

Joint Committee On Ways and Means

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Action Date: 02/25/16

Vote:

Senate

Yeas: 7 - Bates, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward

Nays: 4 - Girod, Hansell, Thomsen, Whitsett

Exc: 1 - Winters

House

Yeas: 8 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Read, Smith, Williamson

Nays: 4 - Huffman, McLane, Whisnant, Whitsett

Prepared By: Tom MacDonald, Department of Administrative Services

Reviewed By: Linda Ames, Legislative Fiscal Office

Agency: Oregon Health Authority

Biennium: 2015-17

Budget Summary*

	2015-17 Legislatively Adopted Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Adopted	
			\$ Change	% Change
Oregon Health Authority				
Other Funds Limited	\$ -	\$ 742,267	\$ 742,267	
Total	\$ -	\$ 742,267	\$ 742,267	

Position Summary

Authorized Positions	0	11	11
Full-time Equivalent (FTE) positions	0.00	3.29	3.29

* Excludes Capital Construction expenditures

Revenue Summary

The Other Funds revenue to support program expenditures is generated through licensing fees paid by retail entities.

Summary of Subcommittee Action

The bill requires qualified entities selling tobacco products or inhalant delivery systems to be licensed by the Department of Revenue (DOR) beginning January 1, 2017, with license renewals taking place on an annual basis. The measure defines the parameters of the licensing process, including revocations, suspensions, and the refusal to issue or renew licenses. DOR must maintain a database containing specific information related to the issuance of the licenses. The bill modifies provisions authorizing the Oregon Health Authority (OHA) to conduct on-site inspections of the retail entities and permits OHA to enter into agreements with local, state, or federal agencies for the purposes of conducting these inspections. The bill also authorizes OHA to provide education and outreach to the general public and to owners, managers, and employees of businesses that engage in the sale of tobacco products or inhalant delivery systems.

The bill allows both DOR and OHA to impose civil penalties for certain violations so long as the penalties do not exceed \$1,000 for each violation. Additionally, the bill authorizes DOR to establish license fees paid by the retail entities to support both the department's and OHA's costs associated with administering the program. The license fee must not exceed \$300 for retail entities selling the products on or before January 1, 2017; the measure repeals the license fee cap on February 1, 2017. The bill also requires DOR to report each year to the Legislature on the amount of the license fees and to demonstrate that the fees are reasonably calculated to cover costs of the program. DOR and OHA must enter

into an agreement for the purposes of sharing information and the transferring of funds collected by DOR to OHA to support the on-site inspections and provision of education and outreach activities.

DOR anticipates collecting sufficient fee revenue to cover both its costs and the costs incurred by OHA. DOR estimates its costs to be \$56,946 in 2015-17 and \$61,561 in 2017-19. DOR has sufficient Other Funds expenditure limitation to support these costs and does not anticipate needing additional staff to manage the workload associated with the new program. OHA anticipates incurring costs totaling \$742,267 in 2015-17 to support an additional 11 positions (3.29 FTE) to implement the program, most of which will be compliance specialists to conduct the on-site inspections. The Subcommittee approved a \$742,267 Other Funds expenditure limitation, and 11 positions (3.29 FTE) within the OHA Public Health Program.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 1559-B

Oregon Health Authority
 Tom MacDonald -- (503) 378-3619

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
SCR 020-06 - Public Health Program									
Personal Services	\$ -	\$ -	\$ 493,883	\$ -	\$ -	\$ -	\$ 493,883	11	3.29
Services and Supplies	\$ -	\$ -	\$ 248,384	\$ -	\$ -	\$ -	\$ 248,384		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 742,267	\$ -	\$ -	\$ -	\$ 742,267	11	3.29