

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 2
Yeas:	Cannon, Doherty, Hoyle, Parrish, Greenlick, Thompson
Nays:	0
Exc.:	Kennemer, Weidner
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	2/25, 4/15, 4/20

WHAT THE MEASURE DOES: Requires Oregon Health Authority (OHA) to adopt rules establishing certification system for smoke shops. Specifies that re-certification of smoke shops be every five years instead of annually. Modifies definition of smoke shop for purposes of Oregon Indoor Clean Air Act by limiting seating in smoke shop to four persons, prohibits food or beverages on premises, allows smoking for sampling purposes only, and grants authority to OHA to make unannounced inspections. Creates grandfather clause to allow existing smoke lounges to continue operations, and allows pending applications before December 31, 2010 and if certification process is complete by July 1, 2011 to be included. Allows smoke shop to change owners and for business to move if new location is not larger than 3,500 square feet. Specifies if business is larger than 2,500 square feet, new location may not be more than 10 percent larger than previous location. Prohibits smoke lounges to transition into cigarette smoking lounges. Specifies that cigarettes may not be smoked in smoke shop unless 75 percent of shops revenues are from sale of cigarettes. Increases violations from \$2,000/month to \$4,000/month. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Review of Oregon’s Indoor Clean Air Act
- Background of hookah tobacco and hookah bars
- Increased use of tobacco in hookah bars
- Intent of smoke shops exemption
- Impact on small hookah bar business owners
- Current environment of hookah bars
- Cultural history of hookah and hookah lounges
- Concerns associated with hookah bars versus cigar bars
- Proposed amendment
- Workable agreement

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: Oregon’s Indoor Clean Air Act (Oregon’s Smokefree Workplace Law) prohibits smoking in almost all indoor workplaces and public places with the exception of cigar bars and smoke shops that are certified by the Oregon Tobacco Prevention and Education Program (TPEP). Hookah lounges are establishments where customers can smoke sweetened, flavored tobacco (shisha) out of hookahs (water pipes). The tobacco can be flavored like candy or like a cocktail, such as strawberry margarita or cotton candy.

Since December 2008, TPEP has received 45 applications for a smoke shop exemption, eight for retail smoke shops and 37 for smoking lounges. Of the lounge applications 9 has been for cigar lounges and 28 were for hookah lounges.

In the summer of 2010, TPEP conducted an assessment of certified cigar bars and smoke shops to determine compliance with the law and the assessment indicated that hookah lounges provided a social environment for youth and young adults to smoke flavored tobacco.

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This summary has not been adopted or officially endorsed by action of the committee.