

HB 2169 STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 02/05/19

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

Vote: 11-0-0-0

Yeas: 11 - Alonso Leon, Boles, Drazan, Greenlick, Hayden, Keny-Guyer, Mitchell, Noble, Nosse, Prusak, Salinas

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/5

WHAT THE MEASURE DOES:

Imposes a tax on distribution of inhalant nicotine products based on percentage of wholesale price. Requires inhalant product distributors to submit quarterly payment to the Department of Revenue (DOR). Establishes regulatory structure for licensure of inhalant product distributors to be implemented by DOR. Authorizes DOR to cancel, suspend, or revoke licenses distributed to an inhalant product distributor. Establishes civil and criminal penalties. Defines terms.

ISSUES DISCUSSED:

- Purpose of moving the measure to House Revenue Committee

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Oregon, a percentage of revenue from tobacco taxes is used to fund the state's Medicaid program (Oregon Health Plan, or OHP). According to LRO, as of January 1, 2019, the tax rate per pack of cigarettes was \$1.33 with 86 cents of that revenue allocated to OHP, and approximately 41.5 percent of all tax revenue generated from "other tobacco products" also distributed to OHP.

House Bill 2169 expands the definition of tobacco products to impose corresponding taxes on inhalant forms of nicotine.