

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed and Refer to Committee on Ways and Means by Prior Reference
Vote:	9 - 0 - 0
Yeas:	Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
Nays:	0
Exc.:	0
Prepared By:	Bill Taylor, Counsel
Meeting Dates:	1/30, 2/5

WHAT THE MEASURE DOES: Moves the timing of the payment of the biennial transfer of funds from the Tobacco Settlement Account to the Tobacco Enforcement Fund from the end of the biennium to the beginning of the biennium. Allows the Oregon Department of Administrative Services to set the amount of funds the Department of Justice may receive for enforcement of Non-Participating Manufacturer laws. Addresses the issue of payment of the \$700,000 for this biennium and the effective date of this measure.

ISSUES DISCUSSED:

- Timing of payment
- Enforcement of settlement as it relates to non-participating manufacturers

EFFECT OF COMMITTEE AMENDMENT: Addresses the issue of payment of the \$700,000 for this biennium and the effective date of this measure.

BACKGROUND: In 1998, the Oregon Attorney General signed, on behalf of the State of Oregon, a settlement agreement with five tobacco manufacturers. This agreement requires the tobacco manufacturers to make biennial payments to a trust fund. These payments are between \$120 and \$150 million each biennium. In turn, the Department of Justice enforces Oregon's Non-Participating Manufacturer laws. On June 1 of each odd-numbered year, \$700,000 is transferred from the Tobacco Settlement Account to the Tobacco Enforcement Fund to cover the Department of Justice's costs of enforcement of the Non-Participating Manufacturer laws. Because the payment arrives at the end of the biennium, the Department of Justice must advance funds to the Tobacco Enforcement Fund throughout the biennium. Also, the \$750,000 cap does not adequately address the rising costs associated with the enforcement of the Non-Participating Manufacturer laws.