

House Bill 3262

Sponsored by COMMITTEE ON REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Imposes prevention, treatment and recovery tax on malt beverages. Creates Alcohol Impact Remediation Fund. Continuously appropriates moneys in fund to Department of Human Services. Distributes moneys to alcohol and drug abuse prevention, treatment and recovery services.

Creates Oregon State Police Patrol Division Fund. Continuously appropriates moneys in fund to Department of State Police for carrying out patrol division functions of Oregon State Police and for related administrative costs.

Applies to prevention, treatment and recovery tax reporting periods beginning on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to prevention, treatment and recovery tax; creating new provisions; amending ORS 471.805;
3 appropriating money; prescribing an effective date; and providing for revenue raising that re-
4 quires approval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 473.**

7 **SECTION 2. (1) In lieu of the tax imposed under ORS 473.030 and in addition to any**
8 **charge imposed under any other law, in order to recover a portion of the government costs**
9 **incurred as a result of the consumption of malt beverages, a manufacturer or an importing**
10 **distributor of malt beverages shall be subject to a prevention, treatment and recovery tax**
11 **of:**

12 (a) \$_____ per barrel of 31 gallons of malt beverage, if manufactured by a brewery that
13 is not entitled to receive a reduced rate under section 5051(a)(2) of the Internal Revenue
14 Code, as amended and in effect on April 1, 2011; or

15 (b) \$_____ per barrel of 31 gallons of malt beverage, if manufactured by a brewery that
16 is entitled to receive a reduced rate under section 5051(a)(2) of the Internal Revenue Code,
17 as amended and in effect on April 1, 2011.

18 (2) The prevention, treatment and recovery tax shall be applied proportionally to quanti-
19 ties in containers of different capacity than the quantity specified in this section.

20 (3) The prevention, treatment and recovery tax shall be paid to the Oregon Liquor Con-
21 trol Commission at the same time that privilege taxes are paid to the commission.

22 (4) For all purposes of collection and enforcement, reporting, claims for refunds, penal-
23 ties, interest, record keeping, inspection of records, appeals, confidentiality and disclosure
24 of information, the prevention, treatment and recovery tax shall be considered to be a priv-
25 ilege tax imposed under ORS 473.030.

26 **SECTION 3. ORS 471.805 is amended to read:**

27 471.805. (1) Except as otherwise provided in ORS 471.810 (2), all money collected by the Oregon

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 Liquor Control Commission under this chapter and ORS chapter 473 and privilege taxes shall be
 2 remitted to the State Treasurer who shall credit it to a suspense account of the commission.
 3 Whenever the commission determines that moneys have been received by it in excess of the amount
 4 legally due and payable to the commission or that it has received money to which it has no legal
 5 interest, or that any license fee or deposit is properly refundable, the commission is authorized and
 6 directed to refund such money by check drawn upon the State Treasurer and charged to the sus-
 7 pense account of the commission. After withholding refundable license fees and such sum, not to
 8 exceed \$250,000, as it considers necessary as a revolving fund for a working cash balance for the
 9 purpose of paying travel expenses, advances, other miscellaneous bills and extraordinary items
 10 which are payable in cash immediately upon presentation, the commission shall direct the State
 11 Treasurer to transfer the money remaining in the suspense account **as follows:**

12 **(a) An amount equal to the amount collected under section 2 of this 2011 Act shall be**
 13 **distributed as follows:**

14 **(A) _____ percent shall be transferred to the Alcohol Impact Remediation Fund created**
 15 **under section 4 of this 2011 Act;**

16 **(B) _____ percent shall be transferred to the Oregon State Police Patrol Division Fund**
 17 **created under section 5 of this 2011 Act;**

18 **(C) _____ percent shall be transferred to and distributed among the counties of this**
 19 **state according to the allocation proportions determined under ORS 190.510 to 190.610; and**

20 **(D) _____ percent shall be transferred to and distributed among the cities of this state**
 21 **according to the allocation proportions determined under ORS 190.510 to 190.610; and**

22 **(b) The balance of the suspense account following the transfer of funds under paragraph**
 23 **(a) of this subsection shall be transferred** to the Oregon Liquor Control Commission Account in
 24 the General Fund. Moneys in the Oregon Liquor Control Commission Account are continuously ap-
 25 propriated to the commission to be distributed and used as required or allowed by law.

26 (2) All necessary expenditures of the commission incurred in carrying out the purposes required
 27 of the commission by law, including the salaries of its employees, purchases made by the commission
 28 and such sums necessary to reimburse the \$250,000 revolving fund, shall be audited and paid from
 29 the Oregon Liquor Control Commission Account in the General Fund, upon warrants drawn by the
 30 Oregon Department of Administrative Services, pursuant to claims duly approved by the commission.

31 **SECTION 4. (1) The Alcohol Impact Remediation Fund is created, separate and distinct**
 32 **from the General Fund. Interest earned by the Alcohol Impact Remediation Fund shall be**
 33 **credited to the Alcohol Impact Remediation Fund.**

34 **(2) Moneys in the Alcohol Impact Remediation Fund are continuously appropriated to the**
 35 **Department of Human Services to be distributed in each calendar quarter as follows:**

36 **(a) 15 percent for the purpose of funding section 8 (1) and (2), chapter 14, Oregon Laws**
 37 **2008.**

38 **(b) The remaining balance in the fund shall be used as follows:**

39 **(A) 6 percent for statewide alcohol and drug use prevention initiatives;**

40 **(B) 14 percent for other alcohol and drug use prevention purposes;**

41 **(C) 72 percent for treatment of alcohol and drug addiction; and**

42 **(D) 8 percent for alcohol and drug recovery support services.**

43 **(3) The distribution described in subsection (2)(b) of this section shall be subject to a**
 44 **strategic planning process conducted at the start of each biennium by the department, in-**
 45 **volving counties, tribes and private and public organizations involved in addiction prevention,**

1 treatment and recovery programs.

2 (4)(a) Any recipient of funds under subsection (2)(b) of this section, including the de-
3 partment, may not use more than eight percent of the funds received for administrative
4 purposes.

5 (b) If requested by the department, a recipient of funds under this section shall cause
6 an independent audit of the expenditure of these funds to be performed to ensure that the
7 expenditure of the funds is for the purposes designated. The recipient shall submit a report
8 of the audit to the department.

9 (c) The department may not be charged and is not liable for the costs of an audit de-
10 scribed in this subsection.

11 SECTION 5. The Oregon State Police Patrol Division Fund is created, separate and dis-
12 tinct from the General Fund. Interest earned by the Oregon State Police Patrol Division
13 Fund shall be credited to the fund. Moneys in the Oregon State Police Patrol Division Fund
14 are continuously appropriated to the Department of State Police to be expended for carrying
15 out the patrol division functions of the Oregon State Police and for related administrative
16 costs.

17 SECTION 6. Section 2 of this 2011 Act applies to prevention, treatment and recovery tax
18 reporting periods beginning on or after the effective date of this 2011 Act.

19 SECTION 7. The amendments to ORS 471.805 by section 3 of this 2011 Act become oper-
20 ative 60 days after the effective date of this 2011 Act.

21 SECTION 8. This 2011 Act takes effect on the 91st day after the date on which the 2011
22 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.
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