

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass with amendments to the A-Engrossed Measure. (Printed B-Engrossed)
Vote:	5 - 0 - 0
Yeas:	Atkinson, Beyer, Burdick, Ferrioli, Rosenbaum
Nays:	0
Exc.:	0
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	6/21

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 by limiting seating to four persons, prohibiting food and beverage, allowing smoking for sampling only, and granting OHA unannounced inspection authority. Requires OHA to certify smoke shop businesses that, as of December 31, 2008 were either standalone or had ventilation system that exhaust smoke. Allows smoke shops, that met specified criteria as of December 31, 2008, to continue to be certified and allows smoke shop in attached structure to continue to be certified in new location if new location meets specified size requirements. Creates “grandfather clause” to allow existing smoke shops to continue operating, and to include those with applications pending before effective date of Act, whose certification process will be completed by December 31, 2012. 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. 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:

- Provisions of amendment
- Impact of amendment on Oregon Indoor Clean Air Act

EFFECT OF COMMITTEE AMENDMENT: Adds requirement that OHA certify smoke shop business that, as of December 31, 2008, were either standalone businesses or had ventilation systems that exhaust smoke and met specified criteria. Allows smoke shops, that met specified criteria as of December 31, 2008, to continue to be certified and allows smoke shop in attached structure to continue to be certified in new location if new location meets specified size requirements. Changes application filing date from December 31, 2010 to effective date of Act; changes certification deadline from July 1, 2011 to December 31, 2012.

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-B 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.