

# Policy Tip Sheet



POLICY ANALYSIS FROM  
THE HEARTLAND INSTITUTE

## Tobacco Harm Reduction 101: Arizona

Since their introduction to the U.S. market in 2007, e-cigarettes and vaping devices—tobacco harm reduction products that are 95 percent safer than combustible cigarettes—have helped more than three million American adults quit smoking.

### 1. Economic Impact

According to the Vapor Technology Association, in 2018, the industry created 2,905 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Arizona, which generated \$132 million in wages alone.<sup>1</sup> Moreover, the industry has created hundreds of secondary jobs in the Grand Canyon State, bringing the total economic impact in 2018 to \$415,136,600. In the same year, Arizona received more than \$4 million in state taxes attributable to the vaping industry. These figures do not include sales in convenience stores, which sell vapor products including disposables and prefilled cartridges. In 2016, sales of these products in Arizona eclipsed \$8 million.<sup>2</sup>

### 2. State Health Department Data

According to the Arizona Department of Health Services (ADHS), there have been 21 cases of vaping-related lung illnesses in Arizona.<sup>3</sup> ADHS notes that “[m]ost patients report a history of using [tetrahydrocannabinol] THC-containing products.” Many other state health departments have reached similar conclusions but include additional information—including age, gender, and percentage of patients reporting substances vaped—ADHS does not provide this information. *The Heartland Institute gives ADHS a grade of D for information available on vaping-related lung illnesses.*

### 3. More Information Needed

The most recent report on youth e-cigarette use in Arizona is from the 2018 Arizona Youth Survey State Report, which found that 19.9 percent of Arizona high school students reported using a vapor product at least once, in the 30 days prior to the survey.<sup>4</sup> There is no information on frequent and/or current use in the 2018 survey, but according to the 2017 Arizona Youth Risk Behavior Survey, in 2017, 16.1 percent of Arizona high school students had reported using an e-cigarette in the past 30 days, and only 3.7 percent reported daily use.<sup>5</sup> More data is needed to understand the effects of public health campaigns on youth e-cigarette use.

### 4. Youth Sales Miniscule

From January 1, 2018 to September 30, 2019, the U.S. Food and Drug Administration (FDA) administered 3,097 tobacco age compliance inspections in Arizona, in which the agency used a minor in an attempt to purchase tobacco products.<sup>6</sup> Of those, 500, or 16 percent, resulted in a sale to a minor. Of the violations, 154 (30 percent of violations and 4 percent of all compliance checks) involved the sale of e-cigarettes or vaping devices. The number of violations involving sales of cigars and cigarettes were 256 and 82, respectively, during the same period.

### 5. Misspent Money

In 2019, Arizona received an estimated \$429.5 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$17.3 million, or 4 percent, on funding tobacco control programs, including education and prevention.<sup>7</sup>

### Policy Solution

Electronic cigarettes and vaping devices have proven to be tremendous tobacco harm reduction tools, helping many smokers transition away from combustible cigarettes. Despite recent fearmongering, their use is significantly safer than traditional cigarettes, as noted by numerous public health groups including the Royal College of Physicians,<sup>8</sup> Public Health England,<sup>9</sup> and the American Cancer Society.<sup>10</sup> Rather than restricting their use, and undoubtedly reducing public health gains and millions of dollars in economic output, lawmakers should dedicate existing tobacco funds on programs that actually reduce youth usage.

### Key Points

- 1 Arizona’s vaping industry provided more than \$415 million in economic activity in 2018 while generating 2,905 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Arizona exceeded \$8 million in 2016.
- 2 ADHS has reported 21 cases of vaping-related lung illness, with most patients reporting having vaped THC, but provides no specific details. ADHS earns a **D** for its reporting on vaping-related lung illnesses.
- 3 In 2017, only 3.7 percent of Arizona high school students reported daily e-cigarette use. More data is needed.
- 4 Only 4 percent of FDA retail compliance checks in Arizona resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 Arizona spends very little on tobacco prevention. In 2019, Arizona dedicated only \$17.3 million on tobacco control, or 4 percent of what the state received in tobacco settlement payments and taxes.

# Notes

## Tobacco Harm Reduction 101: Arizona

### References

- <sup>1</sup> Vapor Technology Association, “The Economic Impact of the Vapor Industry ARIZONA,” 2019, <https://vta.guerrillaeconomics.net/reports/8c07329b-0926-4f52-ab3a-0657a485c917?>.
- <sup>2</sup> Teresa W. Wang et al., “National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016,” *Preventing Chronic Disease*, Centers for Disease Control and Prevention, August 2, 2018, [https://www.cdc.gov/pcd/issues/2018/17\\_0555.htm](https://www.cdc.gov/pcd/issues/2018/17_0555.htm).
- <sup>3</sup> Arizona Department of Health Services, “Vaping-Related Respiratory Illness Outbreak,” <https://www.azdhs.gov/prevention/tobacco-chronic-disease/vape-outbreak/index.php>. Accessed January 14, 2020.
- <sup>4</sup> Arizona Criminal Justice Commission, “2018 Arizona Youth Survey State Report,” 2018, [https://azcjc.gov/sites/default/files/pubs/AYSReports/2018/2018\\_Arizona\\_Youth\\_Survey\\_State\\_Report.pdf](https://azcjc.gov/sites/default/files/pubs/AYSReports/2018/2018_Arizona_Youth_Survey_State_Report.pdf).
- <sup>5</sup> Centers for Disease Control and Prevention, “High School YRBS Arizona 2017 Results,” 2017, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=AZB>.
- <sup>6</sup> U.S. Food and Drug Administration, “Compliance Check Inspections of Tobacco Product Retailers,” September 30, 2019, [https://www.accessdata.fda.gov/scripts/oc/inspections/oc\\_insp\\_searching.cfm](https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm).
- <sup>7</sup> Truth Initiative, “Tobacco use in Arizona,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-arizona-2019>.
- <sup>8</sup> Royal College of Physicians, Nicotine without Smoke: Tobacco Harm Reduction, April 2016, <https://www.rcplondon.ac.uk/projects/outputs/nicotinewithout-smoke-tobacco-harm-reduction-0>.
- <sup>9</sup> A. McNeill et al., “Evidence review of e-cigarettes and heated tobacco products 2018,” Public Health England, February 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/684963/Evidence\\_review\\_of\\_e-cigarettes\\_and\\_heated\\_tobacco\\_products\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evidence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf).
- <sup>10</sup> The American Cancer Society, “What Do We Know About E-Cigarettes?” June 19, 2019, <https://web.archive.org/web/20190806152535/https://www.cancer.org/cancer/cancer-causes/tobacco-and-cancer/e-cigarettes.html>.

### For More Information, please refer to:

#### Tobacco Harm Reduction 101: A Guidebook for Policymakers

<https://www.heartland.org/publications-resources/publications/latest-heartland-policy-booklet-addresses-vaping-myths>

This booklet from The Heartland Institute aims to inform key stakeholders on the much-needed information on the benefits of electronic cigarettes and vaping devices. *Tobacco Harm Reduction 101* details the history of e-cigarettes, including regulatory actions on these products. The booklet also explains the role of nicotine, addresses tax policy and debunks many of the myths associated with e-cigarettes, including assertions about “popcorn lung,” formaldehyde, and the so-called youth vaping epidemic.

Nothing in this *Policy Tip Sheet* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this and other topics, visit the *Budget & Tax News* website, [The Heartland Institute’s website](https://www.heartland.org), and *PolicyBot*, Heartland’s free online research database.

The Heartland Institute can send an expert to your state to testify or brief your caucus; host an event in your state; or send you further information on a topic. Please don’t hesitate to contact us if we can be of assistance! If you have any questions or comments, contact Heartland’s government relations department, at [governmentsrelations@heartland.org](mailto:governmentsrelations@heartland.org) or 312/377-4000.