

PRELIMINARY STAFF MEASURE SUMMARY**Senate Committee On Finance and Revenue****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:****Action:****Meeting Dates:** 05/19**Prepared By:** Mazen Malik, Senior Economist**WHAT THE MEASURE DOES:**

Requires premises where person makes retail sales of tobacco products and inhalant delivery systems to be licensed by Oregon Liquor Control Commission (OLCC). Specifies that local government can adopt additional licensing requirement for retail sale, or can adopt ordinances or rules to restrict. Excludes retail sale of inhalant delivery system at medical marijuana facilities, unless retail sale contains component or substance that contains nicotine. Specifies qualified licensees have physical address, are not located at same address as residence and remain 1,000 feet from schools. Prohibits tobacco products and inhalant delivery systems to be sold for free, nominal fee or reduced price and use of coupons. Permits sampling of inhalant delivery systems at premises when 75 percent of business revenue is from inhalant delivery systems, no tobacco or alcohol is sold and no one under 18 may enter. Permits OLCC to work with Oregon Health Authority (OHA) to administer and enforce. Requires OLCC to adopt rules. Creates civil penalties for violations. Establishes Tobacco Control Fund. Permits aerosolizing or vaporizing without cannabinoids on premises for business primarily engaged in selling inhalant delivery systems when not located at same address as residence, tobacco products or alcohol is not sold and no one under 21 may enter. Raises legal age for possession of tobacco to 21. Prohibits sales of tobacco products or inhalant delivery products to persons under 21. Creates offense of selling tobacco products or devices to person under 21. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- licensing of retail in different states.
- The roles of different agencies
- Enforcement of different laws

EFFECT OF COMMITTEE AMENDMENT:

The "-12" amendment replaces the bill and gives DOR the authority to license inhalant delivery systems, other tobacco products and cigarettes retailers. Fee is to be determined by rule, it also restricts licensing by local governments. DOR is to maintain a database of lionesses and share it with OHA. inspections and Civil penalties are defined and specified for the different violations. Allows the tow departments to have interagency agreements and to draft rules. effective July, 1, 2017. FISCAL: Fiscal impact issued REVENUE: Revenue lite

BACKGROUND:

431.840 Free distribution to minors prohibited; restriction on sales; notice. (1) It shall be unlawful to do any of the following:

(a) To distribute free tobacco products to persons under 18 years of age as part of a marketing strategy to encourage the use of tobacco products.

(b) To fail as a retailer to post a notice substantially similar to that set forth in subsection (3) of this section in a location clearly visible to the seller and the purchaser that sale of tobacco products to persons under 18 years of age is prohibited.

(c) To sell cigarettes in any form other than a sealed package.

(2) As used in this section “tobacco products” means bidis, cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, and shall include cigarettes as defined in ORS 323.010 (1).

(3) The notice shall be substantially as follows:

NOTICE

The sale of tobacco in any form to persons under 18 years of age is prohibited by law. Any person who knowingly sells, or causes to be sold, tobacco to a person under 18 years of age commits the crime of endangering the welfare of a minor, pursuant to ORS 163.575.

Note: 431.840 to 431.853 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 431 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

431.845 Civil penalty for violation of ORS 431.840. (1) The civil penalty for violation of any provision of ORS 431.840 shall not be less than \$100 nor exceed \$500.

(2) The amounts collected under subsection (1) of this section shall be deposited to the credit of the General Fund. [1989 c.764 §2; 1991 c.970 §6]