

SB 587 -1, -3, -4, -5 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Sub-Referral To: Senate Committee On Finance and Revenue

Meeting Dates: 3/1, 3/10, 3/17

WHAT THE MEASURE DOES:

Requires Department of Revenue (DOR) to issue license to qualified retailers of tobacco products and inhalant delivery systems and prohibits unlicensed sale of tobacco products and inhalant delivery systems. Exempts sales of inhalant delivery systems made at licensed medical marijuana dispensaries and recreational marijuana retailers. Specifies qualifications for licensure. Requires DOR to publish list of licensees. Requires licensees to post proof of licensure in a clear and conspicuous place at the premises. Specifies processes for suspension, revocation, or refusal to issue or renew licensure. Allows DOR to issue civil monetary penalties not exceeding \$1,000 for specified violations. Allows DOR and law enforcement agencies to seize, and make subject to forfeiture, contraband tobacco products and inhalant delivery systems. Continuously appropriates collected moneys in suspense account to DOR for specified purposes. Directs DOR, Oregon Health Authority (OHA), and local public health authorities (LPHAs) to share necessary information for effective administration of retail licensure requirements. Permits OHA to issue civil monetary penalties not exceeding \$5,000 for violations of public health laws related to sale of tobacco products and inhalant delivery systems. Requires OHA to inspect licensed retailers of tobacco products and inhalant delivery systems at least once a year. Allows local public health authority to enforce local standards for regulation of sale of tobacco products and inhalant delivery systems or enforce state standards for regulation of sale of tobacco products and inhalant delivery systems. Prohibits city or LPHA from adopting ordinance, after effective date of Act, to prohibit colocation of retailer of tobacco products or inhalant delivery systems with pharmacy. Permits LPHAs to issue civil monetary penalties not exceeding \$5,000 for violations of licensed sale of tobacco products and inhalant delivery systems. Takes effect on 91st day following adjournment sine die.

REVENUE: No revenue impact.

FISCAL: Fiscal statement issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Clarifies operative dates.

-3 Provides that retailers operating in an area subject to the jurisdiction of a city or local public health authority with its own licensure requirements is not required to obtain additional licensure. Allows city or local public health authority that, on or before January 1, 2020, enforced standards for retail licensure to continue to enforce those standards.

-4 Provides that retailers operating in an area subject to the jurisdiction of a city or local public health authority with its own licensure requirements is not required to obtain additional licensure. Allows city or local public health authority that, on or before January 1, 2021, enforced standards for retail licensure to continue to enforce those standards.

-5 Prohibits DOR from requiring retailer to obtain additional license if retailer is already licensed by a city or local public health authority. Requires retailers to post licenses. Clarifies intergovernmental agreement requirements

between OHA and DOR. Allows city or local public health authority that, on or before January 1, 2021, enforced standards for retail licensure to continue to enforce those standards.

BACKGROUND:

According to the Centers for Disease Control and Prevention (CDC), tobacco use is the leading cause of preventable disease in the United States, prematurely killing more than 480,000 people (or about one in every five people) each year. Another 16 million people have a serious illness caused by smoking or secondhand smoke exposure. The effects of smoking costs the United States nearly \$170 billion in direct medical costs and more than \$156 billion in lost productivity annually. The Surgeon General has found that licensing retailers is an evidence-based tobacco control measure to reduce tobacco use by letting states and localities know who is selling tobacco products in their jurisdiction and allowing enactment and enforcement of policies that that help to prevent young people from ever starting to use tobacco products. As of September 30, 2020, 27 states and the District of Columbia require retailers to have a license to sell either conventional tobacco products or e-cigarettes over the counter.

Senate Bill 587 prohibits the sale of sale of tobacco products and inhalant delivery systems in Oregon unless the retailer is licensed by the Department of Revenue.