

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO:

---

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 3/30

---

**WHAT THE MEASURE DOES:** Prohibits retail sale of granulated alcohol. Allows sale of granulated alcohol at wholesale only for scientific, industrial, manufacturing or other purposes approved by Oregon Liquor Control Commission.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

**BACKGROUND:** In April 2014, the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB) approved labels for a product called Palcohol that can be added to water to make an alcoholic beverage.

The makers of Palcohol, who are seeking federal approval to market it, say their freeze-dried vodka, rum, “powderitas” and other drinks will appeal to backpackers and others who want a lightweight, more portable form of liquor. Within two weeks of approving the labels, the TTB issued a statement that the label approvals were issued in error. In March 2015, the TTB approved the revised labels for Palcohol, allowing the product to be sold legally in the United States, unless otherwise prohibited.

As of March 2015, Alaska, Louisiana, South Carolina, Vermont and Virginia statutorily prohibit the sale of powdered alcohol. Delaware and Michigan have included powdered alcohol in their statutory definitions of alcohol so that the product is regulated under their existing alcohol statutes. Additionally, forty-seven bills in 28 states have been introduced in the 2015 legislative session to date.