

House Bill 2422

Sponsored by Representative BEYER (at the request of Oregon Transit Association) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases cigarette tax and continuously appropriates moneys from increase to Department of Transportation for elderly and disabled transportation services.

Applies to cigarette tax reporting periods beginning on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cigarette taxation; creating new provisions; amending ORS 323.030 and 323.455; pre-
3 scribing an effective date; and providing for revenue raising that requires approval by a three-
4 fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 323.030 is amended to read:

7 323.030. (1) Every distributor shall pay a tax upon distributions of cigarettes at the rate of [29]
8 **35** mills for the distribution of each cigarette in this state.

9 (2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other state, county or mu-
10 nicipal taxes on the sale or use of cigarettes.

11 (3) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has oth-
12 erwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent distrib-
13 ution to the taxes imposed by ORS 323.005 to 323.482.

14 **SECTION 2.** ORS 323.455 is amended to read:

15 323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS
16 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established
17 under ORS 293.445. Amounts necessary to pay the expenses incurred by the Department of Revenue
18 and to reimburse the Oregon State Police and the Department of Justice for the administration and
19 enforcement of ORS 323.005 to 323.482 are continuously appropriated to the Department of Revenue
20 from the suspense account. After the payment of administrative and enforcement expenses and re-
21 funds, [89.65] **74.28** percent shall be credited to the General Fund, [3.45] **2.86** percent is appropriated
22 to the cities of this state, [3.45] **2.86** percent is appropriated to the counties of this state and [3.45]
23 **20** percent is continuously appropriated to the Department of Transportation for the purpose of fi-
24 nancing and improving transportation services for elderly and disabled individuals as provided in
25 ORS 391.800 to 391.830.

26 (2) The moneys so appropriated to cities and counties shall be paid on a monthly basis within
27 35 days after the end of the month for which a distribution is made. Each city shall receive such
28 share of the money appropriated to all cities as its population, as determined under ORS 190.510 to
29 190.590 last preceding such apportionment, bears to the total population of the cities of the state,
30 and each county shall receive such share of the money as its population, determined under ORS

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 190.510 to 190.590 last preceding such apportionment, bears to the total population of the state.

2 (3) The moneys appropriated to the Department of Transportation under subsection (1) of this
 3 section shall be distributed and transferred to the Elderly and Disabled Special Transportation Fund
 4 established by ORS 391.800 at the same time as the cigarette tax moneys are distributed to cities
 5 and counties under this section.

6 (4) Of the moneys credited to the General Fund under this section 51.92 percent shall be dedi-
 7 cated to funding the maintenance and expansion of the number of persons eligible for medical as-
 8 sistance under the Oregon Health Plan, or to funding the maintenance of the benefits available
 9 under the Oregon Health Plan, or both, and 5.77 percent shall be credited to the Tobacco Use Re-
 10 duction Account established under ORS 431.832.

11 **SECTION 3.** ORS 323.455, as amended by section 27b, chapter 804, Oregon Laws 2003, is
 12 amended to read:

13 323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS
 14 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established
 15 under ORS 293.445. After the payment of refunds, [89.65] **74.28** percent shall be credited to the
 16 General Fund, [3.45] **2.86** percent is appropriated to the cities of this state, [3.45] **2.86** percent is
 17 appropriated to the counties of this state and [3.45] **20** percent is continuously appropriated to the
 18 Department of Transportation for the purpose of financing and improving transportation services for
 19 elderly and disabled individuals as provided in ORS 391.800 to 391.830.

20 (2) The moneys so appropriated to cities and counties shall be paid on a monthly basis within
 21 35 days after the end of the month for which a distribution is made. Each city shall receive such
 22 share of the money appropriated to all cities as its population, as determined under ORS 190.510 to
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 24 and each county shall receive such share of the money as its population, determined under ORS
 25 190.510 to 190.590 last preceding such apportionment, bears to the total population of the state.

26 (3) The moneys appropriated to the Department of Transportation under subsection (1) of this
 27 section shall be distributed and transferred to the Elderly and Disabled Special Transportation Fund
 28 established by ORS 391.800 at the same time as the cigarette tax moneys are distributed to cities
 29 and counties under this section.

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 33 under the Oregon Health Plan, or both, and 5.77 percent shall be credited to the Tobacco Use Re-
 34 duction Account established under ORS 431.832.

35 **SECTION 4. The amendments to ORS 323.030 and 323.455 by sections 1 to 3 of this 2007**
 36 **Act apply to cigarette tax reporting periods beginning on or after the effective date of this**
 37 **2007 Act.**

38 **SECTION 5. This 2007 Act takes effect on the 91st day after the date on which the reg-**
 39 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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