

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass with different amendments to the A-engrossed bill and be printed engrossed

Signers of Minority Report: Starr, G. George

Prepared By: Mazen Malik, Economist

Meeting Dates: 5/7

WHAT THE MEASURE DOES: Expands definitions of “enclosed area,” “place of employment,” and public place” for purposes of smoking restrictions. Revises finding of people of Oregon relating to secondhand smoke. Prohibits smoking within 10 feet of certain public places. Narrows exceptions to requirement that employer provide smoke-free workplace. Diverts funds collected from noncompliance fines from General Fund to Tobacco Use Reduction Account. Enhances fine against employer for failing to provide smoke-free workplace. Allows exemptions for quarter of hotel rooms, tobacco shops, cigar bars, bingo halls, restricted smoking area in bars and taverns and the race meet.

ISSUES DISCUSSED:

- Health and financial effects.
- Effect on certain businesses or charitable organizations
- The revenue estimates are consistent with expected level of smoking (consumption) reduction.
- The impact is too large and unacceptable.
- Revenue loss not important in comparison with health benefits and worker protection policy.
- Impact of existing ordinances in Corvallis and Eugene for lottery revenue.
- Cigar bars and their exemptions.

EFFECT OF COMMITTEE AMENDMENT: Creates exception for cigar bars; and race meets, charity bingo, and a well-restricted smoking section in a restaurant bar or tavern.

BACKGROUND: Subject to a number of exceptions, Oregon presently restricts the ability to smoke in “public places” and “places of employment.” Each of these terms is defined by reference to an “enclosed area” with certain characteristics. SB 571 expands this prohibition on smoking.

Tobacco taxes are based on the level of consumption, however, Tobacco taxes as well as smoking have been (for the last few decades) on a long-term downward trend. However, it has started growing since the smoking ban and price increase in Washington State. Additionally experiences from other states and cities that restricted smoking has been successful. The policy in addition to health affects seem to reduce overall smoking levels and prevalence. This success of reduced consumption will reduce tax revenues. However, research shows that partial (not complete) restrictions have a much less impact on consumption and tax revenues.

SB 571 eliminates many existing exceptions to the rule that an employer must provide a smoke-free workplace. Under existing law, these exceptions include, but are not limited to certain tobacco stores, bars, restaurants, bingo halls, bowling alleys and lounges. All existing exceptions are eliminated and replaced by six different exceptions: (1) up to 25 percent of hotel rooms may be designated as smoking rooms and (2) smoking of noncommercial tobacco products for ceremonial purposes under the federal American Indian Religious Freedom Act. (3) Tobacco shops Under certain definitions (4) Cigar bars, and (5) the race meet. (6) Bingo halls of charitable organizations. Additionally there is an opening in the minority report for restaurants, Taverns and Bars to offer a smoking section providing it complies with 7 defined restrictions. This leaves the room open for indoor smoking and consequently does not reduce tobacco taxes as much as the main bill would.

5/18/2007 4:50:41 PM

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