

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2376

STATUS: Original

SUBJECT: Requires pharmaceutical manufacturer to annually report to the Department of Justice (DOJ), imposes civil penalties, requires DOJ provide certain reports, establishes a fund and appropriates money.

GOVERNMENT UNIT AFFECTED: Department of Justice

PREPARED BY: Tim Walker

REVIEWED BY: Doug Wilson

DATE: March 3, 2009

EXPENDITURES:	<u>2009-2011</u>	<u>2011-2013</u>
Department of Justice		
Pharmaceutical Marketing Reporting Fund – General Funds	\$ 252,000	\$ 252,000

EFFECTIVE DATE: On Passage.

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This bill would require pharmaceutical manufacturers to report gifts, fees, payments, subsidies or other economic benefits the manufacturer provides to purchasers, providers or dispensers of manufacturer’s drugs in the state to the Department of Justice (DOJ). The bill also authorizes DOJ to levy civil fines not to exceed \$10,000. The bill establishes the Pharmaceutical Marketing Reporting Fund separate from the General Fund and continuously appropriates funds for the enforcement of the provisions of this bill. In addition, the bill requires DOJ to report to the Legislative Assembly and the Governor on the information received and enforcement actions taken.

Presumably, DOJ would have to write rules and undertake reporting and enforcement actions to generate the fines necessary to fund these actions. This may require a General Fund appropriation to the Pharmaceutical Marketing Reporting Fund, unless DOJ can cover the startup costs with existing resources.