

**STAFF MEASURE SUMMARY****House Committee On Business and Labor****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/03/15**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Ways And Means By Prior Reference.**Meeting Dates:** 02/04, 04/03**Vote:**

Yeas: 8 - Barreto, Doherty, Evans, Fagan, Heard, Holvey, Kennemer, Weidner

Exc: 3 - Barton, Esquivel, Nosse

**Prepared By:** Jan Nordlund, Committee Administrator**WHAT THE MEASURE DOES:**

Establishes nine-member Oregon Spirits Board to support Oregon distilled liquor industry. Directs Board to operate state distilled liquor room and to create and maintain long-term strategic plan to guide allocation of funds and award of grants. Requires Board to report biennially to Legislative Assembly on amounts, types, and purposes of expenditures, and evaluation of effectiveness of Act in enhancing and growing distilled liquor industry and workforce. Establishes Oregon Spirits Board Fund, with moneys in fund continuously appropriated to the Board for its use. Directs Oregon Liquor Control Commission to withhold each month, for payment to Board, one to four cents per bottle of distilled spirits sold, depending on volume of bottle, with money subtracted from amount otherwise paid to the General Fund.

**ISSUES DISCUSSED:**

- Role of Oregon Wine Board in growth of wine industry
- Desire to globally distribute Oregon craft distilled spirits
- Funding for Oregon Spirits Board
- Impact of craft distillers on tourism
- Local and national growth in number of distillers
- Existing tax on distilled spirits

**EFFECT OF COMMITTEE AMENDMENT:**

Requires Board to report biennially to Legislative Assembly on amounts, types, and purposes of expenditures, and evaluation of effectiveness of Act in enhancing and growing distilled liquor industry and workforce. Clarifies that OLCC is to determine each month the amount of funds to be credited to Oregon Spirits Board Fund. Clarifies that amount credited to Oregon Spirits Board Fund is subtracted from amount otherwise paid to the General Fund.

**BACKGROUND:**

There are more than 60 craft distillers manufacturing distilled spirits in Oregon. The industry has grown rapidly and is credited with creating approximately 350 jobs. Distillers created the Oregon Distillers Guild in 2007 to promote the common interests of its members.

House Bill 2568-A establishes the Oregon Spirits Board and provides funds to the Board from the sale of distilled spirits by the Oregon Liquor Control Commission that would otherwise have gone to the General Fund. For every bottle sold, one to four cents, depending on volume of each bottle, will go to the Board to support all aspects of the industry, including manufacturing, marketing, promotion, education, and research and development.