

HB 2024 STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 04/10/17

Action: Without recommendation as to passage, refer to Revenue by prior reference.

Vote: 8-0-1-0

Yeas: 8 - Alonso Leon, Buehler, Greenlick, Hack, Hayden, Keny-Guyer, Malstrom, Nosse

Exc: 1 - Kennemer

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Imposes tax on inhalant-form nicotine at point of retail sale based on percentage of wholesale price. Applies to inhalant-form nicotine sold after January 1, 2018. Creates offense of selling tobacco products or inhalant delivery systems to person under 21 years of age. Punishes violation by fine. Raises minimum age at which person may purchase or possess tobacco products and inhalant delivery systems to 21 years of age. Adjusts other requirements related to tobacco products and inhalant delivery systems to reflect raised minimum age. Applies to conduct occurring on or after January 1, 2018. Provides that person may not make retail sale of tobacco product or inhalant delivery system at or from premises located in this state unless person sells tobacco product or inhalant delivery system at or from premises for which license has been issued. Establishes licensing program within Department of Revenue. Becomes operative January 1, 2018. Increases cigarette tax. Applies increase to cigarettes distributed on or after January 1, 2018, and to existing inventories of cigarettes not yet acquired by consumers as of January 1, 2018. Removes per-unit limitation on cigar tax. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Oregon Health Authority (OHA), tobacco use is the number one preventable cause of death and disease in Oregon, resulting in an estimated 7,000 deaths annually, costing Oregonians \$2.5 billion a year in medical expenditures and leading to lost productivity due to premature death. Ninety percent of smokers start smoking before the age of 18. According to a 2013 survey by the Oregon Public Health Division, OHA, 10 percent of Oregon's 11th grade students smoke cigarettes, and approximately 20 percent use other tobacco products. Two states (California and Hawaii) and a number of local governments have raised the minimum age to purchase or consume tobacco to 21 years. The Institute of Medicine suggests that these policies are intended to lower initiation rates among adolescents and young adults.