

STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 05/22/15

Action: Do Pass.

Meeting Dates: 05/11, 05/22

Vote:

Yeas: 8 - Barreto, Barton, Doherty, Evans, Fagan, Holvey, Kennemer, Nosse

Nays: 1 - Weidner

Exc: 2 - Esquivel, Heard

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Prohibits retail sale of granulated alcohol. Limits wholesaling of granulated alcohol except for scientific, industrial, manufacturing and other purposes identified by Oregon Liquor Control Commission.

ISSUES DISCUSSED:

- Ability to buy powdered alcohol online
- Comparison to legalized sale of marijuana
- Whether Oregon Liquor Control Commission has considered listing powdered alcohol

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

In April 2014, the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB) approved labels for “Palcohol,” a product that can be added to water to make an alcoholic beverage. The makers of Palcohol assert that 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 revised labels for Palcohol, allowing the product to be sold legally in the United States, unless otherwise prohibited.

As of May 2015, Alaska, Indiana, Louisiana, North Dakota, South Carolina, Tennessee, Utah, Vermont Virginia and Washington statutorily prohibit the sale of powdered alcohol. Colorado, Delaware, Michigan and New Mexico have included powdered alcohol in their statutory definitions of alcohol so that the product is regulated under their existing alcohol statutes. Additionally, 80 bills in 39 states, the District of Columbia, and Puerto Rico have been introduced in 2015 to date that would address sale of granulated alcohol.