

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2568 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

Prepared by: Theresa McHugh
Reviewed by: Michelle Deister, Paul Siebert
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Measure Description:

Establishes Oregon Spirits Board.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC); Department of Administrative Services (DAS)

Summary of Expenditure Impact:

See Analysis below

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 bill creates a nine-member Oregon Spirits Board and the Oregon Spirits Board Fund. The Oregon Spirits Board Fund is to be composed of revenue, in the amount of one to four cents, that is already collected from the sale of each bottle of distilled spirits, depending on the volume of the bottle. It should be noted that the revenue being deposited into the Oregon Spirits Board Fund would otherwise have been distributed to the General Fund. The estimated \$1.48 million in revenue transferred in 2015-17 to the Oregon Spirits Board Fund is for the use of the Oregon Spirits Board. Given that there is not yet a budget for the Oregon Spirits Board, it is not known how much of the revenue will be spent each biennium. OLCC, which is required under the bill to determine each month the amount of funds to be credited to the Oregon Spirits Board, expects that their administrative costs to implement the measure will be minimal.

The measure specifies duties and authority of the Oregon Spirits Board to support all aspects of the industry, including that the board shall create and maintain a strategic plan for the development of a world-class distilled liquor industry and use the plan to allocate funds and award grants for projects. The bill also specifies that the Oregon Spirits Board may enter into agreements, expend moneys to support pertinent educational programs, and adopt rules necessary for the administration of laws that they are charged with administering. The Oregon Spirits Board would also be charged with the establishment and operation of a state distilled liquor room and specifies the purposes for which the liquor held in the room may be used.

Given the responsibilities and funding of the Board, it is anticipated that the Board would be created as a state agency, and would therefore receive services and oversight from the Department of Administrative Services (DAS). DAS expects a minimal, although indeterminate, fiscal impact related to accounting and other services that would be required by the creation of the Oregon Spirits Board. Under the measure, the Oregon Spirits Board is required to report biennially to the Legislative Assembly on their expenditures and the state of the distilled liquor industry in Oregon.