



February 5, 2018

Sen. Lee Beyer, Chair
Sen. Chuck Thomsen, Vice Chair
Members of the
Senate Business & Transportation Committee

Dear Senators,

Oregon Counties receive significant funding for mental health and public health services derived from OLCC's share of profits from alcohol sales. This revenue helps provide critical social services to our vulnerable citizens.

The Association of Oregon Counties opposes legislation that negatively impacts revenue received by counties.

SB 1564, as drafted, creates a new distillery tasting room permit, creates a special events tasting room license, and allows up to \$500,000 in direct sales by a tasting room licensee per year at one location without being a retail agent of the OLCC.

AOC has not seen an estimate of the revenue loss from the bill, but we have heard that it could be between \$4 and \$25 million. Alcohol abuse is a cost driver in public safety, mental health and public health. Counties currently do not have the funding to fill the need for these services.

AOC supports growing this industry in Oregon, and we look forward to working toward legislation that balances the needs of mental and public health services, a vibrant economy, and good tax policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Morgan", with a long horizontal flourish extending to the right.

Susan Morgan
AOC Policy Manager - Revenue