

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Prohibits distributing, selling or allowing to be sold flavored tobacco products in Oregon. Defines “flavored tobacco product” as tobacco product, or component of tobacco product manufactured to impart characterizing flavor. Defines “characterizing flavor” as distinguishable taste or aroma other than tobacco or menthol. Allows Oregon Health Authority (OHA) to impose a civil penalty of up to \$5,000 for each violation and directs proceeds of civil penalties to OHA fund. Permits OHA to adopt rules. Allows OHA to adopt rules concerning random inspection of places that distribute tobacco products consistent with federal law or regulation relating to inspection. Allows Oregon Liquor Control Commission to assist OHA in their enforcement duties. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Revenue from the taxation of other tobacco products (OTP) is expected to be about \$115 million in the 2015-17 biennium, 53.84% of which (about \$60 million) would be dedicated to the general fund.

Flavored tobacco products as defined in the measure comprise a significant portion of the product line of OTP. Depending upon the OTP product, the percentage of product line that is flavored can vary from little in the case of hand rolled large cigars, roughly half the product line for moist snuff and machine rolled cigars, to most of the product line for shisha, or hookah tobacco.