

SB 235 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, 2/9

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. Provides the department the power to discipline both licensees and persons selling tobacco or inhalant delivery systems without a license. Specifies the administration of and provisions for the statewide tobacco licensure program. Requires the Department of Revenue to enter into agreements with the Oregon Health Authority and local public health authorities to oversee enforcement of the laws, ordinances, and rules of the program. Grants the Oregon Health Authority 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:

- Clarification on whether a license is required for a retail premise, the individual making a sale, or both.
- Amounts for civil penalties as specified in the bill.
- Effectiveness of recently enacted local tobacco licensure programs in Oregon.
- Unspecified program fee structure.

EFFECT OF AMENDMENT:

BACKGROUND:

States and local government 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 the government to identify all the businesses selling tobacco to consumers in the community or state, which in turn aids government to enforce existing retailer laws. Additionally, through conditions imposed on the licensee, retailer licenses give government 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 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.