

SB 235 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/7

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. Measure provides the department the power to discipline both licensees and persons selling tobacco or inhalant delivery systems without a license. Specifies the administration for and provisions of the statewide tobacco licensure program. Requires the Department of Revenue to enter into agreements with the Oregon Health Authority (OHA) and local public health authorities to oversee enforcement of the laws, ordinances, and rules of the program. Measure provides the OHA with the responsibility to coordinate the program. Abolishes the State Policy Tobacco Law Enforcement Fund. Sections 1-13, effective January 1, 2018; all other provisions effective 91st day after sine die.

REVENUE: May have revenue impact, but no statement yet issued.

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

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Clarifies the Oregon Health Authority (OHA) is not required to take on local public health inspection responsibilities. Requires OHA to establish a mechanism to collect information related to complaints and provide technical assistance to local public health authorities. Requires OHA to assess the effectiveness of state and local programs that regulate the retail sale of tobacco products in Oregon.

-2 Adds Department of Justice to the section on licensure.

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.