

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2480
Revenue Area: OLCC Revenue
Economist: Mazen Malik
Date: Feb-09-2015**

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

Measure Description:

Establishes application fee for Oregon Liquor Control Commission processing of certain license applications.

Revenue Impact (in \$Millions):

| | 15-17 BN | 17-19 BN | 19-21 BN |
|--------------|------------------|------------------|------------------|
| General Fund | \$193,384 | \$279,333 | \$286,316 |
| Cities | \$117,412 | \$169,595 | \$173,835 |
| Counties | \$34,532 | \$49,881 | \$51,127 |
| Total | \$345,329 | \$498,808 | \$511,278 |

Impact Explanation:

HB 2480 would allow the Commission to establish a fee for the initial license application to sell or serve alcohol. The fee is only applied to classes of licenses with annual license fees. The proposed fee is up to \$150 and would be nonrefundable unless the Commission does not propose that a license be granted, granted with conditions, or refused on or before 75 days after a completed application is submitted. The estimated revenues are driven by the anticipated number of new applicants. There were approximately 3500 new license applicants during FY2014. The Commission anticipates that there will be between 3500 to 4500 licensees affected. With 4,500 new applicants, some refunds, and a two-tiered fee structure, the fee is expected to generate approximately \$345,000 in additional revenue for the (18 months in) 15-17 biennium, and about half a million in the biennia after that.

The General Fund gets 56% of this revenue, with 34% distributed to cities and 10% to counties.

The OLCC indicates that the Implementation is possible within existing FTE allocations. Which essentially allows this fee to cover and pay for a function previously subsidized by liquor revenue. This frees up the revenue originally targeted for administration to be channeled for distribution.

Creates, Extends, or Expands Tax Expenditure: Yes No