

74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 3454
CARRIER: Consent Calendar

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do pass

Vote: 8-0-1

Yeas: Berger, Bruun, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.: Butler

Prepared By: Mazen Malik, Economist

Meeting Dates: 4/26, 4/27

WHAT THE BILL DOES: Provides that manufacturer of roll-your-own tobacco must make escrow payments in same manner as manufacturers of cigarettes for purpose of providing source for payment of certain judgments and settlements on claims against manufacturer.

ISSUES DISCUSSED:

- Master settlement agreement
- Tax stamps
- AG opinions, and implementation of terms

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND:

Aligns the conditions of the Master Settlement Agreement (MSA). A suit by 46 states against 4 tobacco companies resulted in a 1998 Master Settlement Agreement. The settling companies agreed to make payments to the states in perpetuity, based on domestic cigarette consumption. Actual payments are determined annually based on numerous adjustments and conditions. Oregon receives 1.15% of these payments. In 2000, Measure 89 (legislative referral) and Measure 4 (initiative petition) dedicated payments under the Master Settlement Agreement. This is a necessary adjustment for the enforcement terms of the MSA.

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This summary has not been adopted or officially endorsed by action of the committee.