

C-Engrossed
Senate Joint Resolution 4

Ordered by the Senate June 14
Including Senate Amendments dated June 6 and June 12 and June 14

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Secretary of State Bill Bradbury)

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.

Proposes amendment to Oregon Constitution to impose additional taxes on tobacco products. Allows Legislative Assembly to exempt certain tobacco products from taxes. Dedicates revenues from taxes imposed to providing health care to children, low-income adults and other medically underserved Oregonians and to tobacco use prevention and education.

Refers proposed amendment to people for their approval or rejection at special election to be held on date specified in chapter _____, Oregon Laws 2007 (Enrolled _____ Bill _____).

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new section 15 to be added to and made a part of Article IX, such section to read:

SECTION 15. (1) In addition to and not in lieu of any other tax:

(a) A tax equal to 42.25 mills is imposed upon the consumption of each cigarette in this state;

(b) A tax equal to 30 percent of the wholesale price of each cigar is imposed upon the consumption of each cigar in this state; and

(c) A tax equal to 30 percent of the wholesale price of each other tobacco product is imposed upon the consumption of each other tobacco product in this state.

(2) For purposes of subsection (1) of this section, consumption occurs when a person in this state purchases or uses cigarettes, cigars or other tobacco products, other than purchases made for the purpose of reselling the cigarettes, cigars or other tobacco products to another person.

(3) Notwithstanding subsection (1) of this section:

(a) The Legislative Assembly may exempt from the taxes imposed under subsection (1) of this section cigarettes, cigars and tobacco products that are exempt from taxation under Oregon law on the effective date of this section; and

(b) The Legislative Assembly may provide that the tax imposed under paragraph (b) of subsection (1) of this section, when combined with existing taxes on cigars, may not exceed 50 cents per cigar.

(4) The Legislative Assembly may enact laws to facilitate administration of the taxes imposed under subsection (1) of this section, including but not limited to laws:

(a) Defining terms used in this section.

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 (b) Prescribing how the taxes imposed under subsection (1) of this section will be ad-
2 ministered and enforced.

3 (c) Requiring that the taxes imposed under subsection (1) of this section be prepaid by a
4 distributor upon distribution of the cigarettes, cigars or other tobacco products for con-
5 sumption and be subsequently collected from the consumer.

6 (5) Revenues from the taxes imposed under subsection (1) of this section are dedicated
7 to providing health care to children, low-income adults and other medically underserved
8 Oregonians and to tobacco use prevention and education.

9 (6) The taxes imposed under subsection (1) of this section apply to:

10 (a) Distributions of cigarettes, cigars and other tobacco products for consumption on or
11 after January 1, 2008; and

12 (b) Cigarettes that are in this state for the purpose of sale to another person as of Jan-
13 uary 1, 2008.

14
15 PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the
16 people for their approval or rejection at a special election held throughout this state as
17 provided in section _____, chapter _____, Oregon Laws 2007 (Enrolled _____ Bill _____) (LC
18 _____).

19 _____