

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1520 - 3

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

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

Prepared by: Tim Walker
Reviewed by: Michelle Deister
Date: 02/07/2022

Measure Description:

Modifies definition of "dealer" and defines "direct distributor" for purposes of Bottle Bill.

Government Unit(s) Affected:

Oregon Liquor and Cannabis Commission (OLCC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

Other Funds	101,426	365,167
Total Funds	\$101,426	\$365,167
Positions	1	2
FTE	0.33	1.50

Analysis: The measure requires distributors that sold more than 500,000 beverages in the state within the previous calendar year and do not participate in a distributor cooperative to establish a program to provide redemption services comparable to services provided by a distributive cooperative in the state. These distributors must pay to the Oregon Liquor and Cannabis Commission (OLCC) an annual fee equivalent to \$3,000 for each full-service redemption center in the state, which is equivalent to \$75,000 at present. Fees to the OLCC are also required of smaller beverage distributors not participating in a distributor cooperative, equivalent to \$25,000 for distributors with sales between 15,000 - 500,000 beverages in the previous calendar year, and \$5,000 for distributors with sales of less than 15,000 beverages, to be paid into the Bottle Bill Fund. Distributors that participate in a cooperative that provides redemption services outlined in section 2 of the measure are not subject to these fees. The measure requires OLCC to notify large distributors who are in violation of the measure and proscribes civil penalties. The measure also modifies requirements for notices to be displayed by dealers, requires a deposit on certain wine containers, and requires distributor cooperatives to report to the Legislative Assembly no later than February 15th of each year.

OLCC estimates that there are 4,000 businesses that may be subject to the provisions of this measure. Identifying, contacting, notifying individual distributors, tracking and processing fines will require one Operations and Policy Analyst 3 (0.33 FTE) in 2021-23. In addition, OLCC anticipates needing on Regulatory specialist (0.50 FTE) starting in July of 2023 to investigate complaints. The positions would be supported by fee revenue from the Bottle Bill Fund.