

A-Engrossed
House Bill 2870

Ordered by the House April 2
Including House Amendments dated April 2

Sponsored by COMMITTEE ON 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.

Removes prohibition against imposition of taxes by county on cigarettes and tobacco products. **Provides that rate of tax imposed by county may not exceed rate of tax imposed by state.** Requires at least [20] **40** percent of any tax imposed by county on cigarettes or tobacco products to be used for **tobacco use prevention and cessation** public health programs or services **and for mental health and addiction services or programs.**

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 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) **Except as provided in subsection (3) of this section,** the taxes imposed by ORS 323.005
9 to 323.482 are in lieu of all other state[, *county*] or municipal taxes on the sale or use of cigarettes.

10 (3) **A county may, by ordinance, impose a tax upon the sale or use of cigarettes at a rate**
11 **not to exceed the rate imposed by the state on the sale or use of the same cigarette.**

12 [(3)] (4) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has
13 otherwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent dis-
14 tribution to the taxes imposed by ORS 323.005 to 323.482.

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

16 323.640. (1) **Except as provided in subsection (2) of this section,** the taxes imposed by ORS
17 323.505 are in lieu of all other state[, *county*] or municipal taxes on the sale or use of tobacco pro-
18 ducts.

19 (2) **A county may, by ordinance, impose a tax upon the sale or use of tobacco products**
20 **at a rate not to exceed the rate imposed by the state on the sale or use of the same tobacco**
21 **product.**

22 [(2)] (3) Any tobacco product with respect to which a tax has once been imposed under ORS
23 323.505 shall not be subject upon a subsequent distribution to the taxes imposed by ORS 323.505.

24 **SECTION 3.** **Section 4 of this 2013 Act is added to and made a part of ORS 323.005 to**
25 **323.482.**

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 4.** At least 40 percent of the revenue collected from taxes imposed by a county
2 on the sale or use of cigarettes must be expended on:

- 3 (1) Public health programs and services, for tobacco use prevention and cessation; and
4 (2) Mental health and addiction services or programs.

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

7 **SECTION 6.** At least 40 percent of the revenue collected from taxes imposed by a county
8 on the sale or use of tobacco products must be expended on:

- 9 (1) Public health programs and services, for tobacco use prevention and cessation; and
10 (2) Mental health and addiction services or programs.

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

12 **SECTION 8.** If a county imposes a tax on the sale or use of cigarettes or tobacco pro-
13 ducts, the Department of Revenue may contract with the county to provide collection,
14 enforcement, administration and distribution services for the tax in the manner provided in
15 ORS 305.620.

16 **SECTION 9.** Sections 4, 6 and 8 of this 2013 Act and the amendments to ORS 323.030 and
17 323.640 by sections 1 and 2 of this 2013 Act apply to cigarettes and tobacco products distrib-
18 uted on or after the effective date of this 2013 Act.

19 **SECTION 10.** This 2013 Act takes effect on the 91st day after the date on which the 2013
20 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.
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