

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2726 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: Kim To
Reviewed by: Linda Ames
Date: 4/22/2011

Measure Description:

Modifies definition of "smoke shop" for purposes of Oregon Indoor Clean Air Act and directs Oregon Health Authority to adopt rules establishing a certification system for smoke shops.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Judicial Department, county health departments

Summary of Fiscal Impact:

See Analysis

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:

House Bill 2726 requires the Oregon Health Authority (OHA) to adopt rules establishing a certification system for smoke shops. The bill modifies the definition of a smoke shop for purposes of the Oregon Indoor Clean Air Act by limiting seating in a smoke shop, disallowing the sale or offer of food or beverages, allowing smoking for sampling purposes only, and mandating a smoke shop registration system including authority for OHA to make unannounced inspections. The bill grandfathers in existing smoking lounges.

Oregon Health Authority (OHA)

This bill is anticipated to have no bottom-line budgetary impact to the Oregon Health Authority. With passage of this bill, OHA anticipates a cost savings of approximately \$19,000 Other Funds per biennium from a reduction in appeals required to be handled by the Department of Justice. Also these changes are anticipated to reduce the number of smoke shop applications, and therefore future workload associated with the application process. However, with the grandfather clause, these changes will not eliminate existing smoking lounges and the associated certification and regulatory activities. The funding source for these activities is from Tobacco Use Reduction Act (TURA) funds. If there are future cost savings and workload reductions from the decrease in the number of applications, any savings and efficiencies realized will be redirected to TURA-funded prevention activities.

Oregon Judicial Department (OJD)

This bill is anticipated to have minimal impact on the Oregon Judicial Department (OJD). The bill does not change the various case types involved with violation of statutes governing the Oregon Indoor Clean Air Act.

County Health Departments

Passage of this bill is anticipated to have minimal fiscal impact on counties. Local county health departments have the authority to carry out unannounced inspections in enforcing the Indoor Clean Air Act.