

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 4149**Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session  
Legislative Fiscal OfficePrepared by: Matt Stayner  
Reviewed by: Michelle Deister  
Date: 2/1/12**Measure Description:**

The measure amends statutes listing the function, duties, and powers of the Oregon Liquor Control Commission (OLCC) to include the enforcement of any laws enforceable by peace officers of this state relating to tobacco products and allows the OLCC to accept moneys from the federal government or other public or private sources and use those monies to carry out the tobacco law enforcement activities.

**Government Unit(s) Affected:**

Oregon Liquor Control Commission (OLCC)

**Summary of Fiscal Impact:**

	2011-13 Biennium	2013-15 Biennium
Federal Funds	0	381,815
<b>Total Funds</b>	<b>\$0.00</b>	<b>\$381,815</b>
<b>Total FTE</b>	<b>0.0</b>	<b>4.0</b>

**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:**

The U.S. Food and Drug Administration (FDA) submitted a request for proposal (RFP) related to the enforcement of federal tobacco laws. The Oregon Liquor Control Commission (OLCC) outlined a proposal for submission to the FDA that includes a contract where by the OLCC would provide inspection and reporting activities and the funding for those activities would be paid for by the FDA. The OLCC however, does not have the statutory authority to provide these services and therefore is precluded from entering in to the proposed contractual agreement.

The bill amends the statute delineating the function, duties, and powers of the OLCC to include the enforcement of laws relating to tobacco products and also amends statute to allow the agency to accept funding from the federal government for that purpose. The bill does not however tie the obligation to enforce the law with the receipt of federal (or any other) funding. If the OLCC does not enter in to a contract with the FDA, or a contract entered into expires, the enforcement activities contemplated in the bill would have to be performed with existing resources and funding.

The OLCC anticipates using 4.0 FTE and their associated services and supply costs to carry out the inspection and reporting activities. The FTE include a tobacco program manager, administrative specialist, and two regulatory specialists (inspectors). The agency included these FTE as limited duration positions in their cost estimates based on the assumption that the enforcement activities would be tied to the receipt of federal funding and therefore the positions would be eliminated should the funding cease.

The FDA requires two checks at each retailer: one for age verification and the other for advertising compliance with a minimum of 20% of the known retailers being inspected. The OLCC cost estimate includes the assumption of achieving a 25% inspection ratio of the 3700 known and additional possible retailers throughout the state.