MEASURE NU	MBER:	HB 2672	STATUS: A Engrossed
SUBJECT: T	ax on moi	st snuff	
GOVERNMEN	IT UNIT A	AFFECTED:	: Department of Revenue, Department of Justice and Department
of Human Servi	ces		
PREPARED B	Y: Dawn	ı Farr	
REVIEWED B	Y: Lauri	e Byerly	
DATE: April 1	4, 2009		

EXPENDITURES:

2009-2011 20

<u>2011-2013</u>

See Comments.

REVENUES:

See Revenue Impact Statements prepared by the Legislative Revenue Office.

EFFECTIVE DATE: 91st date after sine die.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill increases the tax on moist snuff; sets new definitions and provisions for tobacco companies; requires tobacco companies to report to the Attorney General; directs the Attorney General to adopt rules defining the form and content of a model escrow account and to update the directory of new tobacco companies; provides for penalties for non-compliance; modifies distribution of tobacco products tax revenues; and, appropriates funds.

Tobacco products tax revenues, revenue distributions and related General Fund impacts are discussed in Revenue Impact Statement prepared by the Legislative Revenue Office.

The bill dedicates \$1 million in tax revenues to the Department of Justice (DOJ) for medical exam expenses each biennium and \$500,000 in tax revenues for the 2009-11 biennium to Department of Human Services (DHS) for a shaken baby pilot program. Dedicating these monies will have an impact on funding to the Oregon Health Plan and the total monies distributed to the General Fund; however, this impact can not be estimated until the tax amount is determined. DOJ and DHS indicate that they do not anticipate a fiscal impact beyond the funding provided in the bill; however, final fiscal information that may include requests for positions to implement the activities of the bill has not been provided at this time.

The Department of Revenue (DOR) indicates that the bill will have minimal impact assuming that there will be some form revisions and rules work, but no additional enforcement. DOR indicates that they can assume this additional work with existing resources.

A more complete fiscal analysis on the bill will be prepared is Joint Committee on Ways and Means.