

SB 587 A STAFF MEASURE SUMMARY

Senate Committee On Health Care

Action Date: 03/17/21

Action: Do pass with amendments, subsequent referral to Finance and Revenue be rescinded and requesting referral to Ways and Means. (Printed A-Eng.)

Vote: 4-0-1-0

Yeas: 4 - Beyer, Knopp, Manning Jr, Patterson

Exc: 1 - Heard

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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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 the 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. Prohibits DOR from requiring retailer to obtain additional license if retailer is already licensed by a city or local public health authority. 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 LPHA 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. Prohibits city or local public health authority from requiring retailer to hold a license or other authorization from the city or local public health authority in addition to license issued by 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. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Licensure requirements for sale of other age-restricted products
- Tobacco 21 and Measure 108 (2020)
- Health effects of tobacco use, including inequities and underage use
- Impacts of licensure on ability to enforce tobacco sale and use laws
- Current local retail licensure and statewide distributor requirements
- Impact of statewide retail licensure on local licensure laws
- Implementation of statewide retail licensure

EFFECT OF AMENDMENT:

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 information sharing requirements between OHA and DOR. Prohibits city or local public health authority from requiring retailer to hold a license or other authorization from the city or local public health authority in addition to license issued by 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. Clarifies operative dates.

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