

SB 998 -3, -4, -6, -8 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst

Meeting Dates: 4/13, 4/18

WHAT THE MEASURE DOES:

Requires, on and after January 1, 2018, persons selling tobacco products or inhalant delivery systems in Oregon to be licensed by the Department of Revenue. Requires Department of Revenue to adopt through rulemaking the dollar amount of the registration; not to exceed \$25. Allow Department of Revenue to share registration information with the Oregon Health Authority (OHA) and Department of Justice. Registrants must display proof of registration at qualified premises. Specifies civil penalties for violation of the Act. Grants OHA authority to inspect businesses that engage in retail sale of tobacco or inhalant delivery systems, no more than once a year, unless the authority has found a business to be noncompliant. Grants OHA authority to enter agreements with federal agencies, Oregon Liquor Control Commission, or Department of State Police to administer the Act. Preempts local governments from regulating tobacco products or inhalant delivery systems. Grandfathers in existing local ordinances and rules. Abolishes the State Policy Tobacco Law Enforcement Fund.

ISSUES DISCUSSED:

- Creates uniform fees statewide
- Enforceability of tobacco and tax laws by DOR and OHA
- Potential conflict with 2017 legislation that raises the legal age of tobacco sales to 21 years of age
- State constitutionality, local control and accountability: preempts existing local tobacco retail licensure ordinances

EFFECT OF AMENDMENT:

-3 Replaces measure. Requires, on and after January 1, 2018, persons selling tobacco products or inhalant delivery systems in Oregon to be registered, annually, by the Department of Revenue (DOR). Requires DOR to adopt through rulemaking the amount of the registration; not to exceed \$50. Amends the Oregon Indoor Clean Air Act. Allows use of tobacco products in an enclosed area such as outdoor patios or smoking shelters

REVENUE: No impact.

FISCAL: May have fiscal impact, but no statement yet issued.

-4 Replaces measure. Requires, on and after January 1, 2018, persons selling tobacco products or inhalant delivery systems in Oregon to be registered, annually, by the Department of Revenue (DOR). Requires DOR to adopt through rulemaking the amount of the registration; not to exceed \$50.

REVENUE: No impact.

FISCAL: May have fiscal impact, but no statement yet issued.

-6 Replaces measure. Requires, on and after January 1, 2018, persons selling tobacco products or inhalant delivery systems in Oregon to be registered, annually, by the Department of Revenue (DOR). Requires DOR to adopt through rulemaking the amount of the registration; not to exceed \$50. Registrants must display proof of registration at qualified premises. Grants DOR revocation authority. Specifies civil penalties for violation of the Act. Grants OHA authority to inspect businesses that engage in retail sale of tobacco or inhalant delivery systems, no more than once a year, unless the authority has found a business to be noncompliant. Amends the Oregon Indoor Clean Air Act by allowing use of tobacco products in an enclosed area such as outdoor patios or smoking

shelters. Preempts local governments from regulating tobacco products or inhalant delivery systems except. Preemption does not apply to counties with a population of 500,000 or more. Abolishes the State Policy Tobacco Law Enforcement Fund.

REVENUE: Minimal impact.

FISCAL: May have fiscal impact, but no statement yet issued.

-8 Replaces measure. Requires, on and after January 1, 2018, persons selling tobacco products or inhalant delivery systems in Oregon to be registered, annually, by the Department of Revenue (DOR). Requires DOR to adopt through rulemaking the amount of the registration; not to exceed \$50. Registrants must display proof of registration at qualified premises. Grants DOR revocation authority. Specifies civil penalties for violation of the Act. Amends the Oregon Indoor Clean Air Act by allowing use of tobacco products in an enclosed area such as outdoor patios or smoking shelters.

REVENUE: Minimal impact.

FISCAL: May have fiscal impact, but no statement yet issued.

BACKGROUND:

States and local governments have legal authority to regulate the sale and distribution of tobacco products in their jurisdictions. States can require retailers that sell tobacco products to obtain a license or permits from the state or local government, where the retailer does business. State tobacco licensing laws can help 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 the 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.