

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: SB 300 A
CARRIER:**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass with Amendments and be printed A-Eng. Refer to Ways and Means by prior reference

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Mazen Malik, Economist

Meeting Dates: 3/31/09, 4/09/09

WHAT THE BILL DOES:. Grants authority to Department of Revenue to examine premises of person or place of business and imposes civil penalties for refusal of access. Appropriates moneys to Department of Revenue (DOR) for administering cigarette and other tobacco tax programs. Sets a 9-1-1 tax enforcement process between DOR and PUC.

ISSUES DISCUSSED:

- Places of business selling tobacco where entry is denied.
- Civil penalties process
- DOR funding
- PUC/DOR developing collection enforcement for 9-1-1

EFFECT OF COMMITTEE AMENDMENTS: The amendments grant authority to Department of Revenue to examine premises of person or place of business licensed under tobacco tax chapter. It also adds civil penalties of \$1000 per day until access is granted.

The amendments continuously appropriate moneys from suspense account to department for administration of cigarette tax and other tobacco tax programs. Gives the Department of Revenue (DOR) and the PUC the ground to collaborate in enforcement of the 9-1-1 tax.

BACKGROUND:

DOR Tobacco enforcement and auditing need an explicit authority to be able to enter and examine places in warehouses and stores. HB 2048 was attempting to resolve this issue of inspection; however, it could not be amended due to the restrictive the language of the relating clause.

HB 2160 makes permanent the funding mechanism for the Department of Revenue by allowing the Department to deduct its cost off the top of the tobacco tax collections. This bill includes defines this funding mechanism, which will allow all programs (receiving tobacco tax revenue) to contribute proportionally for the revenue collection and not force collections to be covered by general fund appropriations.

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