

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 663**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” delete the  
2 rest of the line and lines 3 and 4 and insert “431.845 and 431.853; and re-  
3 pealing ORS 431.850.”.

4 Delete lines 6 through 17 and delete pages 2 through 20 and insert:

5  
6 **“LICENSURE**

7 **“OPERATIVE JANUARY 1, 2018**

8  
9 **“SECTION 1. Definitions. As used in sections 1 to 9 of this 2015 Act:**

10 **“(1) ‘Inhalant delivery system’ has the meaning given that term in**  
11 **ORS 431.840.**

12 **“(2) ‘Premises’ means a business that makes retail sales of tobacco**  
13 **products or inhalant delivery systems.**

14 **“(3) ‘Tobacco products’ has the meaning given that term in ORS**  
15 **431.840.**

16 **“SECTION 2. Licensure requirement. (1) A person may not make a**  
17 **retail sale of a tobacco product or an inhalant delivery system in this**  
18 **state unless the person sells the tobacco product or inhalant delivery**  
19 **system at a premises for which a license has been issued under section**  
20 **4 of this 2015 Act.**

21 **“(2) The governing body of a city or county may not adopt an or-**  
22 **dinance:**

1       “(a) That requires a person to have a license issued by the city or  
2 county to make a retail sale of a tobacco product or an inhalant de-  
3 livery system in addition to the license required by this section; or

4       “(b) That imposes a restriction on a qualification for licensure for  
5 purposes of making retail sales of tobacco products or inhalant deliv-  
6 ery systems that are not authorized by or pursuant to the statutory  
7 laws of this state.

8       “SECTION 3. Premises to which Act does not apply. Sections 1 to  
9 9 of this 2015 Act do not apply to a person making a retail sale of an  
10 inhalant delivery system at a medical marijuana facility registered  
11 under ORS 475.314 or a premises for which a retail license has been  
12 issued under section 22, chapter 1, Oregon Laws 2015 (Ballot Measure  
13 91 (2014)), unless the person makes a retail sale of a component or  
14 substance described in ORS 431.840 (1)(a)(A)(ii) that contains nicotine.

15       “SECTION 4. Licensure. (1) The Department of Revenue shall li-  
16 cense qualified premises for the retail sale of tobacco products or  
17 inhalant delivery systems.

18       “(2) To be qualified for licensure under this section, a premises:

19       “(a) May not be a premises that is mobile; and

20       “(b) May not be located at the same address as a residence.

21       “(3) For the purpose of licensing premises under this section, the  
22 department shall adopt rules establishing:

23       “(a) The term of licensure;

24       “(b) Procedures for applying for and renewing licenses; and

25       “(c) Licensure application, issuance and renewal fees that are rea-  
26 sonably calculated to pay the costs of administering sections 1 to 9 of  
27 this 2015 Act.

28       “(4) Information on a license issued under this section is not con-  
29 fidential. The department shall publicly disclose or publish a list of  
30 persons to whom a license has been issued under this section, the ad-

1 dress of a premises for which a license has been issued under this  
2 section and any other information set forth on a license issued under  
3 this section.

4 “(5) The department shall maintain a database of information re-  
5 lated to the issuance of licenses under this section. At a minimum, the  
6 database shall include the name of the person who applied for the li-  
7 cense or to whom the license has been issued and the address of each  
8 premises for which a license has been issued. For the purpose of  
9 conducting inspections under ORS 431.853, information maintained in  
10 the database must be accessible by the Oregon Health Authority at all  
11 times.

12 “(6) All moneys collected under this section shall be deposited in the  
13 suspense account described in section 7 of this 2015 Act.

14 “SECTION 5. Proof of licensure. A person to whom a license has  
15 been issued under section 4 of this 2015 Act shall post proof of  
16 licensure in a clear and conspicuous place at the premises for which  
17 the license has been issued.

18 “SECTION 6. Discipline. (1) The Department of Revenue may revoke  
19 or suspend or refuse to renew a license issued under section 4 of this  
20 2015 Act if the person to whom the license has been issued, or if an  
21 individual who participates in the management of the premises for  
22 which the license has been issued or an individual who is employed for  
23 the purpose of making sales at the premises:

24 “(a) Violates sections 1 to 9 of this 2015 Act or ORS 431.840 or a rule  
25 adopted under sections 1 to 9 of this 2015 Act or ORS 431.840;

26 “(b) Violates a state or local law or rule or federal law or regulation  
27 that governs the retail sale of tobacco products or inhalant delivery  
28 systems; or

29 “(c) Makes a false statement to the department.

30 “(2) The department may impose a civil penalty against a person

1 to whom a license has been issued under section 4 of this 2015 Act if  
2 the person violates:

3 “(a) Sections 1 to 9 of this 2015 Act or a rule adopted under sections  
4 1 to 9 of this 2015 Act; or

5 “(b) A state or local law or rule or federal law or regulation that  
6 governs the retail sale of tobacco products or inhalant delivery sys-  
7 tems for purposes related to taxation.

8 “(3) Amounts collected by the department under this section shall  
9 be deposited in the suspense account described in section 7 of this 2015  
10 Act.

11 “SECTION 7. Suspense account. Amounts collected by the Depart-  
12 ment of Revenue under sections 4 and 6 of this 2015 Act shall be paid  
13 to the State Treasurer to be held in a suspense account established  
14 under ORS 293.445. The department may pay expenses related to the  
15 administration and enforcement of sections 1 to 9 of this 2015 Act out  
16 of moneys deposited in the account. Amounts necessary to pay ad-  
17 ministrative and enforcement expenses are continuously appropriated  
18 to the department from the suspense account.

19 “SECTION 8. Rules. The Department of Revenue shall adopt rules  
20 necessary for the effective administration of sections 1 to 9 of this 2015  
21 Act.

22 “SECTION 9. Intergovernmental agreement. The Department of  
23 Revenue and the Oregon Health Authority shall enter into an agree-  
24 ment for purposes of sharing information necessary for the effective  
25 administration of sections 1 to 9 of this 2015 Act and ORS 431.840 and  
26 431.853. As part of the agreement, the department and authority shall  
27 share information:

28 “(1) Maintained in the database established under section 4 of this  
29 2015 Act;

30 “(2) Related to inspections conducted under ORS 431.853; and

1       **“(3) Related to any administrative proceeding the subject of which**  
2 **is a violation of a state or local law or rule or federal law or regulation**  
3 **that governs the retail sale of tobacco products or inhalant delivery**  
4 **systems.**

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6   **“INSPECTIONS**  
7   **“EFFECTIVE ON PASSAGE**

8  
9       **“SECTION 10.** ORS 431.853 is amended to read:

10       **“431.853. [(1) The Oregon Health Authority shall:]**

11       **“[(a) Coordinate with law enforcement agencies to conduct random, unan-**  
12 **nounced inspections of Oregon wholesalers and retailers of tobacco products**  
13 **to insure compliance with Oregon laws designed to discourage the use of to-**  
14 **bacco by minors including ORS 163.575, 163.580, 167.400, 167.402 and 431.840;**  
15 **and]**

16       **“[(b) Submit a report describing:]**

17       **“[(A) The activities carried out to enforce the laws listed in paragraph (a)**  
18 **of this subsection during the previous fiscal year;]**

19       **“[(B) The extent of success achieved in reducing the availability of tobacco**  
20 **products to minors; and]**

21       **“[(C) The strategies to be utilized for enforcing the laws listed in paragraph**  
22 **(a) of this subsection during the year following the report.]**

23       **“[(2) The Oregon Health Authority shall adopt rules concerning random**  
24 **inspections of places that sell tobacco products consistent with section 1921,**  
25 **Public Law 102-321, 1992. The rules shall provide that inspections may take**  
26 **place:]**

27       **“[(a) Only in areas open to the public;]**

28       **“[(b) Only during hours that tobacco products are sold or distributed;**  
29 **and]**

30       **“[(c) No more frequently than once a month in any single establishment**

1 *unless a compliance problem exists or is suspected.]*

2 **“(1) The Oregon Health Authority may inspect the premises of a**  
3 **business that engages in the wholesale or retail sale of tobacco pro-**  
4 **ducts or inhalant delivery systems to ensure compliance with:**

5 **“(a) ORS 431.840 or a rule adopted under ORS 431.840; or**

6 **“(b) A state or local law or rule or federal law or regulation that**  
7 **governs the retail sale of tobacco products or inhalant delivery sys-**  
8 **tems for purposes related to public health and safety.**

9 **“(2) The authority may enter into one or more agreements with**  
10 **state or federal agencies for the purpose of conducting inspections**  
11 **under this section.**

12 **“(3) To the extent practicable, the authority shall conduct in-**  
13 **spections under this section in a uniform and cost-effective manner.**  
14 **To ensure that the authority conducts inspections in a uniform and**  
15 **cost-effective manner, the authority shall minimize the number of**  
16 **agreements that the authority enters into pursuant to subsection (2)**  
17 **of this section.**

18 **“(4) The authority shall adopt rules for the effective administration**  
19 **of this section. Rules adopted under this subsection must be consistent**  
20 **with any federal law or rule relating to the inspection of businesses**  
21 **that engage in the wholesale or retail sale of tobacco products or**  
22 **inhalant delivery systems.**

23 **“(5) The authority shall report on the administration of this sec-**  
24 **tion, and on agreements entered into pursuant to subsection (3) of this**  
25 **section, to the Legislative Assembly in the manner required by ORS**  
26 **192.245 on or before February 1 of each odd-numbered year.**

27 **“SECTION 11. ORS 431.845 is amended to read:**

28 **“431.845. [(1) *The civil penalty for violation of any provision of ORS 431.840***  
29 ***shall not be less than \$100 nor exceed \$500.*]**

30 **“[(2) *The amounts collected under subsection (1) of this section shall be***

1 *deposited to the credit of the General Fund.]*

2 **“(1) The Oregon Health Authority may impose a civil penalty**  
3 **against a person that engages in the wholesale or retail sale of tobacco**  
4 **products or inhalant delivery systems as those terms are defined in**  
5 **ORS 431.840, if the person violates:**

6 **“(a) ORS 431.840 or a rule adopted under ORS 431.840; or**

7 **“(b) A state or local law or rule or federal law or regulation that**  
8 **governs the retail sale of tobacco products or inhalant delivery sys-**  
9 **tems for purposes related to public health and safety.**

10 **“(2) Except as provided in subsection (3) of this section, a civil**  
11 **penalty imposed under this section may not be more than \$1,000 per**  
12 **violation.**

13 **“(3) If the violation concerns the sale of tobacco products or an**  
14 **inhalant delivery system to a person under 18 years of age, the au-**  
15 **thority shall:**

16 **“(a) For the first violation, issue notice to the person that subse-**  
17 **quent violations will result in disciplinary action; and**

18 **“(b) For subsequent violations, impose against the person a civil**  
19 **penalty in the following amounts:**

20 **“(A) For the second violation occurring within a 12-month period,**  
21 **\$250;**

22 **“(B) For the third violation occurring within a 24-month period,**  
23 **\$500;**

24 **“(C) For the fourth violation occurring within a 24-month period,**  
25 **\$500;**

26 **“(D) For the fifth violation occurring within a 36-month period,**  
27 **\$5,000; and**

28 **“(E) For the sixth or subsequent violation occurring within a**  
29 **48-month period, \$11,000.**

30 **“(4) The authority may not impose a civil penalty against a person**

1 under subsection (3)(b) of this section if the United States Food and  
2 Drug Administration has previously imposed a civil penalty against  
3 the person for the violation.

4 “(5) The authority may impose a fee that is reasonably calculated  
5 to pay the costs of conducting an inspection related to a violation de-  
6 scribed in subsection (3)(b) of this section if the authority has provided  
7 notice under subsection (3)(a) of this section and is conducting a sub-  
8 sequent inspection within a period of time described in subsection  
9 (3)(b) of this section.

10 “(6) Amounts collected by the authority under this section shall be  
11 deposited in the Oregon Health Authority Fund established under ORS  
12 413.101 and are continuously appropriated to the authority for the  
13 purpose of carrying out the duties, functions and powers of the au-  
14 thority under this section.

15  
16 **“PREEMPTION**  
17 **EFFECTIVE ON PASSAGE**

18  
19 **“SECTION 12.** The governing body of a city or county may not  
20 adopt an ordinance:

21 “(1) That requires a person to have a license issued by the city or  
22 county to make a retail sale of a tobacco product or an inhalant de-  
23 livery system in addition to the license required by this section; or

24 “(2) That imposes a restriction on a qualification for licensure for  
25 purposes of making retail sales of tobacco products or inhalant deliv-  
26 ery systems that are not authorized by or pursuant to the statutory  
27 laws of this state.

28 **“SECTION 13.** Section 12 of this 2015 Act is repealed on January 1,  
29 2018.



1 **"REPEALS**

2

3 **"SECTION 14. ORS 431.850 is repealed.**

4

5 **"MISCELLANEOUS**

6

7 **"SECTION 15. Operative date. (1) Sections 1 to 9 of this 2015 Act**

8 **become operative on January 1, 2017.**

9 **"(2) The Department of Revenue and the Oregon Health Authority**

10 **may take any action before the operative date specified in subsection**

11 **(1) of this section that is necessary to enable the department and au-**

12 **thority to exercise, on and after the operative date specified in sub-**

13 **section (1) of this section, all the duties, functions and powers**

14 **conferred on the department and authority by sections 1 to 9 of this**

15 **2015 Act.**

16 **"SECTION 16. Section and unit captions. The section and unit cap-**

17 **tions used in this 2015 Act are provided only for the convenience of the**

18 **reader and do not become part of the statutory law of this state or**

19 **express any legislative intent in the enactment of this 2015 Act."**

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