

STAFF MEASURE SUMMARY**Senate Committee On Health Care****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 02/11/16**Action:** Do Pass With Amendments. Refer To Ways And Means By Prior Reference.
(Printed A-Eng).**Meeting Dates:** 02/02, 02/09, 02/11**Vote:**

Yeas: 3 - Monnes Anderson, President Courtney, Steiner Hayward

Nays: 2 - Knopp, Kruse

Exc: 1 - Shields

Prepared By: Sandy Thiele-Cirka, Committee Administrator

WHAT THE MEASURE DOES:

Requires, on and after January 1, 2017, persons selling tobacco products or inhalant delivery systems in Oregon to be licensed by the Department of Revenue. Provides the department the power to discipline both licensees and persons selling tobacco or inhalant delivery systems without license. Specifies that cities and counties may not require additional license to sell tobacco products or inhalant delivery systems and may not adopt certain other types of ordinance relating to premises that sell tobacco products or inhalant delivery systems. Modifies provisions relating to Oregon Health Authority's authority to inspect and impose civil penalties on persons selling tobacco products and inhalant delivery systems. Clarifies appeals process and specifies that if there is a tax issue it goes to tax court and if it is a non-tax issue it goes to a contested-case hearing. Clarifies that a license is required if the premises are located in Oregon. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Proposed amendments
- Statistics on teen-age smoking habits
- The increased use of e-cigarettes in teens
- Concerns about the pre-emptions in the amendments
- Importance of local control
- Concerns relating to impact on small businesses
- Review of current tobacco regulations

EFFECT OF COMMITTEE AMENDMENT:

Clarifies appeals process and specifies that if there is a tax issue it goes to tax court and if it is a non-tax issue it goes to a contested-case hearing. Clarifies that a license is required if the premises are located in Oregon.

BACKGROUND:

The Tobacco Control Legal Consortium states that a tobacco retailer licensing program serves many governmental purposes. First, it assists a government to identify all the businesses selling tobacco to consumers in the community or state, which in turn helps the government enforce existing retailer laws. Additionally, through conditions imposed on the licensee, retailer licenses give government better control over where tobacco can be sold and what kinds of businesses can sell tobacco products. The government can also impose additional conditions on licenses to help ensure responsible retailing. Finally, retailer licensing provides government with an efficient enforcement mechanism to ensure that retailers comply with other applicable laws. If a retailer evades taxes, sells to minors or violates other tobacco control laws, the government can suspend or revoke the license in addition to (or in lieu of) enforcing the underlying violation.