

77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE

MEASURE: HB 2870 - 2  
CARRIER:

REVENUE:  
FISCAL:

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Action:  
Vote:

Yeas:  
Nays:  
Exc.:

Prepared By: Dae Baek, Economist  
Meeting Dates: 3/15, 4/2

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**WHAT THE BILL DOES:** Removes prohibition against the imposition of cigarette and tobacco taxes by a county. Requires that at least 40 percent of revenue collected from taxes on cigarettes and tobacco products be used for public health programs and services for tobacco use prevention and cessation, and mental health and addiction services or programs. Takes effect on the 91st day after adjournment sine die.

**ISSUES DISCUSSED:**

- Fiscal challenges faced by counties and local control of revenue decisions
- Regressive nature of cigarette taxes
- Administrative issues
- Cross-border effects and smuggling potential in purchase of cigarettes and other tobacco products
- Requirement that at least 20 percent of the revenue be used for public health programs or services

**EFFECT OF COMMITTEE AMENDMENTS:** Requires that at least 40 percent of revenue collected from taxes on cigarettes and tobacco products be used for public health programs and services for tobacco use prevention and cessation, and mental health and addiction services or programs.

**BACKGROUND:** Current law specifies that the existing taxes on cigarettes and tobacco products are in lieu of all other state, county or municipal taxes on the sale or use of cigarettes and tobacco products (ORS 323.030 and ORS 323.640).

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State Capitol Building  
900 Court St NE, Room 143  
Salem, OR 97301-1347

Phone: 503-986-1266  
Fax: 503-986-1770  
<http://www.leg.state.or.us>