
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Linda Ames, Legislative Fiscal Office
503-986-1816

Date: June 22, 2015

Subject: SB 416 Relating to imposition of fees on entities subject to the Oregon Indoor Clean Air Act
Work Session Recommendation

SB 416 requires smoke shops to pay a certification fee to the Oregon Health Authority. Certifications must be renewed every five years. Smoke shops are currently certified, but do not pay a fee. Instead the costs of certification come out of funding dedicated for tobacco prevention and education.

The measure previously had hearings in the Senate Committee on Health Care on 3/23/2015, 3/30/15 and 4/1/15, and in this Subcommittee on 5/27/15. The fiscal impact is expected to be minimal.

The measure is recommended to be moved to the Full Committee on Joint Ways and Means.

Motion: I move SB 416 to the Joint Committee on Ways and Means with a “do pass” recommendation.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

Prepared By: Linda Ames, Budget Analyst

WHAT THE MEASURE DOES:

Requires smoke shops to pay fee adopted by Oregon Health Authority (OHA) by rule. Requires fees for application for certification, renewal every five years, transfer of certification or application for relocation. Specifies fees must be reasonably calculated. Creates effective date of January 1, 2016. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Health Authority (OHA) certifies smoke shops (ORS 433.847) and reports that 24 exist in Oregon. At the present time, smoke shops pay no fee to cover the costs of certification. Certification is renewed every five years. Smoke shops permit smoking on premises for the purpose of sampling tobacco products to allow customers to make retail decisions. Smoke shops must have at least 75 percent of gross revenue from tobacco products and smoking instruments, and are prohibited from selling food or beverages, providing gaming, or allowing anyone younger than 18 years from entering. Smoke shops must have maximum seating capacity of four people and must be a stand-alone business. Oregon's smoke-free workplace laws exist in most public places and workplaces, prohibiting smoking indoors and within 10 feet of windows and entrances, but do not apply to smoke shops.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 416

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

Prepared by: Kim To
Reviewed by: Linda Ames
Date: 3/30/2015

Measure Description:

Requires payment of fee for smoke shop certification, renewal of smoke shop certification, transfer of smoke shop certification and relocation of smoke shop.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Analysis:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.