
MEMORANDUM

Legislative Fiscal Office
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To: Capital Construction Subcommittee of the Joint Committee on Ways and Means

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

Date: February 25, 2016

Subject: SB 1559-A Relating to the regulation of persons who sell products that cannot be sold to persons under the age of 18
Work Session Recommendation

SB 1559-A requires qualified entities selling tobacco products or inhalant delivery systems to be licensed by the Department of Revenue (DOR) beginning January 1, 2017. DOR is to establish license fees at a rate that covers their own costs for administering the program and the costs of the Oregon Health Authority (OHA), which is the agency responsible for performing inspections, as well as providing education and outreach.

The measure previously had hearings in the Senate Committee on Health Care on 2/2/16, 2/9/16, and 2/11/16. The measure, the original staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The fiscal impact to DOR is minimal and can be absorbed within their budget. The fiscal for OHA is estimated at \$742,267 Other Funds, primarily to cover the costs of 11 positions (3.29 FTE). Most of these staff will be compliance specialists to conduct inspections. DOR anticipates collecting sufficient fee revenue to cover their own costs plus the costs of OHA.

The proposed -A13 amendment incorporates the -A7, -A9, and -A12 amendments and then incorporates the expenditure limitation. The combined amendment makes changes related to discipline, and caps the licensure fee at \$300 until February 1, 2017. DOR is required to report each year to the Legislature on the amount of the license fees. The amendment preempts cities and counties from adopting ordinances as specified. Finally, an expenditure limitation of \$742,267 Other Funds is included for OHA.

Motion: I move the -A13 amendment to SB 1559

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

Motion: I move SB 1559-A to the Joint Committee on Ways and Means with a "do pass" recommendation, as amended.

Assignment of Carrier

Full: _____

Senate: _____

House: _____