

HB 3388 STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 06/21/17

Action: Without recommendation as to passage, refer to Ways and Means by prior reference.

Vote: 6-2-1-0

Yeas: 6 - Barnhart, Hernandez, Marsh, Nosse, Smith G, Smith Warner

Nays: 2 - Buehler, Johnson

Exc: 1 - Bentz

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

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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 and requires OHA establish database or other mechanism for collecting information from local public health authorities. Abolishes the State Policy Tobacco Law Enforcement Fund. Measure takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Sending measure to Ways and Means for purpose of utilizing relating to clause

EFFECT OF AMENDMENT:

No amendment.

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.