

Senate Bill 692

Sponsored by COMMITTEE ON FINANCE AND REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Removes prohibition against imposition of taxes by county on cigarettes and tobacco products. Requires at least 20 percent of any tax imposed by county on cigarettes or tobacco products to be used for public health programs or services.

Applies to cigarettes and tobacco products distributed on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to county tobacco taxes; creating new provisions; amending ORS 323.030 and 323.640; and
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 323.030 is amended to read:

6 323.030. (1) Every distributor shall pay a tax upon distributions of cigarettes at the rate of 29
7 mills for the distribution of each cigarette in this state.

8 (2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other state[, *county*] or mu-
9 nicipal taxes on the sale or use of cigarettes.

10 (3) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has oth-
11 erwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent distrib-
12 ution to the taxes imposed by ORS 323.005 to 323.482.

13 **SECTION 2.** ORS 323.640 is amended to read:

14 323.640. (1) The taxes imposed by ORS 323.505 are in lieu of all other state[, *county*] or municipal
15 taxes on the sale or use of tobacco products.

16 (2) Any tobacco product with respect to which a tax has once been imposed under ORS 323.505
17 shall not be subject upon a subsequent distribution to the taxes imposed by ORS 323.505.

18 **SECTION 3. Section 4 of this 2011 Act is added to and made a part of ORS 323.005 to**
19 **323.482.**

20 **SECTION 4. At least 20 percent of the revenue collected from taxes imposed by a county**
21 **on the sale of cigarettes must be expended on public health programs or services.**

22 **SECTION 5. Section 6 of this 2011 Act is added to and made a part of ORS 323.500 to**
23 **323.645.**

24 **SECTION 6. At least 20 percent of the revenue collected from taxes imposed by a county**
25 **on the sale of tobacco products must be expended on public health programs or services.**

26 **SECTION 7. Section 8 of this 2011 Act is added to and made a part of ORS chapter 305.**

27 **SECTION 8. If a political subdivision of this state imposes a tax on the sale or use of**
28 **cigarettes or tobacco products, the Department of Revenue may contract with the political**
29 **subdivision to provide collection, enforcement, administration and distribution services for**
30 **the tax in the manner provided in ORS 305.620.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 9.** Sections 4, 6 and 8 of this 2011 Act and the amendments to ORS 323.030 and
2 **323.640** by sections 1 and 2 of this 2011 Act apply to cigarettes and tobacco products distrib-
3 **uted** on or after the effective date of this 2011 Act.

4 **SECTION 10.** This 2011 Act takes effect on the 91st day after the date on which the 2011
5 **session** of the Seventy-sixth Legislative Assembly adjourns sine die.
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