

HB 3610 -2, -3 STAFF MEASURE SUMMARY

House Committee On Rules

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Meeting Dates: 4/20, 5/9

WHAT THE MEASURE DOES:

Establishes Task Force on Alcohol Pricing and Addiction Services with membership to include two representatives appointed by Speaker and two senators appointed by Senate President to serve as nonvoting members, and 13 members appointed by Governor to represent Oregon Liquor and Cannabis Commission (OLCC), beer industry, wine industry, alcohol addiction advocacy community, community care organizations, Oregon Health Authority, Alcohol and Drug Policy Commission, beer and wine distributors, Association of Oregon Counties, League of Oregon Cities, hospitals, and community providers of alcohol addiction services. Requires task force to study and report to Legislative Assembly by September 15, 2024, on alcohol addiction and alcohol addiction prevention; distribution of resources for alcohol addiction treatment; cost of alcohol addiction to state; and benefits and drawbacks of imposing taxes on beer and wine. Requires task force to consult with Legislative Revenue Officer. Requires OLCC to provide staff support. Repeals task force on December 31, 2024. Takes effect on 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

- Addiction rates in Oregon
- Addiction crisis and broader funding need
- Impacts of alcohol on individuals and communities
- Industry representation on task force

EFFECT OF AMENDMENT:

-2 Changes membership requirement to an association representing beer and wine distributors. Revises issues for task force to study to include current overall funding for alcohol addiction treatment programs and additional funding options for alcohol addiction treatment.

-3 Changes "beer" to "malt beverages." Increases size of task force from 17 to 20 members by adding additional representatives from malt beverages industry and wine industry and one representative from cider industry. Changes membership requirement to an association representing malt beverages and wine distributors. Revises issues for task force to study to include current overall funding for alcohol addiction treatment programs and additional funding options for alcohol addiction treatment.

BACKGROUND:

ORS Chapter 473 establishes the privilege tax for beer, cider, and wine. Producers and importers of out-of-state products pay a tax to the state of \$2.60 per 31-gallon barrel for beer and cider and 65 cents per gallon on wine, with an additional 10 cents per gallon for wines containing more than 16 percent alcohol by volume. Taxes are paid to the Oregon Liquor and Cannabis Commission (OLCC). The OLCC also sells distilled spirits to generate revenue for the state to fund schools, alcohol prevention and treatment programs, and other public safety initiatives. OLCC applies a markup formula to determine the price of distilled spirits. In addition, a distilled spirits surcharge was initiated in the 2009-2011 biennium. The current \$0.50 per bottle (\$0.25 per mini bottle) surcharge is scheduled to expire June 30, 2023. The OLCC is considering an additional \$0.50 per bottle surcharge (\$0.25 per

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mini bottle) for the 2023-25 biennium.

The Alcohol and Drug Policy Commission (ADPC) is an independent state government agency that was created by the Oregon Legislature to improve the effectiveness and efficiency of state and local substance use disorder prevention, treatment, and recovery services for all Oregonians.

House Bill 3610 establishes the Task Force on Alcohol Pricing and Addiction Services to study and report to Legislative Assembly by September 15, 2024, on alcohol addiction and alcohol addiction prevention; distribution of resources for alcohol addiction treatment; cost of alcohol addiction to state; and benefits and drawbacks of imposing taxes on beer and wine.