

D R A F T

SUMMARY

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 local tobacco taxes; creating new provisions; amending ORS
3 323.030 and 323.640; and prescribing an effective date.

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

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

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

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

11 (3) Any cigarette with respect to which a tax has been prepaid under ORS
12 323.068 or has otherwise once been imposed under ORS 323.005 to 323.482 is
13 not subject upon a subsequent distribution to the taxes imposed by ORS
14 323.005 to 323.482.

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

16 323.640. (1) The taxes imposed by ORS 323.505 are in lieu of all other
17 state[, *county*] or municipal taxes on the sale or use of tobacco products.

18 (2) Any tobacco product with respect to which a tax has once been im-

1 posed under ORS 323.505 shall not be subject upon a subsequent distribution
2 to the taxes imposed by ORS 323.505.

3 **SECTION 3. Section 4 of this 2013 Act is added to and made a part**
4 **of ORS 323.005 to 323.482.**

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

8 **SECTION 5. Section 6 of this 2013 Act is added to and made a part**
9 **of ORS 323.500 to 323.645.**

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

13 **SECTION 7. Section 8 of this 2013 Act is added to and made a part**
14 **of ORS chapter 305.**

15 **SECTION 8. If a political subdivision of this state imposes a tax on**
16 **the sale or use of cigarettes or tobacco products, the Department of**
17 **Revenue may contract with the political subdivision to provide col-**
18 **lection, enforcement, administration and distribution services for the**
19 **tax in the manner provided in ORS 305.620.**

20 **SECTION 9. Sections 4, 6 and 8 of this 2013 Act and the amendments**
21 **to ORS 323.030 and 323.640 by sections 1 and 2 of this 2013 Act apply to**
22 **cigarettes and tobacco products distributed on or after the effective**
23 **date of this 2013 Act.**

24 **SECTION 10. This 2013 Act takes effect on the 91st day after the**
25 **date on which the 2013 regular session of the Seventy-seventh Legis-**
26 **lative Assembly adjourns sine die.**

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