

House Bill 2160

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Removes prohibition against imposition of taxes by county on cigarettes and tobacco products. Requires at least 20 percent of any tax imposed by county on cigarettes or tobacco products to be used for public health programs or services.

Applies to cigarettes and tobacco products distributed on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to local tobacco taxes; creating new provisions; amending ORS 323.030 and 323.640; and
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 323.030 is amended to read:

6 323.030. (1) Every distributor shall pay a tax upon distributions of cigarettes at the rate of 29
7 mills for the distribution of each cigarette in this state.

8 (2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other state[, *county*] or mu-
9 nicipal taxes on the sale or use of cigarettes.

10 (3) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has oth-
11 erwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent distrib-
12 ution to the taxes imposed by ORS 323.005 to 323.482.

13 (4) In addition to and not in lieu of any other tax imposed under ORS 323.005 to 323.482, every
14 distributor shall pay a tax upon distributions of cigarettes at the rate of 6.5 mills for the distribution
15 of each cigarette in this state.

16 **SECTION 2.** ORS 323.030, as amended by section 15, chapter 5, Oregon Laws 2013 (special
17 session), is amended to read:

18 323.030. (1) Every distributor shall pay a tax upon distributions of cigarettes at the rate of 29
19 mills for the distribution of each cigarette in this state.

20 (2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other state[, *county*] or mu-
21 nicipal taxes on the sale or use of cigarettes.

22 (3) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has oth-
23 erwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent distrib-
24 ution to the taxes imposed by ORS 323.005 to 323.482.

25 (4) In addition to and not in lieu of any other tax imposed under ORS 323.005 to 323.482, every
26 distributor shall pay a tax upon distributions of cigarettes at the rate of seven mills for the dis-
27 tribution of each cigarette in this state.

28 **SECTION 3.** ORS 323.030, as amended by sections 15 and 16, chapter 5, Oregon Laws 2013
29 (special session), is amended to read:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 323.030. (1) Every distributor shall pay a tax upon distributions of cigarettes at the rate of 29
2 mills for the distribution of each cigarette in this state.

3 (2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other state[, *county*] or mu-
4 nicipal taxes on the sale or use of cigarettes.

5 (3) Any cigarette with respect to which a tax has been prepaid under ORS 323.068 or has oth-
6 erwise once been imposed under ORS 323.005 to 323.482 is not subject upon a subsequent distrib-
7 ution to the taxes imposed by ORS 323.005 to 323.482.

8 (4) In addition to and not in lieu of any other tax imposed under ORS 323.005 to 323.482, every
9 distributor shall pay a tax upon distributions of cigarettes at the rate of 7.5 mills for the distribution
10 of each cigarette in this state.

11 **SECTION 4.** ORS 323.640 is amended to read:

12 323.640. (1) The taxes imposed by ORS 323.505 are in lieu of all other state[, *county*] or municipal
13 taxes on the sale or use of tobacco products.

14 (2) Any tobacco product with respect to which a tax has once been imposed under ORS 323.505
15 shall not be subject upon a subsequent distribution to the taxes imposed by ORS 323.505.

16 **SECTION 5.** Section 6 of this 2015 Act is added to and made a part of ORS 323.005 to
17 **323.482.**

18 **SECTION 6.** At least 20 percent of the revenue collected from taxes imposed by a county
19 on the sale of cigarettes must be expended on public health programs or services.

20 **SECTION 7.** Section 8 of this 2015 Act is added to and made a part of ORS 323.500 to
21 **323.645.**

22 **SECTION 8.** At least 20 percent of the revenue collected from taxes imposed by a county
23 on the sale of tobacco products must be expended on public health programs or services.

24 **SECTION 9.** Section 10 of this 2015 Act is added to and made a part of ORS chapter 305.

25 **SECTION 10.** If a political subdivision of this state imposes a tax on the sale or use of
26 cigarettes or tobacco products, the Department of Revenue may contract with the political
27 subdivision to provide collection, enforcement, administration and distribution services for
28 the tax in the manner provided in ORS 305.620.

29 **SECTION 11.** Sections 6, 8 and 10 of this 2015 Act and the amendments to ORS 323.030
30 and 323.640 by sections 1 to 4 of this 2015 Act apply to cigarettes and tobacco products dis-
31 tributed on or after the effective date of this 2015 Act.

32 **SECTION 12.** This 2015 Act takes effect on the 91st day after the date on which the 2015
33 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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