

# Senate Bill 696

Sponsored by Senator MONROE

## 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**.

Authorizes counties to impose taxes on malt beverages and wine. Directs Oregon Liquor Control Commission to collect taxes. Distributes tax revenues to counties imposing tax, for specified purposes relating to alcohol or drug addiction.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to taxation of alcoholic beverages; creating new provisions; amending ORS 473.190; appro-  
3 priating money; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 to 4 of this 2011 Act are added to and made a part of ORS chapter**  
6 **473.**

7 **SECTION 2. (1) The governing body of each county in this state may impose a tax on**  
8 **malt beverages or wine sold at retail in the county. The governing body may impose the tax**  
9 **by enacting a nonemergency ordinance.**

10 **(2) If authorized by the governing body of the county, the tax may be imposed only as**  
11 **prescribed in this section.**

12 **(3) The tax shall be imposed on manufacturers or importing distributors of malt beverage**  
13 **or wine based on quantities of retail sales reported as required under section 3 of this 2011**  
14 **Act.**

15 **(4) Each county governing body enacting an ordinance described in this section shall send**  
16 **a copy of the ordinance to the Oregon Liquor Control Commission. The ordinance shall be-**  
17 **come operative on the first day of the first month that begins more than 91 days following**  
18 **the date of enactment of the ordinance.**

19 **SECTION 3. (1) Each person that sells malt beverages or wine at retail in a county that**  
20 **has enacted a tax authorized under section 2 of this 2011 Act shall report on the monthly**  
21 **sales of malt beverages and wine by the person in the county to the Oregon Liquor Control**  
22 **Commission at the time and in the form prescribed by the commission. The report shall**  
23 **contain any information required by the commission, including the quantity of monthly retail**  
24 **sales of malt beverages and wine for each manufacturer or importing distributor of the malt**  
25 **beverages or wine whose product is sold by the person in the county.**

26 **(2) Based on the sales data reported under subsection (1) of this section or as otherwise**  
27 **determined by the commission, the commission shall prepare billing statements for each**  
28 **manufacturer or importing distributor of malt beverages or wine that reflect the distribution**  
29 **of malt beverages or wine to counties that have enacted the tax authorized under section 2**  
30 **of this 2011 Act.**

**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 (3) The commission shall send billing statements to each manufacturer or importing  
2 distributor of malt beverages or wine each calendar quarter. A manufacturer or importing  
3 distributor shall pay the taxes billed to the manufacturer or importing distributor within 20  
4 days of the date of billing. Payment must be made to the commission in the form and manner  
5 prescribed by the commission.

6 (4) The commission shall deposit taxes collected under this section in the Alcoholic  
7 Beverage Tax Fund.

8 (5) For purposes of collection and enforcement, claims for refunds, penalties, interest,  
9 record keeping, inspection of records, appeals, confidentiality and disclosure of information,  
10 the tax shall be considered to be a privilege tax imposed under ORS 473.030.

11 **SECTION 4.** (1) The Alcoholic Beverage Tax Fund is established in the State Treasury,  
12 separate and distinct from the General Fund.

13 (2) Moneys in the Alcoholic Beverage Tax Fund are continuously appropriated to the  
14 Oregon Liquor Control Commission for the purpose of making the following distributions:

15 (a) Amounts necessary to reimburse the commission for the expenses incurred in ad-  
16 ministering sections 2 to 4 of this 2011 Act, not to exceed \_\_\_\_\_ percent of the fund balance  
17 prior to distribution, shall be distributed to the commission; and

18 (b) The balance of the fund shall be distributed to the counties of this state that have  
19 imposed taxes pursuant to section 2 of this 2011 Act, with each county's share proportionate  
20 to the amount of tax revenues that are allocable to retail sales of malt beverages and wine  
21 in that county.

22 **SECTION 5.** (1) Revenue received by a county from a tax imposed by the county under  
23 section 2 of this 2011 Act may be used only for the following purposes:

24 (a) Alcohol or drug addiction prevention;

25 (b) Alcohol or drug addiction treatment;

26 (c) Law enforcement programs that apply to persons with alcohol or drug addiction; and

27 (d) Criminal justice programs that are utilized by courts or by corrections departments  
28 for alcohol or drug addiction prevention or treatment.

29 (2) The use of revenues received from a tax imposed by a county under section 2 of this  
30 2011 Act shall be determined by the county governing body based on local community needs,  
31 except that the county governing body may not allocate less than 15 percent or more than  
32 35 percent of the total amount of moneys to be allocated annually to any one category of  
33 authorized uses under subsection (1) of this section.

34 (3) The governing body of a county receiving tax revenues under this section shall cause  
35 an independent audit to be performed annually on the uses of the revenues.

36 **SECTION 6.** ORS 473.190 is amended to read:

37 473.190. [No county or city of] A city in this state [shall] may not impose any fee or tax, in-  
38 cluding occupation taxes, privilege taxes and inspection fees, in connection with the production,  
39 sale, mixing, serving, transporting, delivering or handling of malt or other alcoholic liquors.

40 **SECTION 7.** This 2011 Act takes effect on the 91st day after the date on which the 2011  
41 session of the Seventy-sixth Legislative Assembly adjourns sine die.

42