

HB 3610 A STAFF MEASURE SUMMARY

House Committee On Rules

Action Date: 05/11/23

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 4-3-0-0

Yeas: 4 - Fahey, Kropf, Nosse, Valderrama

Nays: 3 - Breese-Iverson, Scharf, Wallan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 4/20, 5/11

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 16 members appointed by Governor to represent Oregon Liquor and Cannabis Commission (OLCC), malt beverages industry, wine industry, cider industry, alcohol addiction advocacy community, community care organizations, Oregon Health Authority, Alcohol and Drug Policy Commission, association representing malt beverages 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 the Legislative Assembly by September 15, 2024, on alcohol addiction and alcohol addiction prevention; distribution of resources for alcohol addiction treatment; current overall funding for alcohol addiction treatment programs; cost of alcohol addiction to state; benefits and drawbacks of imposing taxes on malt beverages and wine; and additional funding options for alcohol addiction treatment. 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.

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:

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. The 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)

This summary has not been adopted or officially endorsed by action of the committee.

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surcharge is scheduled to expire June 30, 2023. The OLCC is considering an additional \$0.50 per bottle surcharge (\$0.25 per mini bottle) for the 2023-2025 biennium.

According to a January 27, 2023, update to the *Oregon Substance Use Disorder Services Inventory and Gap Analysis* conducted by the Portland State School of Public Health, Oregon ranks 6th in the nation for deaths due to alcohol, and excessive alcohol use is the third leading cause of preventable death and is responsible for over 2,000 deaths annually. In 2020, Oregon ranked fifth in the United States for the percentage of alcohol-impaired traffic fatalities.

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