

**SB 803 A STAFF MEASURE SUMMARY**

**Senate Committee On Business and General Government**

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**Action Date:** 04/02/19

**Action:** Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

**Vote:** 3-1-1-0

**Yeas:** 3 - Dembrow, Girod, Riley

**Nays:** 1 - Hass

**Exc:** 1 - Olsen

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

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**Meeting Dates:** 3/12, 3/28, 4/2

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**WHAT THE MEASURE DOES:**

Requires Secretary of State to establish rules authorizing licensed use of state seal on goods, wares, and merchandise. Prohibits use of state seal on goods, wares, or merchandise intended for sale unless authorized by Secretary of State. Limits license authorization to five years and allows for renewals. Allows Secretary to establish licensing fee to cover costs of administering licensing process and royalty fee calculated as a percent of annual gross receipts for licensed goods, ware, and merchandise sold. Dedicates royalty fees to General Fund. Allows Secretary to revoke license for failure to comply with applicable standards.

**ISSUES DISCUSSED:**

- Interest in using state seal on merchandise and potential General Fund revenue from royalty fees
- Current standards for use of state seal
- Section 3 Article 6 of the Constitution of the State of Oregon and the role of the Secretary of State in keeping the state seal
- Potential conflict between free speech protections and licensed use of the state seal

**EFFECT OF AMENDMENT:**

Prohibits use of state seal on goods, wares, or merchandise intended for sale unless authorized by Secretary of State. Clarifies that authorization applies to reproduction of state seal.

**BACKGROUND:**

Current statute prohibits the reproduction of the state seal in a manner that falsely implies official endorsement or sponsorship by the state or any agency, or in a manner that subjects the seal to ridicule, debasement, or infamy. The state seal currently appears on a wide range of consumer products including neck ties, coasters, and key chains.

Senate Bill 803-A allows the Secretary of State to license use of the state seal on goods, wares, and merchandise, and prohibits use without that authorization. The Secretary may adopt royalty fees calculated as a percent of total sales on the licensed goods, and dedicates royalty fees to the General Fund.