

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

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Reviewed By: Michelle Deister, Legislative Fiscal Office

Agency: Oregon Liquor Control Commission

Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 133,738	\$ 133,738	100.0%
Total	\$ -	\$ -	\$ 133,738	\$ 133,738	100.0%

Position Summary

Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) positions	0.00	0.00	0.75	0.75	

Revenue Summary

The Oregon Liquor Control Commission (OLCC) is financed entirely with Other Funds revenue. The three major sources of revenue are the sale of distilled spirits (forecasted to generate revenues of approximately \$1.1 billion), privilege taxes on malt beverages and wines (forecasted to generate revenues of approximately \$36.6 million), and licensing and fees (forecasted to generate revenues of approximately \$10.3 million). After subtracting the cost of liquor, freight, current liabilities, encumbrances, and the agency’s operating expenditures, surplus proceeds from sales, taxes, fees, and fines are allocated as follows:

- Privilege tax on beer and wine sales: two cents per gallon of wine tax is distributed to the Wine Advisory Board; the balance is allocated 50.0 percent to fund Addictions and Mental Health Programs. The remaining 50 percent is deposited into the Oregon Liquor Control Commission Account and distributed as described below.
- Revenues from liquor sales, license fees, civil penalties and fines, and miscellaneous revenues are allocated 56.0 percent to General Fund, 20.0 percent to cities based on population, 10.0 percent to counties based on population, and 14.0 percent to cities based on a revenue sharing distribution formula.

House Bill 2803 will be funded using existing revenues from agency operations and will reduce the amount of surplus proceeds allocated for distribution.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2803 modifies the beverage container redemption program and expands the requirements to be administered and enforced by OLCC. The bill modifies requirements for beverage container dealers, imposes reporting requirements, grants OLCC the authority to inspect space occupied by dealers, and requires that OLCC ensure compliance of dealers located within a convenience zone served by a redemption center. If

OLCC determines a dealer is in violation, the Commission must provide the dealer with written notice of the violation. The dealer must cure the violation within 60 days to avoid a civil penalty. If violations are not cured within 60 days, OLCC is required to impose a civil penalty of at least \$200 per day. All penalties recovered from such violations shall be paid to the State Treasury and credited to the General Fund.

The Subcommittee provided OLCC with \$133,738 Other Funds expenditure limitation and one permanent full-time position (0.75 FTE). The new position is a Compliance Specialist 3 and will manage increased workload anticipated under House Bill 2803.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2803-B

Oregon Liquor Control Commission
Dustin Ball -- 503-378-3119

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<u>Oregon Liquor Control Commission</u>									
SCR 003 - Administration and Support									
Personal Services	\$ -	\$ -	\$ 125,038	\$ -	\$ -	\$ -	\$ 125,038	1	0.75
Services and Supplies	\$ -	\$ -	\$ 8,700	\$ -	\$ -	\$ -	\$ 8,700		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 133,738	\$ -	\$ -	\$ -	\$ 133,738	1	0.75