

Submitter: Carrie Steele
On Behalf Of:
Committee: House Committee On Commerce and Consumer Protection
Measure, Appointment or Topic: HB2528

I agree with Eric. I strongly oppose this.

I am writing to express my strong opposition to House Bill 2528, specifically the provision that would grant the Oregon Health Authority (OHA) broad authority to “adopt rules to regulate the wholesale or retail sale of tobacco products or inhalant delivery systems in this state to protect the public health and safety of the residents of this state.” (Section 1(4))

This provision would give an unelected administrative agency the power to severely restrict or potentially ban legal products without legislative oversight. Such a transfer of power raises serious concerns from both legal and economic perspectives.

SEPARATION OF POWERS CONCERNS

Our system of government is designed with checks and balances. The legislature—elected representatives of the people—should make policy decisions about which products can be legally sold. Administrative agencies should implement and enforce these laws, not create them. HB 2528 blurs this crucial distinction by giving the OHA sweeping regulatory authority without meaningful legislative guardrails or standards.

The bill’s language is vague and overly broad. The phrase “to protect the public health and safety” could justify virtually any restriction the OHA wishes to impose, potentially including outright bans on tobacco products or inhalant delivery systems. This represents an improper delegation of legislative power to an administrative agency.

ECONOMIC IMPACT

The economic consequences of this bill could be severe:

Revenue Loss: Oregon currently collects significant tax revenue from tobacco products. The latest Oregon Economic and Revenue Forecast (March 2025) reports that Oregon will collect \$720 million this biennium from cigarette, other tobacco, and inhalant delivery. Giving the OHA authority to eliminate this revenue stream through regulations would potentially create budget shortfalls that need to be addressed elsewhere.

Small Business Impact: Thousands of Oregon retailers rely on tobacco sales as a

significant portion of their revenue. These include convenience stores, grocery stores, and specialty shops. They will be deprived not only of the revenues from the sale of tobacco and vapor products but also of the revenues from ancillary sales of drinks, snacks, and prepared food. Many of these are small, locally- owned businesses that provide jobs and serve as community anchors. Arbitrary regulations from the OHA could force many of these businesses to close.

Black Market Growth: When legal products become heavily regulated or banned, black markets inevitably This would push sales underground, eliminate tax revenue, create public safety issues, and potentially expose consumers to unregulated, unsafe products.

Cross-Border Shopping: Oregon residents would likely travel to neighboring states to purchase tobacco products, taking their tax dollars with them and harming Oregon businesses.

PREDICTABILITY AND RULE OF LAW

Our economic system functions best when businesses and individuals can predict the legal landscape. The vague authority granted to the OHA in this bill creates significant uncertainty. Businesses cannot plan for the future if an administrative agency could drastically change the rules at any time without legislative approval.

ALTERNATIVE APPROACHES

Rather than delegating broad authority to the OHA, the legislature should:

- Set specific policy objectives regarding tobacco and inhalant products;
- Create clear legislative guidelines that the OHA must follow;
- Require legislative approval for significant regulatory changes; and
- Conduct proper economic impact studies before implementing major

CONCLUSION

HB 2528's approach of delegating sweeping regulatory authority to an unelected administrative body is the wrong solution.