

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2870

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 3/26/13

Measure Description:

Removes prohibition against imposition of taxes by county on cigarettes and tobacco products.

Government Unit(s) Affected:

Counties, Department of Revenue(DOR)

Summary of Expenditure Impact:

Please see analysis

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 fiscal impact of the bill is indeterminate. The bill allows a county to impose a tax on cigarettes and tobacco products that is in addition to the state tax on these items. However the bill requires that 20% of those revenues must be spent on health related programs. A county will incur costs to administer and enforce a taxing program as well as accounting for and expending the required 20% on health programs. These costs would be realized if the county runs the program itself or contracts with the Department of Revenue as is allowed under the measure. The amount of the tax, the total revenue generated, the costs of administration, and the amount expended on health programs are all unknown therefore the fiscal impact cannot be determined.