

SB 316 A STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Action Date: 02/27/17

Action: Without recommendation as to passage, but with amendments and referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 5-0-0-0

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Directs the Oregon Wine Board to establish and operate a program for wine market access and wine promotion. Specifies that the Oregon Liquor Control Commission is to pay \$1.5 million in wine production and distribution tax revenue, after making distributions to local governments and mental health services and to the Commission for administrative purposes. Specifies allocations are to be made to the Board account each year to allow Board to carry out program for increased access and promotion.

ISSUES DISCUSSED:

- Efforts to increase market share of Oregon wines nationally and internationally
- Size and scope of Oregon wine industry compared to those in California and Washington
- Applicability of the Commerce Clause
- Oregon wine tax rates compared to those in California

EFFECT OF AMENDMENT:

Clarifies that wine tax revenues are to be first distributed to local governments, mental health services and the Commission for administrative purposes, prior to allocation of \$1.5 million for promotion purposes.

BACKGROUND:

Created in 2003, the Oregon Wine Board is a semi-independent state agency, is charged with the promotion of Oregon's wine industry, comprised of nine members appointed by the Governor. Its activities include managing marketing, research, and education initiatives that support and advance the state's wine growers and wineries. The Board is funded by taxes on wine grapes and on the sale of wine sold in Oregon.