

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 316 - 1**79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: John Terpening
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Date: 2-27-2017**Measure Description:**

Requires Oregon Wine Board to establish and operate program for wine market access and wine promotion.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC), Oregon Wine Board [Semi-Independent Agency]

Summary of Revenue Impact:

Agency -- Fund Type	2017-2019 Biennium	2019-2021 Biennium
Oregon Liquor Control Commission -- General Fund	\$ (2,250,000)	\$ (3,000,000)

Analysis:

The measure directs the Oregon Wine Board to establish and operate a program for wine market access and wine promotion. The measure requires that the Oregon Liquor Control Commission (OLCC) to transfer \$1.5 million annually from monies collected from the wine production and distribution tax revenue. The measure stipulates that the funding for this transfer will not affect the calculation of monies available for mental health and drug services, or distributions to cities and counties from the privilege tax. The measure is effective January 1, 2018.

OLCC notes that the measure will reduce the amount of money transferred to the General Fund. OLCC estimates \$38.1 million in privilege taxes will be collected in 2017-19 that would result in approximately \$10.7 million going to the General Fund. This measure would reduce that amount transferred to the General Fund by the \$2.25 million in the 2017-19 biennium and \$3 million every biennium thereafter.

The Oregon Wine Board is a semi-independent state agency subject to ORS 182.456 to 182.472. The agency's budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly. Currently, the majority of the Board's income is generated through grape assessments and wine taxes collected by the OLCC. For the 2015-17 biennium, the Board's budget included an anticipated \$3.7 million revenue transfer from OLCC to fund marketing, research, and education initiatives that support and advance all Oregon wineries and independent growers. The Board also receives funding from the US Department of Agriculture's Market Access Program that is specifically earmarked for the promotion of Oregon wines outside the United States.

The Oregon Wine Board did not respond to the Legislative Fiscal Office's (LFO) request for a fiscal impact statement on this measure. If fiscal impact information is provided by the Oregon Wine Board, LFO will issue a revised fiscal impact.