

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 04/22/15

**Action:** Do Pass.

**Meeting Dates:** 04/22

**Vote:**

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

**Prepared By:** James LaBar, Committee Administrator

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**WHAT THE MEASURE DOES:**

Allows on-premises consumption of food and non-alcoholic beverages at certified smoke shops as long as food and beverages are not sold or offered by the shop. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Personal story about employee at smoke shop having to eat outside of business
- Past legislative efforts and unintended consequences
- Consumers ability to bring water or other non-alcoholic beverages into smoke shops

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2011, the Legislative Assembly amended the Oregon Indoor Clean Air Act through House Bill 2726 to direct the Oregon Health Authority (OHA) to adopt rules establishing a certification system for smoke shops whose primary business is the sale of tobacco and smoking instruments intended for off-premises consumption or use. Under existing law, OHA certification for such businesses may only be granted if smoke shops comply with the following: must primarily engage in the sale of tobacco and related products, with at least 75 percent of gross revenues resulting from such sales; prohibits persons under the age of 18 from entering the premises; does not allow gambling; does not sell, offer or allow on-premises consumption of food or beverages including alcohol; is a stand-alone business; has a maximum seating capacity of four persons; and only allows smoking for the purpose of making retail purchase decisions about tobacco or smoking instruments.

The effect of the requirement not to sell, offer or allow on-premises consumption of food or beverages has had the unintended consequence of preventing smoke shop employees from eating or drinking in the shop during meal and rest breaks.

House Bill 2969 requires OHA to modify the rules for smoke shop certification to allow on-premises consumption of food and non-alcoholic beverages, and makes minor changes to existing statutory language. Smoke shops will continue to be prohibited from offering or selling food or beverages.