

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3122

STATUS: A Engrossed

SUBJECT: Allows holder of full on-premises or limited on-premises sales license to obtain “Honest Pint” verification.

GOVERNMENT UNIT AFFECTED: Department of Human Services, Oregon Liquor Control Commission, county health departments

PREPARED BY: Kim To

REVIEWED BY: Ken Rocco, Michelle Deister

DATE: April 29, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		

EFFECTIVE DATE: January 1, 2010

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This measure allows the holder of full on-premises or limited on-premises sales license to obtain “Honest Pint” verification. The bill authorizes the Department of Human Services (DHS) to adopt rules necessary to verify the amount of liquid held by pint glasses used at these premises in order to provide the holder of the license with written verification of the measurement. The bill requires the Oregon Liquor Control Commission (OLCC) to design a decal that features the words “Honest Pint” for display at qualifying premises. The right to display the decal expires two years after issuance or renewal, unless DHS performs a new measurement verification and OLCC renews the right to display the certificate.

Passage of this bill would have minimal fiscal impact on the Department of Human Services, Oregon Liquor Control Commission and county health departments. DHS anticipates the cost of creating new forms and training to be \$20,000 General Fund. OLCC reports that there are approximately 6,000 OLCC issued licensed businesses in Oregon that are allowed to sell draught malt beverages to customers by the glass. Assuming that half these licensees would participate, OLCC estimates that the cost to licensees for the issuance of an “Honest Pint” decal to be \$10 for two years. The fee would cover the cost of decal design, decal production, staff time to track and process decal issuance and fee collection. County health departments estimate the verification of the measurement would require between 10 to 15 minutes of a health inspector time. Additional costs include the purchase of “Honest Pint” measuring tools for inspectors. County health departments anticipate these costs would be minimal.

Note that the bill authorizes OLCC to charge the holder of a license a fee, not to exceed the cost of providing the decal service. In addition, the measure allows DHS to charge the holder of the license a reasonable fee for conducting the measurement and providing the written measurement verification. Because county health departments would carry out these inspections through the intergovernmental agreement as defined in Oregon Revised Statutes 624.510, the authority to set fees for this inspection would also be transferred to county health departments.