

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 1 - 0
Yeas:	Bonamici, Dingfelder, Whitsett, Prozanski
Nays:	Kruse
Exc.:	0
Prepared By:	Cheyenne Ross, Counsel
Meeting Dates:	5/26

WHAT THE MEASURE DOES: Requires Oregon Health Authority (OHA) to adopt rules establishing certification system for smoke shops. Requires recertification every five years instead of annually. Modifies definition of smoke shop for purpose of Oregon Indoor Clean Air Act (the Act) by limiting seating to four persons, prohibiting food and beverage, allowing smoking for sampling only, and granting OHA unannounced inspection authority. Creates “grandfather clause” to allow existing smoke lounges to continue operating, and to include those with applications pending before December 31, 2010, whose certification process completes by July 1, 2011. Allows smoke shop to change owners and to move to new location not larger than 3,500 square feet. Specifies that new location larger than 2,500 square feet may not be more than 10 percent larger than previous location. Prohibits smoke lounges from transitioning into cigarette smoking lounges. Specifies that cigarettes may not be smoked unless 75 percent of revenues are from cigarettes. Increases violations from \$2,000 to \$4,000 per month. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Act’s reliance on common-sense, plain meaning of “smoke shop,” without detailed definition
- Smoking lounges developed to take advantage, seeking exception as “smoke shops”
- Surge in youth smoking thought attributable at least in part to ease of access, hip packaging, and susceptibility of target market
- Existence of unknown number of noncertified lounges
- OHA’s enforcement authority complaint-driven only
- Banning smoking lounges versus permitting them to continue
- History of compromise between health-related organizations, owners and pending owners of smoking lounges

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon’s Indoor Clean Air Act (the Act) prohibits smoking in almost all public places and indoor workplaces except cigar bars and smoke shops that are certified by the Oregon Tobacco Prevention and Education Program (TPEP).

Since December of 2008, TPEP has received close to 50 applications for a smoke shop exemption from the requirements of the Act. The majority of these are from hookah lounges – establishments that offer a nightclub atmosphere where patrons smoke sweetened or flavored tobaccos through water pipes. It is unknown how many lounges exist outside the application process.

House Bill 2726 A modifies provisions of the Act pertaining to exemptions largely in response to the recent proliferation of hookah lounges. It provides for regulation in accordance with the intent of the Act, forecloses development of future lounges, and permits existing establishments to continue operating.

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