

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Be Adopted as Amended and Be Printed Engrossed

Vote: 4 - 3 - 0

Yeas: Buckley, Hunt, Roblan, Rosenbaum

Nays: Berger, Esquivel, Thatcher

Exc.: -

Prepared By: Jim Stembridge, Administrator

Meeting Dates: 6/20

WHAT THE BILL DOES: Upon approval at a special election on an as-yet-undetermined date, amends the Oregon Constitution imposing tobacco taxes of 84.5 cents per pack of cigarettes and 30 percent of the wholesale price for other tobacco products. Dedicates revenue raised to children's healthcare programs, health care programs for low-income adults and other medically underserved Oregonians, and to tobacco use prevention and education. Refers proposed amendment to the people for their approval or rejection as provided by HB 2640.

ISSUES DISCUSSED:

- Merits of the original measure and proposed amendment
- Implementation legislation: SB 3 (2007) and HB 2640 (2007)
- Methodology of assessing taxes on tobacco
- Minority report considered in the Senate to require elections officials to verify the United States citizenship of first-time voter registrants.

EFFECT OF COMMITTEE AMENDMENTS: Specifies HB 2640 provisions for setting the date of special election.

BACKGROUND: SJR 4-D would constitutionally mandate a tax increase on tobacco of 84.5 cents per pack of cigarettes (4.225 cents per cigarette) and 30 percent of the wholesale price on other tobacco products (but not more than 50 cents per cigar). This amount would be in addition to current statutory taxes of \$1.18 per pack of cigarettes and 65 percent of wholesale price for other tobacco products. Revenue from the constitutional amendment would be dedicated to the Healthy Kids Program and other health, prevention, and education programs. The revenue distribution is provided for in SB 3-C, which takes affect only if SJR 4-D passes. The date of special election for SJR 4-D would be set in HB 2640, which is currently in the Senate Committee on Rules.