

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3448

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Requires that, to extent provided by Oregon Liquor Control Commission rules, if wine labeled with American viticultural area in Oregon is labeled with single grape variety as type designation, wine must meet specified content requirements.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

HB 3448 relates to wine labeling requirements. Under this measure, the Oregon Liquor Control Commission (OLCC) is required to conduct rulemaking related to the composition and labelling of wines produced in certain American viticultural areas. OLCC is directed to:

- Appoint a rules advisory committee, with committee members appointed from across the state, in proportion to the relative acreage in each geographic area that is used for wine grape production;
- Establish penalties for violations of wine composition and labeling requirements; and,
- Report to an interim committee of the Legislative Assembly related to business by September 15, 2020 regarding recommendations made by the advisory committee and an update on the rulemaking process.

Rulemaking will take place in the 2019-21 biennium, but rules around wine labeling and content, and the associated penalties, will not take effect until January 1, 2023.

Implementation of this measure will require one permanent Operations and Policy Analyst 3 (0.88 FTE in 2019-21, 1.00 FTE in 2021-23) to oversee management of the newly-formed advisory board, direct the rulemaking process, provide public outreach and education to stakeholders, and manage the report to the legislature. This is estimated to cost \$176,860 in Personal Services and \$29,900 in Services and Supplies, which includes a potential increase in legal fees related to rulemaking; for a total cost of \$206,760 General Fund in 2019-21.