

## **SUBCOMMITTEE RECOMMENDATION**

### **HB 2128**

#### **Relating to the Master Settlement Agreement**

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To: Ways and Means Full Committee  
From: Human Services Subcommittee  
Carrier: Senator Campos

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In 1998, Oregon and 45 other states and the four largest domestic tobacco manufacturers entered into a Tobacco Master Settlement Agreement to recover smoking-related claims made by states. There were a number of mostly smaller tobacco companies that elected not to participate in the master settlement, and were referred to as non-participating members, or NPMs. The larger Tobacco Master Settlement Agreement required settling states to enact and enforce statutes that required NPMs to make escrow deposits based on cigarette sales in a given state. This arrangement was established to last 25 years, expiring in 2023.

HB 2128 allows for the continued recovery of cigarette-related health care costs incurred in Oregon from NPMs and requires that if recovery is initiated, assessment payments are to go to the Oregon Health Authority Fund to be used for expenses of the Oregon Health Plan. The bill also addresses how NPMs receive credit or refunds on equity assessment payments, authorizes the Attorney General to bring civil action for failure to pay, and directs recovery of civil penalties to the Tobacco Enforcement Fund.

The -A5 amendment adds a technical fix to the bill that amends ORS 180.205 to include deposits from the escrow fund into the Tobacco Enforcement Fund. There is minimal fiscal impact to the Oregon Health Authority, Department of Justice, and Oregon Judicial Department. The Human Services Subcommittee recommends HB 2128 be amended by the -A5 amendment and be reported out do pass, as amended.