

**REVENUE:** Revenue statement issued

**FISCAL:** May have fiscal impact, statement not yet issued

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**Action:** Do Pass and Be Referred to the Committee on Ways and Means by prior reference

**Vote:** 4 - 0 - 1

**Yeas:** Kruse, Monnes Anderson, Verger, Morrisette

**Nays:** 0

**Exc.:** George G.

**Prepared By:** Ilana Weinbaum, Administrator

**Meeting Dates:** 2/5, 2/12

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**WHAT THE MEASURE DOES:** Directs Oregon Department of Administrative Services to transfer two percent of gross revenues derived from sales of distilled liquors to the Mental Health Alcoholism and Drug Services Account. Specifies that the money deposited in the account can only be used to establish, operate, and maintain programs for alcohol and drug abuse prevention, early intervention and treatment services, and drug courts. Declares emergency, takes effect on passage.

**ISSUES DISCUSSED:**

- Proposed uses of funds in Mental Health Alcoholism and Drug Services Account
- Requirements for performance-based outcome measures for prevention and treatment programs
- Epidemic proportions of the substance abuse problem and additional funds needed for prevention and treatment programs
- Counties and cities current use of funds from liquor sales and problems associated with reduced funding to counties and cities
- Potential savings to law enforcement agencies by investing in prevention and treatment services

**EFFECT OF COMMITTEE AMENDMENT:** No Amendment.

**BACKGROUND:** Although Oregon law currently dedicates 50% of beer and wine tax revenue to alcohol and drug abuse prevention, early intervention and treatment services, the law does not currently dedicate any of the revenue generated from Oregon distilled liquor sales to addiction treatment or prevention.

At the end of each month, the Oregon Liquor Control Commission distributes the funds available from liquor sales to the General Fund, cities and counties based on a formula determined by ORS 471.810. Senate Bill 184 would dedicate two percent of Oregon's total gross distilled liquor revenue to enhancing the availability of drug and alcohol abuse prevention, early intervention and treatment. It is estimated that in 2007/09, this would lead to an additional \$17 million dollars for drug and alcohol prevention and treatment services. The money will be deposited in the Mental Health Alcoholism and Drug Services Account.

Money could be spent in several ways: 1) on targeted addiction and intervention services for children and families who are at risk, or already involved in the child welfare system due to addiction problems; 2) on expanding Oregon's drug courts; and 3) to launch a new youth substance abuse prevention initiative that will provide new tools for communities to take action in the fight against underage drinking and drug abuse.