

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: No Fiscal Impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates: 05/12

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WHAT THE MEASURE DOES:

Prohibits shipment or transportation of cigarettes or smokeless tobacco products purchased through mail, telephone, or computer by person selling such products for profit to anyone within state unless shipment is to distributor or retailer. Excludes shipment or transportation by freight forwarder or motor carrier. Requires face-to-face transactions for retail sale of tobacco products. Provides civil action enforcement authority to Attorney General. Allows execution of investigative demand by Attorney General for purposes of investigating violations of Act.

ISSUES DISCUSSED:

- Hypothetical and/or examples and types of illicit products
- Outcome effects of measure if passed
- Experience of other states that have enacted similar legislation
- Ability of Oregon government agencies to regulate companies in other countries
- Existing Oregon laws giving Department of Justice authority to enforce similar types of enforcement
- Effectiveness of measure as engrossed
- Interconnectedness of different enforcement responsibilities and agencies
- Direct enforcement actions to fall on sellers of tobacco products not consumers

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Under current Oregon law, all cigarettes and smokeless tobacco products sold by distributors and retailers must be listed on the Attorney General's directory of tobacco products. The directory, established in ORS 180.425, lists all tobacco product manufacturers who have current and accurate manufacturer certifications. Selling unlisted tobacco products is a Class A misdemeanor. Online sales of tobacco products may provide an avenue for unlisted products to reach consumers in Oregon.

At the federal level, S. 1147 (Prevent All Cigarette Trafficking Act of 2009) required individuals and businesses making interstate sales of cigarettes or smokeless tobacco to comply with state tax laws and register with the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATFE). The bill gave administrative enforcement authority to ATFE including criminal and civil fine authority. The bill also prohibited the use of the United States Postal Service to mail certain tobacco products.