HB 2528 B -B8 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Jonathan Hart, Economist

Meeting Dates: 6/23

WHAT THE MEASURE DOES:

Adds nicotine derived from any source to the definition of tobacco products for purposes of regulation. Repeals the criminal prohibition of sales of tobacco products and inhalant delivery systems to a person under 21 and replaces it with a civil prohibition enforced by the Oregon Health Authority (OHA). Prohibits distributing, offering, or providing free samples of tobacco/nicotine products or inhalant delivery systems. Requires sale of tobacco and nicotine products to occur at licensed premises. Applies beginning October 1, 2025. Takes effect on 91st day following sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-B8 Explicitly excludes foods with trace amounts of naturally occurring nicotine from definition of "tobacco products."

BACKGROUND:

HB 2528 would add products with nicotine from any source to Oregon regulation.

The products are included in federal regulation. In 2020 Congress raised the minimum age to purchase tobacco products to 21. In 2022, Congress expanded the definition of tobacco products for regulation to include products containing "nicotine from any source" in the Consolidated Appropriations Act. The U.S. Food and Drug administration has specifically noted that nicotine pouches are subject to regulation.

While many products would be added to regulation under the bill, the primary category of additional products are <u>nicotine pouches</u>. An oral nicotine pouch is a small bag that contains nicotine and some other ingredients, but it does not contain tobacco leaf. Other products include nicotine lozenges that look like small hard candies and as they dissolve, the nicotine is absorbed by the mouth. The leading nicotine pouch in the United States is ZYN, with owner <u>Philip Morris International reporting</u> shipments of 202 million cans (usually 15 pouches each) in the first quarter of 2025, and a market share around 70 percent of value and 60 percent of volume.