

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: General Government Subcommittee

From: Zane Potter, Legislative Fiscal Office

Date: June 14, 2021

Subject: SB 587– Relating to public health
Work Session Recommendations

Senate Bill 587 prohibits the retail sale of tobacco products or inhalant delivery systems in Oregon unless the retailer is licensed by the Department of Revenue (DOR), with exceptions. The measure requires DOR to issue and annually renew licenses for the retail sale of these products and systems and authorizes the department to establish fees and impose civil monetary penalties.

The measure requires the Oregon Health Authority (OHA) to establish fees and impose civil penalties to enforce the regulation of tobacco products and inhalant delivery systems. The measure authorizes OHA and DOR to enter into an agreement for DOR to collect fees and transfer fee moneys to OHA. OHA is required to ensure that a retailer is inspected at least once a year. The measure requires OHA to establish a database to collect information from local public health authorities (LPHAs) and the public regarding the regulation of the retail sale of tobacco products and inhalant delivery systems. Finally, the measure authorizes LPHAs to enforce local standards for regulating the retail sale of these products and systems or enforce state standards.

The estimated fiscal impact for DOR is \$1,174,046 Other Funds, 5 positions (4.50 FTE) for the 2021-23 biennium. The positions will carry out the licensing and compliance responsibilities required in the measure.

The estimated fiscal impact for OHA is \$2,061,726 Other Funds, 12 positions (7.74 FTE) for the 2021-23 biennium. The positions will support retail compliance inspections, provide technical assistance to LPHAs, assess program effectiveness, and conduct program outreach and policy work.

The measure previously had hearings in the Senate Committee on Health Care on 3/1/2021, 3/10/2021 and 3/17/2021 and was reported out with a do pass recommendation as amended. The fiscal impact statement is available on OLIS.

Recommended Changes

LFO recommends adoption of the -A7 amendment, which provides Other Funds expenditure limitation increase of \$1,174,046 to DOR and Other Funds expenditure limitation increase of \$2,061,726 to OHA to implement the measure.

Final Subcommittee Action

LFO recommends that SB 587, as amended by the -A7 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____