

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	4 - 0 - 1
Yeas:	Monnes Anderson, Prozanski, Telfer, Rosenbaum
Nays:	0
Exc.:	George
Prepared By:	Jeremy Sarant, Administrator
Meeting Dates:	3/2, 3/9

WHAT THE MEASURE DOES: Clarifies that out-of-state and internet sellers of tobacco products to Oregon consumers are subject to same regulation as are sellers located in Oregon. Clarifies the applicability of Attorney General's injunction to all persons. Provides for a civil penalty for violation of tobacco regulations of up to \$5,000 per violation.

ISSUES DISCUSSED:

- Enforcement requirements under the Tobacco Master Settlement Agreement
- Taxation of tobacco sales on reservations
- Whether regulations would be enforced against individual tobacco users

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon has an obligation to enforce certain tobacco regulations arising out of the multi-state Tobacco Master Settlement Agreement. Current law provides that the Oregon Department of Justice must create a directory of tobacco products which comply with certain regulatory requirements and may therefore be sold in Oregon. The current statute applies to a person who offers cigarettes for sale "in this state," which may not include out-of-state internet providers of tobacco products. Current law permits the Attorney General to seek an injunction against a "distributor," which may be inconsistent with regulatory limitations imposed upon a "person." Currently, enforcement may include an injunction, but there is no civil penalty available.