

OFFICE OF THE SECRETARY OF STATE
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NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/29/2025 4:25 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Tobacco Products and Inhalant Delivery System Retail Licensure: Application, Renewal, Fee

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/18/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Salem, OR 97301

Filed By:
Katie McCann
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/18/2025

TIME: 10:00 AM

OFFICER: Joil Southwell

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

SPECIAL INSTRUCTIONS:

Join by video: <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

Meeting ID: 236 933 801 924 6

Passcode: 3L2cg2xt

Join by phone:

+1 503-446-4951

Phone conference ID: 522 923 218#

NEED FOR THE RULE(S)

150-323-0500- Increases the Annual DOR License Application Fee from \$230 to \$261 effective January 1, 2026.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS Chapter 323: https://www.oregonlegislature.gov/bills_laws/ors/ors323.html

ORS Chapter 431A: https://www.oregonlegislature.gov/bills_laws/ors/ors431A.html

OAR 150-323-0500: <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=283866>

House Bill 3940 (2025):

<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/HB3940/Enrolled>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

This rule is not anticipated to directly impact racial equity in the state. The rule applies to all retailers of tobacco products and inhalant delivery systems in the state that are subject to a state tobacco retail license.

FISCAL AND ECONOMIC IMPACT:

Retailers of tobacco products in jurisdictions subject to a state tobacco retail license will pay an additional \$31 annually to obtain retail license. The increase is a 13.48% increase from the previous rate due to the increase in personal services costs to the Department from the FY 21-23 biennium to the current 25-27 biennium.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no direct impact to state agencies, units of local government, and members of the general public. Retailers of tobacco products in jurisdictions subject to a state tobacco retail license will pay an additional \$31 annually to obtain a retail license.

(2)(a) There are approximately 1,150 small businesses impacted by this rule. This includes tobacco retailers located in areas subject to a state tobacco retail license.

(b) None anticipated.

(c) None anticipated.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were included in the rule development with membership on the Rules Advisory Committee and the public comment period.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 150-323-0500

RULE SUMMARY: Increases the annual DOR License Application fee for an Oregon Tobacco Retail license effective October 1, 2025.

CHANGES TO RULE:

150-323-0500

Tobacco Products and Inhalant Delivery System Retail Licensure: Application, Renewal, Fee

(1) Definitions¶¶

(a) The definitions in ~~Oregon Laws 2021, chapter 586, section 1~~RS 431A.190 apply to the terms used in this rule, in addition to the following definitions.¶¶

(b) "Annual DOR license application fee" means the fee adopted by the department in this rule to be paid by a retailer of tobacco products or inhalant delivery systems at the time that the retailer submits an application under this rule.¶¶

(c) "Application" includes the application form and any additional documentation or information requested by the department from a retailer to verify compliance with local law prior to issuance of a tobacco retail license.¶¶

(d) "Department" means the Oregon Department of Revenue.¶¶

(e) "Initial application" means the first application for a tobacco retail license from a retailer for the premises included in the application.¶¶

(f) "Local fee" means a fee adopted by a city or governing body of a local public health authority adopted by an ordinance to be paid by a retailer.¶¶

(g) "Local law" includes any ordinance or code enacted by the governing body of a local public health authority regulating the qualifications for engaging in the retail sale of tobacco products or of inhalant delivery systems.¶
(h) "Local tobacco retail license" means a valid license issued by a city or governing body of a local public health authority to a retailer for periods beginning on or after January 1, 2022.¶
(i) "Oregon Health Authority fee" means the fee adopted by the Oregon Health Authority to be paid by a retailer at the same time the annual DOR license application fee is paid.¶
(j) "Renewal application" means an application for a license from a retailer for the premises included in the application other than an initial application.¶
(k) "Retailer" means a person or entity, as that term is defined in ORS 60.001, that sells for consideration, offers for retail sale, holds for sale, or exchanges or offers to exchange tobacco products or inhalant delivery systems or that distributes free or low-cost samples of tobacco products or inhalant delivery systems from a premises.¶
(l) "Tobacco retail license" or "annual tobacco retail license" means a license issued by the department to a retailer for the sale of tobacco products or inhalant delivery systems.¶
(m) "Tobacco retail license fee" means the fee adopted by the department in this rule, any applicable Oregon Health Authority fee, and any local fee adopted by a city or governing body of a local public health authority where a retailer is located.¶

(2) Tobacco Retail License Initial Application¶

(a) An application for a tobacco retail license shall be submitted to the department on behalf of each retailer that is not subject to a local tobacco retail license issued by a city or governing body of a local public health authority. A retailer may not engage in the retail sale of tobacco products prior to receiving a tobacco retail license from the department.¶

(b) The department will not consider an application for a tobacco retail license complete until the department receives the payment of the tobacco retail license fee in full for each premises included on the application and any documentation required to be submitted to the department by the retailer to demonstrate compliance with local law regulating the qualifications for engaging in the retail sale of tobacco products or inhalant delivery systems.¶

(A) If a retailer submits an application for a tobacco retail license without payment of the tobacco retail license fee in full for each premises on the application the department will notify the retailer that the application is incomplete.¶

(B) If the retailer does not remit full payment of the tobacco retail license fee for each premises on the application within 14 calendar days from the date of the notice, the department will consider the application incomplete and refund any amount paid.¶

(C) A retailer required to possess a tobacco retail license may not engage in the retail sale of tobacco products or inhalant delivery systems ~~on or after January 1, 2022,~~ until the department approves the completed application of the retailer and issues a tobacco retail license to the retailer.¶

~~(c) Completed applications for a tobacco retail license that are received prior to January 1, 2022, and approved by the department, will be effective from January 1, 2022, through December 31, 2022. Completed applications for a tobacco retail license received on or after January 1, 2022, will be effective for a one-year period from the date the completed application is received, reviewed, and approved by the department through the end of the calendar month of the issuance date.¶~~

~~(3) Annual DOR License Application Fee. The annual DOR license application fee for applications effective beginning on or after January 1, 2022, is \$230. The department shall review the annual DOR license fee amount annually.~~
department shall review the annual DOR license fee amount annually. The fee shall be calculated based on the effective date of the license and charged at the rate listed below.¶

(a) Application Effective Date:¶

(b) January 1, 2022, through December 31, 2025: \$230;¶

(c) On or After January 1, 2026: \$261.¶

(4) Tobacco Retail License Renewal Application. A retailer may apply for a renewal of their annual tobacco retail license beginning the first day of the calendar month of expiration. A retailer must submit the full tobacco license fee in effect at the time of renewal.¶

(5) Annual DOR License Application Fee Nonrefundable. If the Department issues a tobacco retail license to a retailer, then that annual DOR license application fee is nonrefundable. If the Department denies an initial or renewal application for a tobacco retail license, and that denial becomes final, then the Department will refund that annual DOR license application fee.

Statutory/Other Authority: ~~ORS 305.100, Chapter 586, 2021 Oregon Laws Section 5431A.198~~

Statutes/Other Implemented: ~~Chapter 586, 2021 Oregon Laws Section 5~~ORS 431A.198