, 2017). He has repeatedly advocated for lowering the state income taxes, and in January of 2020 proposed a tax relief program that would lower or return \$400 million to state taxpayers (Adcox, 2020). Similarly, the Republican majority in the General Assembly has largely been opposed to tax raises. There is a possibility that a number of Republican members would side with their Democratic counterparts on a tax increase bill, but the size of the Republican majority and McMaster's stance of tax increases makes the passage of such legislation highly unlikely. This alternative scores a 1 for Political Feasibility.

Implementation Costs

Specific, fiscal costs for increasing the cigarette tax would be negligible. Therefore, this alternative scores a 5 for Implementation Costs.

Effectiveness

An increase on the cigarette pack tax would apply to all smokers, but specifically cigarette smokers. While cigarettes constitute the primary smoking method of young and underage smokers, they are also more likely to use vaping devices and electronic cigarettes (which also tend to be marketed to younger users). Increases in cigarette taxes and prices also financially impact middle- and lower-class smokers than they do upper class smokers (or underage smokers who rely on parents or guardians for housing and income). Higher cigarette taxes have been shown to discourage smoking, but it is unclear the extent of the effect it will have specifically at reducing the number of underage smokers in South Carolina. Therefore, this alternative scores a 3 for Effectiveness.

Fiscal Sustainability

A tax increase would be incredibly fiscally sustainable from the state's perspective. Raising the cigarette pack tax from \$0.57 to \$1 would generate millions in annual revenue for the state. This alternative scores a 5 for Fiscal Sustainability.

3. [Alternative #3: Mandate and Support TRL regulations at County and Municipal levels](#)

Political Feasibility

State mandates are typically issued by the governor (and in this case would be issued by Governor McMaster's office). The current political climate and governor are unlikely to support such an executive order at this moment, but a change in either in the future could increase the political likelihood of such an order. However, since the burden of regulation would rest largely on county and municipal leadership, this option is likely to be more acceptable to the state

legislature and governor than Alternative #1. For the present moment, this alternative receives a 2 for Political Feasibility.

Implementation Costs

Potential Implementation costs are largely unknown but may include:

1. State subsidy fund
2. Website design
3. Hiring of additional County offices/staffers

The primary goal of this alternative is to encourage stricter tobacco retail regulation at local levels without placing the majority of the financial and administrative burden on the state. For Implementations Costs this receives a 4 (although it should be noted that the establishment of a state subsidy fund would likely help encourage local officials to set up local programs; such a fund, depending on size and scope, would decrease this alternative's score for Implementation Costs).

Effectiveness

Issues of equity and effectiveness. Varying levels of uptake across counties (some efforts to establish subsidized trial licensure in some York County municipalities around the Rock Hill area, but no knowledge of that happening elsewhere). Issues such as variation of license requirements and enforcement may cause effectiveness on a state-wide level to be low, even if some counties and municipalities see a marked decrease in smoking rates amongst the youth population. Since this policy option has the potential to impact youth smoking at local levels, but is unlikely to have a significant state-wide impact, this alternative receives a 2 for Effectiveness.

Fiscal Sustainability

Costs and Revenue will vary for each county and municipality. It is highly unlikely that any local TRL program will generate enough revenue through license fees and violation fines to pay for the costs of enforcement. This receives a 2 for Fiscal Sustainability.

Outcomes Matrix

Alternatives	Effectiveness (Weight = .55)	Political Feasibility (Weight = .25)	Implementation Costs (Weight = .1)	Fiscal Sustainability (Weight = .1)	Total
#1: State TRL Program	4	1	4	3	<u>3.15</u>
#2: Increasing Cigarette Pack Tax to \$1	3	1	5	5	<u>2.9</u>
#3: State Mandate for Local Licensure Programs	2	2	4	2	<u>2.2</u>

Recommendation and Implementation

Based on the analysis in this report, I am recommending Policy Alternative #1: State-wide Tobacco Retail Licensure Program. A state-wide TRL program will be the most effective policy option at reducing youth access to tobacco. It will give SCDHEC much greater say in the public health regulatory environment, and provide clear cut rules, regulations, and consequences for retailers designed to promote a healthier tobacco retail environment.

The implementation should be headed by SCDHEC and effectively communicated to local and county officials. A South Carolina TRL system should require retailers who wish to

sell cigarettes or any other tobacco-related products to purchase a license to do so on a yearly basis. Fees should not be expensive so as to inconvenience small business owners, but they should not be an insignificant amount; an arbitrary range is \$75-\$150. Licenses should be good for a year after the day of issuance, but to make administration and oversight easier it is recommended that a cutoff day be designated to encourage retailers to renew their licenses each year.

License issuance should come with a clause of understanding that retailers have read, understand, and will abide by the current regulations set by SCDHEC. This will give SCDHEC greater oversight and regulatory ability over the smoking health of the state of South Carolina, and allow it to add or change regulations depending on recommended health guidelines. Fines, suspensions, and revocations can be stepped in with various regulations/failure to adhere to those regulations. At this time, it is recommended that the major stipulation included in the initial licenses be the revocation of licenses for retailers who fail to properly ID customers. A revocation of a tobacco license will prevent a retailer from selling any cigarettes or tobacco-related products until SCDHEC allows it to reapply for a license.

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