

D R A F T

SUMMARY

Increases rates of taxation on cigarettes and tobacco products. Applies increase to cigarettes and tobacco products distributed on or after January 1, 2020, and to existing inventories of cigarettes not yet acquired by consumers as of January 1, 2020.

Imposes tax on inhalant-form nicotine at point of retail sale, based on concentration of nicotine. Directs proceeds of tax to Oregon Health Plan Fund.

Applies to inhalant-form nicotine sold on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of products containing nicotine; creating new pro-
3 visions; amending ORS 323.031, 323.457 and 323.505; prescribing an effec-
4 tive date; and providing for revenue raising that requires approval by a
5 three-fifths majority.

Be It Enacted by the People of the State of Oregon:

7 **SECTION 1.** ORS 323.031 is amended to read:

8 323.031. (1) Notwithstanding ORS 323.030 (2) and in addition to and not
9 in lieu of any other tax, every distributor shall pay a tax upon distributions
10 of cigarettes at the rate of [30] **130** mills for the distribution of each cigarette
11 in this state.

12 (2) Any cigarette for which a tax has once been imposed under ORS
13 323.005 to 323.482 may not be subject upon a subsequent distribution to the
14 taxes imposed by ORS 323.005 to 323.482.

15 **SECTION 2.** ORS 323.457 is amended to read:

16 323.457. (1) Moneys received under ORS 323.031 shall be paid over to the

1 State Treasurer to be held in a suspense account established under ORS
2 293.445. After the payment of refunds:

3 (a) [29.37/30] **127.27/130** of the moneys shall be credited to the Oregon
4 Health Plan Fund established under ORS 414.109;

5 (b) [0.14/30] **0.61/130** of the moneys are continuously appropriated to the
6 Oregon Department of Administrative Services for distribution to the cities
7 of this state;

8 (c) [0.14/30] **0.61/130** of the moneys are continuously appropriated to the
9 Oregon Department of Administrative Services for distribution to the coun-
10 ties of this state;

11 (d) [0.14/30] **0.61/130** of the moneys are continuously appropriated to the
12 Department of Transportation to be distributed and transferred to the El-
13 derly and Disabled Special Transportation Fund established under ORS
14 391.800; and

15 (e) [0.21/30] **0.9/130** of the moneys shall be credited to the Tobacco Use
16 Reduction Account established under ORS 431A.153.

17 (2)(a) Moneys distributed to cities and counties under this section shall
18 be distributed to each city or county using the proportions used for distrib-
19 utions made under ORS 323.455.

20 (b) Moneys shall be distributed to cities, counties and the Elderly and
21 Disabled Special Transportation Fund at the same time moneys are distrib-
22 uted to cities, counties and the Elderly and Disabled Special Transportation
23 Fund under ORS 323.455.

24 **SECTION 3. (1) In addition to and not in lieu of any other tax, for**
25 **the privilege of holding or storing cigarettes for sale, use or con-**
26 **sumption, a floor tax is imposed upon every dealer at the rate of 100**
27 **mills for each cigarette in the possession of or under the control of the**
28 **dealer in this state at 12:01 a.m. on January 1, 2020.**

29 **(2) The tax imposed by this section is due and payable on or before**
30 **January 20, 2020. Any amount of tax that is not paid within the time**
31 **required shall bear interest at the rate established under ORS 305.220**

1 per month, or fraction of a month, from the date on which the tax is
2 due to be paid, until paid.

3 (3) By January 20, 2020, every dealer must file a report with the
4 Department of Revenue in such form as the department may prescribe.
5 The report must state the number of cigarettes in the possession of
6 or under the control of the dealer in this state at 12:01 a.m. on January
7 1, 2020, and the amount of tax due. Each report must be accompanied
8 by a remittance payable to the department for the amount of tax due.

9 (4) As used in this section, “dealer” has the meaning given that
10 term in ORS 323.010.

11 SECTION 4. Notwithstanding ORS 323.030 (3), for the privilege of
12 distributing cigarettes as a distributor, as defined in ORS 323.015, and
13 for holding or storing cigarettes for sale, use or consumption, a floor
14 tax and cigarette adjustment indicia tax is imposed upon every dis-
15 tributor in the amount of \$2.50 for each Oregon cigarette tax stamp
16 bearing the designation “25,” and in the amount of \$2 for each Oregon
17 cigarette tax stamp bearing the designation “20,” that is affixed to any
18 package of cigarettes in the possession of or under the control of the
19 distributor at 12:01 a.m. on January 1, 2020.

20 SECTION 5. (1) Every distributor as defined in ORS 323.015 must
21 take an inventory as of 12:01 a.m. on January 1, 2020, of all packages
22 of cigarettes to which are affixed Oregon cigarette tax stamps and of
23 all unaffixed Oregon cigarette tax stamps in the possession of or under
24 the control of the distributor.

25 (2) Every distributor must file a report with the Department of
26 Revenue by January 20, 2020, in such form as the department may
27 prescribe, showing:

28 (a) The number of Oregon cigarette tax stamps, with the desig-
29 nations of the stamps, that were affixed to packages of cigarettes in
30 the possession of or under the control of the distributor at 12:01 a.m.
31 on January 1, 2020; and

1 (b) The number of unaffixed Oregon cigarette tax stamps, with the
2 designations of the stamps, that were in the possession of or under the
3 control of the distributor at 12:01 a.m. on January 1, 2020.

4 (3) The amount of tax required to be paid with respect to the affixed
5 Oregon cigarette tax stamps shall be computed pursuant to section 4
6 of this 2019 Act and remitted with the distributor's report. Any
7 amount of tax not paid within the time specified for the filing of the
8 report shall bear interest at the rate established under ORS 305.220 per
9 month, or fraction of a month, from the due date of the report until
10 paid.

11 SECTION 6. All moneys received by the Department of Revenue
12 from the taxes imposed by sections 3 and 4 of this 2019 Act shall be
13 paid over to the State Treasurer to be held in a suspense account es-
14 tablished under ORS 293.445. After payment of refunds, the balance
15 shall be credited to the General Fund.

16 SECTION 7. The amendments to ORS 323.031 and 323.457 by sections
17 1 and 2 of this 2019 Act apply to distributions of cigarettes occurring
18 on or after January 1, 2020.

19 SECTION 8. ORS 323.505 is amended to read:

20 323.505. (1) A tax is hereby imposed upon the distribution of all tobacco
21 products in this state. The tax imposed by this section is intended to be a
22 direct tax on the consumer, for which payment upon distribution is required
23 to achieve convenience and facility in the collection and administration of
24 the tax. The tax shall be imposed on a distributor at the time the distributor
25 distributes tobacco products.

26 (2) The tax imposed under this section shall be imposed at the rate of:

27 (a) [*Sixty-five*] **Ninety** percent of the wholesale sales price of cigars, but
28 not to exceed 50 cents per cigar;

29 (b) [*One dollar and seventy-eight*] **Two dollars and forty-six** cents per
30 ounce based on the net weight determined by the manufacturer, in the case
31 of moist snuff, except that the minimum tax under this paragraph is [*\$2.14*]

1 **\$2.96** per retail container; or

2 (c) [*Sixty-five*] **Ninety** percent of the wholesale sales price of all tobacco
3 products that are not cigars or moist snuff.

4 (3) For reporting periods beginning on or after July 1, 2022, the rates of
5 tax applicable to moist snuff under subsection (2)(b) of this section shall be
6 adjusted for each biennium according to the cost-of-living adjustment for the
7 calendar year. The Department of Revenue shall recompute the rates for each
8 biennium by adding to the rates in subsection (2)(b) of this section the
9 product obtained by multiplying the rates in subsection (2)(b) of this section
10 by a factor that is equal to 0.25 multiplied by the percentage (if any) by
11 which the monthly averaged U.S. City Average Consumer Price Index for the
12 12 consecutive months ending August 31 of the prior calendar year exceeds
13 the monthly averaged U.S. City Average Consumer Price Index for the 12
14 consecutive months ending August 31, 2020.

15 (4) If the tax imposed under this section does not equal an amount cal-
16 culable to a whole cent, the tax shall be equal to the next higher whole cent.
17 However, the amount remitted to the Department of Revenue by the taxpayer
18 for each quarter shall be equal only to 98.5 percent of the total taxes due
19 and payable by the taxpayer for the quarter.

20 (5) No tobacco product shall be subject to the tax if the base product or
21 other intermediate form thereof has previously been taxed under this section.

22 **SECTION 9. As used in sections 9 to 20 of this 2019 Act:**

23 (1) **“Consumer” means any person who purchases inhalant-form**
24 **nicotine in this state for the person’s use or consumption or for any**
25 **purpose other than reselling the inhalant-form nicotine to another**
26 **person.**

27 (2) **“Inhalant-form nicotine” means nicotine that:**

28 (a) **Is in a form that allows the nicotine to be delivered into a**
29 **person’s respiratory system;**

30 (b) **Is inhaled for the purpose of delivering the nicotine into a**
31 **person’s respiratory system; and**

1 (c)(A) Is not approved by, or emitted by a device approved by, the
2 United States Food and Drug Administration for a therapeutic pur-
3 pose; or

4 (B) If approved by, or emitted by a device approved by, the United
5 States Food and Drug Administration for a therapeutic purpose, is not
6 marketed and sold solely for that purpose.

7 (3) “Nicotine retailer” means any person who is engaged in the
8 business of selling or otherwise dispensing inhalant-form nicotine to
9 consumers. The term also includes the operators of or recipients of
10 revenue from all places such as smoke shops, cigar stores and vending
11 machines, where inhalant-form nicotine is made or stored for ultimate
12 sale to consumers.

13 (4) “Sale” means any transfer, exchange or barter, in any manner
14 or by any means, for a consideration, and includes and means all sales
15 made by any person. It includes a gift by a person engaged in the
16 business of selling inhalant-form nicotine, for advertising, as a means
17 of evading the provisions of sections 9 to 20 of this 2019 Act or for any
18 other purpose.

19 (5) “Taxpayer” includes a nicotine retailer or other person required
20 to collect a tax imposed under sections 9 to 20 of this 2019 Act.

21 (6) “Untaxed inhalant-form nicotine” means inhalant-form nicotine
22 for which the tax required under sections 9 to 20 of this 2019 Act has
23 not been paid.

24 SECTION 10. (1) A tax is hereby imposed upon the retail sale of
25 inhalant-form nicotine in this state. The tax imposed by this section
26 is a direct tax on the consumer, for which payment upon retail sale
27 is required. The tax shall be collected at the point of sale of inhalant-
28 form nicotine by a nicotine retailer at the time at which the retail sale
29 occurs.

30 (2) The tax imposed under this section shall be imposed at the rate
31 of 0.05 cents per milligram per milliliter of nicotine.

1 (3) If the tax imposed under this section does not equal an amount
2 calculable to a whole cent, the tax shall be equal to the next higher
3 whole cent.

4 (4) Except as otherwise provided by the Department of Revenue by
5 rule, the amount of the tax shall be separately stated on an invoice,
6 receipt or other similar document that the nicotine retailer provides
7 to the consumer at the time at which the retail sale occurs.

8 (5) A person may not knowingly sell, purchase, install, transfer or
9 possess electronic devices or software programs for the purposes of:

10 (a) Hiding or removing records of retail sales of inhalant-form
11 nicotine; or

12 (b) Falsifying records of retail sales of inhalant-form nicotine.

13 (6) A nicotine retailer may not discount inhalant-form nicotine or
14 offer inhalant-form nicotine for free if the retail sale of the inhalant-
15 form nicotine is made in conjunction with the retail sale of any other
16 item.

17 SECTION 11. (1) Except as otherwise provided in sections 9 to 20
18 of this 2019 Act, the tax imposed upon the consumer under section 10
19 of this 2019 Act shall be collected at the point of sale and remitted by
20 each nicotine retailer that engages in the retail sale of inhalant-form
21 nicotine. The tax is a tax upon the nicotine retailer that is required
22 to collect the tax, and the nicotine retailer is a taxpayer.

23 (2) The nicotine retailer shall file a return with the Department of
24 Revenue on or before the last day of January, April, July and October
25 of each year for the previous calendar quarter.

26 (3) The nicotine retailer shall pay the tax to the department in the
27 form and manner prescribed by the department, but not later than
28 with each quarterly return, without regard to an extension granted
29 under subsection (5) of this section.

30 (4) Nicotine retailers shall file the returns required under this sec-
31 tion regardless of whether any tax is owed.

1 (5) For good cause, the department may extend the time for filing
2 a return under this section. The extension may be granted at any time
3 if a written request is filed with the department during or prior to the
4 period for which the extension may be granted. The department may
5 not grant an extension of more than 30 days.

6 (6) Interest shall be added at the rate established under ORS 305.220
7 for each month, or fraction of a month, from the time the return was
8 originally required to be filed to the time of payment.

9 (7) If a nicotine retailer fails to file a return or pay the tax as re-
10 quired by this section, the department shall impose a penalty in the
11 manner provided in ORS 314.400.

12 (8) Except as provided in subsections (9) and (10) of this section, the
13 period prescribed for the department to allow or make a refund of any
14 overpayment of tax paid under sections 9 to 20 of this 2019 Act is as
15 provided in ORS 314.415.

16 (9)(a) The department shall first apply any overpayment of tax by
17 a nicotine retailer to any tax imposed under sections 9 to 20 of this
18 2019 Act that is owed by the nicotine retailer.

19 (b) If after any offset against any delinquent amount the overpay-
20 ment of tax remains greater than \$1,000, the remaining refund shall
21 be applied as a credit against the next subsequent calendar quarter as
22 an estimated payment.

23 (10) The department may not make a refund of, or credit, any
24 overpayment of tax under sections 9 to 20 of this 2019 Act that was
25 credited to the account of a nicotine retailer under subsection (9)(b)
26 of this section if the return for that tax period is not filed within three
27 years after the due date of that return.

28 SECTION 12. (1) Every person who collects any amount under sec-
29 tion 11 of this 2019 Act shall hold the same in trust for the State of
30 Oregon and for the payment thereof to the Department of Revenue in
31 the manner and at the time provided in section 11 of this 2019 Act.

1 **(2) At any time a nicotine retailer fails to remit any amount col-**
2 **lected, the department may enforce collection by the issuance of a**
3 **distrain warrant for the collection of the delinquent amount and all**
4 **penalties, interest and collection charges accrued thereon. The war-**
5 **rant shall be issued, recorded and proceeded upon in the same manner**
6 **and shall have the same force and effect as is prescribed with respect**
7 **to warrants for the collection of delinquent income taxes.**

8 **(3)(a) In the case of a nicotine retailer that is assessed pursuant to**
9 **the provisions of ORS 305.265 (12) and 314.407 (1), the department may**
10 **issue a notice of liability to any officer, employee or member of the**
11 **nicotine retailer within three years from the time of assessment.**
12 **Within 30 days from the date the notice of liability is mailed to the**
13 **officer, employee or member, the officer, employee or member shall**
14 **pay the assessment, plus penalties and interest, or advise the depart-**
15 **ment in writing of objections to the liability and, if desired, request a**
16 **conference. A conference shall be governed by the provisions of ORS**
17 **305.265 pertaining to a conference requested from a notice of defi-**
18 **ciency.**

19 **(b) After a conference or, if no conference is requested, a determi-**
20 **nation of the issues considering the written objections, the department**
21 **shall mail the officer, employee or member a conference letter af-**
22 **firming, canceling or adjusting the notice of liability. Within 90 days**
23 **from the date the conference letter is mailed to the officer, employee**
24 **or member, the officer, employee or member shall pay the assessment,**
25 **plus penalties and interest, or appeal to the Oregon Tax Court in the**
26 **manner provided for an appeal from a notice of assessment.**

27 **(c) If the department does not receive payment or written objection**
28 **to the notice of liability within 30 days after the notice of liability was**
29 **mailed, the notice of liability becomes final. In that event, the officer,**
30 **employee or member may appeal the notice of liability to the tax court**
31 **within 90 days after it became final in the manner provided for an**

1 **appeal from a notice of assessment.**

2 **(4)(a) In the case of a failure to file a return on the due date, gov-**
3 **erned by the provisions of ORS 305.265 (10) and 314.400, the department,**
4 **in addition to any action described in the provisions of ORS 305.265 (10)**
5 **and 314.400, may send notices of determination and assessment to any**
6 **officer, employee or member any time within three years after the**
7 **assessment. The time of assessment against the officer, employee or**
8 **member is 30 days after the date the notice of determination and as-**
9 **essment is mailed. Within 30 days from the date the notice of deter-**
10 **mination and assessment is mailed to the officer, employee or**
11 **member, the officer, employee or member shall pay the assessment,**
12 **plus penalties and interest, or advise the department in writing of ob-**
13 **jections to the assessment and, if desired, request a conference. A**
14 **conference shall be governed by the provisions of ORS 305.265 per-**
15 **taining to a conference requested from a notice of deficiency.**

16 **(b) After a conference or, if no conference is requested, a determi-**
17 **nation of the issues considering the written objections, the department**
18 **shall mail the officer, employee or member a conference letter af-**
19 **firming, canceling or adjusting the notice of determination and as-**
20 **essment. Within 90 days from the date the conference letter is mailed**
21 **to the officer, employee or member, the officer, employee or member**
22 **shall pay the assessment, plus penalties and interest, or appeal in the**
23 **manner provided for an appeal from a notice of assessment.**

24 **(c) If the department does not receive payment or written objection**
25 **to the notice of determination and assessment within 30 days after the**
26 **notice of determination and assessment was mailed, the notice of de-**
27 **termination and assessment becomes final. In that event, the officer,**
28 **employee or member may appeal the notice of determination and as-**
29 **essment to the tax court within 90 days after it became final in the**
30 **manner provided for an appeal from a notice of assessment.**

31 **(5)(a) More than one officer or employee of a corporation may be**

1 held jointly and severally liable for payment of taxes.

2 (b) Notwithstanding the confidentiality provisions of section 19 of
3 this 2019 Act, if more than one officer or employee of a corporation
4 may be held jointly and severally liable for payment of taxes, the de-
5 partment may require any or all of the officers, members or employees
6 who may be held liable to appear before the department for a joint
7 determination of liability. The department shall notify each officer,
8 member or employee of the time and place set for the determination
9 of liability.

10 (c) Each person notified of a joint determination under this sub-
11 section shall appear and present such information as is necessary to
12 establish that person's liability or nonliability for payment of taxes to
13 the department. If a person who was notified fails to appear, the de-
14 partment shall make its determination on the basis of all the infor-
15 mation and evidence presented. The department's determination is
16 binding on all persons notified and required to appear under this sub-
17 section.

18 (d)(A) If an appeal is taken to the tax court pursuant to section 19
19 of this 2019 Act by any person determined to be liable for unpaid taxes
20 under this subsection, each person required to appear before the de-
21 partment under this subsection shall be impleaded by the plaintiff. The
22 department may implead any officer, employee or member who may
23 be held jointly and severally liable for the payment of taxes. Each
24 person impleaded under this paragraph shall be made a party to the
25 action before the tax court and shall make available to the tax court
26 the information that was presented before the department, as well as
27 other information that may be presented to the tax court.

28 (B) The tax court may determine that one or more persons
29 impleaded under this paragraph are liable for unpaid taxes without
30 regard to any earlier determination by the department that an
31 impleaded person was not liable for unpaid taxes.

1 (C) If a person required to appear before the tax court under this
2 subsection fails or refuses to appear or bring such information in part
3 or in whole, or is outside the jurisdiction of the tax court, the tax
4 court shall make its determination on the basis of all the evidence
5 introduced. Notwithstanding section 19 of this 2019 Act, the evidence
6 constitutes a public record and shall be available to the parties and the
7 tax court. The determination of the tax court is binding on all persons
8 made parties to the action under this subsection.

9 (e) This section may not be construed to preclude a determination
10 by the department or the tax court that more than one officer, em-
11 ployee or member is jointly and severally liable for unpaid taxes.

12 SECTION 13. (1) A nicotine retailer shall keep receipts, invoices and
13 other pertinent records related to retail sales of inhalant-form nicotine
14 in the form required by the Department of Revenue. Each record shall
15 be preserved for five years from the time to which the record relates,
16 or for as long as the nicotine retailer retains the inhalant-form
17 nicotine to which the record relates, whichever is later. During the
18 retention period and at any time prior to the destruction of records,
19 the department may give written notice to the nicotine retailer not to
20 destroy records described in the notice without written permission of
21 the department. Notwithstanding any other provision of law, the de-
22 partment shall preserve reports and returns filed with the department
23 for at least five years.

24 (2) The department or its authorized representative, upon oral or
25 written demand, may make examinations of the books, papers, records
26 and equipment of persons making retail sales of inhalant-form
27 nicotine and any other investigations the department deems necessary
28 to carry out the provisions of sections 9 to 20 of this 2019 Act.

29 SECTION 14. (1) The Department of Revenue has authority, by or-
30 der or subpoena to be served with the same force and effect and in the
31 same manner as a subpoena is served in a civil action in the circuit

1 court, or the Oregon Tax Court, to require the production at any time
2 and place the department designates of any books, papers, accounts
3 or other information necessary to carry out sections 9 to 20 of this 2019
4 Act. The department may require the attendance of any person having
5 knowledge in the premises, and may take testimony and require proof
6 material for the information, with power to administer oaths to the
7 person.

8 (2) If a person fails to comply with a subpoena or order of the de-
9 partment or to produce or permit the examination or inspection of any
10 books, papers, records and equipment pertinent to an investigation or
11 inquiry under sections 9 to 20 of this 2019 Act, or to testify to any
12 matter regarding which the person is lawfully interrogated, the de-
13 partment may apply to the Oregon Tax Court or to the circuit court
14 of the county in which the person resides or where the person is for
15 an order to the person to attend and testify, or otherwise to comply
16 with the demand or request of the department. The department shall
17 apply to the court by ex parte motion, upon which the court shall
18 make an order requiring the person against whom the motion is di-
19 rected to comply with the request or demand of the department within
20 10 days after the service of the order, or within the additional time
21 granted by the court, or to justify the failure within that time. The
22 order shall be served upon the person to whom it is directed in the
23 manner required by this state for service of process, which service is
24 required to confer jurisdiction upon the court. Failure to obey any
25 order issued by the court under this section is contempt of court. The
26 remedy provided by this section is in addition to other remedies, civil
27 or criminal, existing under the tax laws or other laws of this state.

28 SECTION 15. Notwithstanding the confidentiality provisions of sec-
29 tion 19 of this 2019 Act, the Department of Revenue may disclose in-
30 formation received under sections 9 to 20 of this 2019 Act to the Oregon
31 Health Authority to carry out the provisions of ORS 431A.175, 431A.183

1 and 433.835 to 433.875.

2 **SECTION 16.** Except as otherwise provided in sections 9 to 20 of this
3 **2019 Act,** a person aggrieved by an act or determination of the De-
4 **partment of Revenue** or its authorized agent under sections 9 to 20 of
5 **this 2019 Act** may appeal, within 90 days after the act or determi-
6 **nation,** to the Oregon Tax Court in the manner provided in ORS 305.404
7 **to 305.560.** These appeal rights are the exclusive remedy available to
8 **determine the person's liability** for the tax imposed under sections 9
9 **to 20 of this 2019 Act.**

10 **SECTION 17.** For the purpose of compensating nicotine retailers for
11 **expenses incurred in collecting the tax imposed under section 10 of this**
12 **2019 Act,** each nicotine retailer is permitted to deduct and retain two
13 **percent of the amount of taxes that are collected by the nicotine**
14 **retailer from all retail sales of inhalant-form nicotine conducted by**
15 **the nicotine retailer.**

16 **SECTION 18.** The Department of Revenue shall administer and en-
17 **force sections 9 to 20 of this 2019 Act.** The department is authorized
18 **to establish rules and procedures for the implementation and enforce-**
19 **ment of sections 9 to 20 of this 2019 Act that are consistent with**
20 **sections 9 to 20 of this 2019 Act and that the department considers**
21 **necessary and appropriate to administer and enforce sections 9 to 20**
22 **of this 2019 Act.**

23 **SECTION 19.** Except as otherwise provided in sections 9 to 20 of this
24 **2019 Act or where the context requires otherwise,** the provisions of
25 **ORS chapters 305 and 314 as to the audit and examination of returns,**
26 **periods of limitation, determination of and notices of deficiencies, as-**
27 **essments, collections, liens, delinquencies, claims for refund and re-**
28 **funds, conferences, appeals to the Oregon Tax Court, stays of**
29 **collection pending appeal, confidentiality of returns and the penalties**
30 **relative thereto, and the procedures relating thereto, apply to the de-**
31 **terminations of taxes, penalties and interest under sections 9 to 20 of**

1 **this 2019 Act.**

2 **SECTION 20. (1) All moneys received by the Department of Revenue**
3 **under sections 9 to 20 of this 2019 Act shall be deposited in the State**
4 **Treasury and credited to a suspense account established under ORS**
5 **293.445. The department may pay expenses for the administration and**
6 **enforcement of sections 9 to 20 of this 2019 Act out of moneys received**
7 **from the tax imposed under section 10 of this 2019 Act. Amounts nec-**
8 **essary to pay administrative and enforcement expenses are contin-**
9 **uously appropriated to the department from the suspense account.**

10 **(2) After the payment of administrative and enforcement expenses**
11 **and refunds or credits arising from erroneous overpayments, the de-**
12 **partment shall credit the balance of the moneys received by the de-**
13 **partment under this section to the Oregon Health Plan Fund**
14 **established under ORS 414.109.**

15 **SECTION 21. Sections 9 to 20 of this 2019 Act apply to inhalant-form**
16 **nicotine sold on or after January 1, 2020.**

17 **SECTION 22. This 2019 Act takes effect on the 91st day after the**
18 **date on which the 2019 regular session of the Eightieth Legislative**
19 **Assembly adjourns sine die.**

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