

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: George L., Monnes Anderson, Starr, Metsger
Nays: 0
Exc.: Deckert
Prepared By: Janet Adkins, Administrator
Meeting Dates: 3/5

WHAT THE MEASURE DOES: Conforms two statutes by redefining cider for the purposes of the Liquor Control Act to include only beverages that contain seven percent or less of alcohol by volume.

ISSUES DISCUSSED:

- Legislative history – current inconsistency between the two statutes
- Classification as wine if alcohol exceeds statutory definition
- No change to tax status of small producers
- Need for consistency of definition statute

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Liquor Control Commission (OLCC) licenses businesses and persons within Oregon to manufacture, distribute, take orders for, and sell spirits, wines, beer and other alcoholic liquors. Currently, cider is defined in one Oregon statute (ORS 471.023) as an alcoholic beverage made of fermented juice of apples or pears containing ten percent or less alcohol by volume, including flavored, sparkling, or carbonated cider. Another statute (ORS 473.015) defines cider as having seven percent alcohol or less.

House Bill 2165 would amend the first statute to reduce the maximum allowable alcohol content for cider from ten percent to seven percent. This change also brings Oregon statute into compliance with the federal definition of cider, which is important for labeling purposes and for sale across state lines. If House Bill 2165 becomes law, cider-type beverages that contain more than seven percent alcohol by volume would fall under the definition of wine.