

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1559 - A14

Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Creates a task force to evaluate distribution and sales of distilled liquor and potential means of modernizing Oregon’s distilled spirits system; requires a report to an interim committee of the Legislative Assembly no later than October 1, 2014; removes OLCC generally from list of criminal justice agencies, substituting specific OLCC liquor inspectors instead.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC)

Summary of Expenditure Impact:

Please see analysis

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:

The measure, as amended, contains offsetting fiscal impacts. The portion of the bill creating a task force to evaluate the distribution and sales of distilled liquor is generally minimal, and results primarily from travel expenses for task force members. The OLCC anticipates having to contract for professional services for portions of the evaluation. Expected costs for the consulting services are estimated to be in a range from \$50,000 to \$200,000 depending on the scope of services contracted.

The remaining portion of the measure makes changes to the list of agencies identified as criminal justice agencies for the purpose of certain statutes. The Oregon Liquor Control Commission (OLCC) is removed from the list, substituting instead liquor enforcement inspectors as defined in statute. OLCC was added to the list by SB 1528 (2012 session). This had the unintended consequence of preventing OLCC access to the in-state criminal background information through the Law Enforcement Data System (LEDS) administered by the Oregon State Police (OSP). The result of the SB 1528 change was that OLCC would have to contract for the provision of commercial criminal histories at an average cost of \$16.65 per check. OLCC processes roughly 10,000 of these background checks annually for a total annual cost of \$166,500. The changes contemplated in the bill allow the OLCC to resume access to LEDS, thus saving this expense. Assuming an effective date of April 1, 2014, the reduction in fees paid for background checks would be roughly \$208,000 in the 2013-15 biennium and \$330,000 in the 2015-17 biennium.

The net impact of these two changes is an estimated savings in the 2013-15 biennium of up to \$158,000 and up to \$330,000 in the 2015-17 biennium.