FISCAL IMPACT OF PROPOSED LEGISLATION   Measure: HB 2870 - A4

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: 6/5/2013

Measure Description:
Removes prohibition against imposition of taxes by county on cigarettes and tobacco products; prohibits the imposition cigarette and tobacco product tax by counties on items sold in Indian country.

Government Unit(s) Affected:
Counties, Department of Revenue(DOR)

Summary of Expenditure Impact:
Please see analysis

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.

Analysis:
The fiscal impact of the bill is indeterminate. The bill allows a county to impose a tax on cigarettes and tobacco products at a rate not to exceed the rate imposed by the state. However the bill requires that at least 40% of those revenues must be spent on health, mental health, and addiction service related programs. A county will incur costs to administer and enforce a taxing program as well as accounting for and expending the funds. These costs would be realized if the county runs the program itself or contracts with the Department of Revenue as is allowed under the measure. The amount of the tax, the total revenue generated, the costs of administration, and the amount expended on health, mental health, and addiction service programs are all unknown therefore the fiscal impact cannot be determined.