

HB 3312-1
(LC 1869)
3/15/23 (CMT/ps)

Requested by Representative SANCHEZ

**PROPOSED AMENDMENTS TO
HOUSE BILL 3312**

1 In line 2 of the printed bill, after “beverages” insert “; creating new pro-
2 visions; amending ORS 471.810, 473.030 and 473.035; prescribing an effective
3 date; and providing for revenue raising that requires approval by a three-
4 fifths majority”.

5 Delete lines 4 through 9 and insert:

6 **“SECTION 1.** ORS 473.030 is amended to read:

7 “473.030. (1) A tax is imposed upon the privilege of engaging in business
8 as a manufacturer or as an importing distributor of malt beverages at the
9 [*rate of \$2.60 per barrel of 31 gallons on all such beverages*] **rates provided**
10 **in section 4 of this 2023 Act.**

11 “(2) A tax is imposed upon the privilege of engaging in business as a
12 manufacturer or as an importing distributor of wines at the [*rate of 65 cents*
13 *per gallon on all such beverages*] **rates provided in section 5 of this 2023**
14 **Act.**

15 “(3) In addition to the tax imposed by subsection (2) of this section, a
16 manufacturer or an importing distributor of wines containing more than 16
17 percent alcohol by volume shall be taxed at the rate of 10 cents per gallon.

18 “(4) In addition to the taxes imposed by subsections (2) and (3) of this
19 section, a manufacturer or an importing distributor of wines shall be taxed
20 at the rate of two cents per gallon. Notwithstanding any other provision
21 of law, all moneys collected by the Oregon Liquor and Cannabis Commission

1 pursuant to this subsection shall be paid into the account established by the
2 Oregon Wine Board under ORS 182.470.

3 “(5) The rates of tax imposed by this section upon malt beverages apply
4 proportionately to quantities in containers of less capacity than those
5 quantities specified in this section.

6 “(6) The taxes imposed by this section shall be measured by the volume
7 of wine or malt beverages produced, purchased or received by any manufac-
8 turer. If the wine or malt beverage remains unsold and in the possession of
9 the producer at the plant where it was produced, no tax imposed or levied
10 by this section is required to be paid until the wine or malt beverage has
11 become sufficiently aged for marketing at retail, but this subsection shall
12 not be construed so as to alter or affect any provision of this chapter relat-
13 ing to tax liens or the filing of statements.

14 **“SECTION 2.** ORS 473.035 is amended to read:

15 “473.035. (1) A tax is imposed upon the privilege of engaging in business
16 as a manufacturer or as an importing distributor of cider at the [*rate of \$2.60*
17 *per barrel of 31 gallons on all such beverages*] **rates provided in section 4**
18 **of this 2023 Act.**

19 “(2) Notwithstanding subsection (1) of this section or any other provision
20 of law, the taxation of the manufacturing or distribution of cider shall be
21 at a rate that is not less than the rate imposed for the privilege of manu-
22 facturing or distributing malt beverages under ORS 473.030 (1).

23 “(3) The rate of tax imposed by this section shall apply proportionately
24 to quantities in containers of less capacity than those quantities specified in
25 this section.

26 “(4) The tax imposed by this section shall be measured by the volume of
27 cider produced, purchased or received by any manufacturer. If the cider re-
28 mains unsold and in the possession of the producer at the plant where it was
29 produced, no tax imposed or levied by this section is required to be paid until
30 the cider has become sufficiently aged for marketing at retail, but this sub-

1 section shall not be construed so as to alter or affect any provision of this
2 chapter relating to tax liens or the filing of statements.

3 **“SECTION 3. Sections 4 and 5 of this 2023 Act are added to and**
4 **made a part of ORS chapter 473.**

5 **“SECTION 4. (1) The tax imposed under ORS 473.030 (1) or under**
6 **ORS 473.035 shall be imposed at a rate per barrel of 31 gallons of malt**
7 **beverage or of cider, as provided in subsection (2) of this section.**

8 **“(2) If the manufacture or distribution of malt beverage or of cider**
9 **occurs on or after:**

10 **“(a) January 1, 2024, but before January 1, 2025, the rate is \$3.60 per**
11 **barrel.**

12 **“(b) January 1, 2025, but before January 1, 2026, the rate is \$6.60 per**
13 **barrel.**

14 **“(c) January 1, 2026, but before January 1, 2027, the rate is \$12.60**
15 **per barrel.**

16 **“(d) January 1, 2027, but before January 1, 2028, the rate is \$21.60**
17 **per barrel.**

18 **“(e) January 1, 2028, the rate is \$33.60 per barrel.**

19 **“(3) Notwithstanding subsection (2)(e) of this section, as applicable**
20 **to manufacture or distribution of malt beverage or of cider occurring**
21 **on or after January 1 of the year following the calendar year con-**
22 **taining the operative date specified in section 8 of this 2023 Act, the**
23 **rate of tax is \$2.60 per barrel.**

24 **SECTION 5. (1) The tax imposed under ORS 473.030 (2) shall be im-**
25 **posed at a rate per gallon of wine, as provided in subsection (2) of this**
26 **section.**

27 **“(2) If the manufacture or distribution of wine occurs on or after:**

28 **“(a) January 1, 2024, but before January 1, 2025, the rate is 90 cents**
29 **per gallon.**

30 **“(b) January 1, 2025, but before January 1, 2026, the rate is \$1.40 per**

1 **gallon.**

2 **“(c) January 1, 2026, but before January 1, 2027, the rate is \$2.15 per**
3 **gallon.**

4 **“(d) January 1, 2027, but before January 1, 2028, the rate is \$3.15 per**
5 **gallon.**

6 **“(e) January 1, 2028, the rate is \$4.40 per gallon.**

7 **“(3) Notwithstanding subsection (2)(e) of this section, as applicable**
8 **to manufacture or distribution of wine occurring on or after January**
9 **1 of the year following the calendar year containing the operative date**
10 **specified in section 8 of this 2023 Act, the rate of tax is 65 cents per**
11 **gallon.**

12 **“SECTION 6. ORS 473.030, as amended by section 1 of this 2023 Act, is**
13 **amended to read:**

14 **“473.030. (1) A tax is imposed upon the privilege of engaging in business**
15 **as a manufacturer or as an importing distributor of malt beverages at the**
16 **[rates provided in section 4 of this 2023 Act] rate of \$2.60 per barrel of 31**
17 **gallons on all such beverages.**

18 **“(2) A tax is imposed upon the privilege of engaging in business as a**
19 **manufacturer or as an importing distributor of wines at the [rates provided**
20 **in section 5 of this 2023 Act] rate of 65 cents per gallon on all such**
21 **beverages.**

22 **“(3) In addition to the tax imposed by subsection (2) of this section, a**
23 **manufacturer or an importing distributor of wines containing more than 16**
24 **percent alcohol by volume shall be taxed at the rate of 10 cents per gallon.**

25 **“(4) In addition to the taxes imposed by subsections (2) and (3) of this**
26 **section, a manufacturer or an importing distributor of wines shall be taxed**
27 **at the rate of two cents per gallon. Notwithstanding any other provision**
28 **of law, all moneys collected by the Oregon Liquor and Cannabis Commission**
29 **pursuant to this subsection shall be paid into the account established by the**
30 **Oregon Wine Board under ORS 182.470.**

1 “(5) The rates of tax imposed by this section upon malt beverages apply
2 proportionately to quantities in containers of less capacity than those
3 quantities specified in this section.

4 “(6) The taxes imposed by this section shall be measured by the volume
5 of wine or malt beverages produced, purchased or received by any manufac-
6 turer. If the wine or malt beverage remains unsold and in the possession of
7 the producer at the plant where it was produced, no tax imposed or levied
8 by this section is required to be paid until the wine or malt beverage has
9 become sufficiently aged for marketing at retail, but this subsection shall
10 not be construed so as to alter or affect any provision of this chapter relat-
11 ing to tax liens or the filing of statements.

12 **“SECTION 7.** ORS 473.035, as amended by section 2 of this 2023 Act, is
13 amended to read:

14 “473.035. (1) A tax is imposed upon the privilege of engaging in business
15 as a manufacturer or as an importing distributor of cider at the [*rates pro-*
16 *vided in section 4 of this 2023 Act*] **rate of \$2.60 per barrel of 31 gallons**
17 **on all such beverages.**

18 “(2) Notwithstanding subsection (1) of this section or any other provision
19 of law, the taxation of the manufacturing or distribution of cider shall be
20 at a rate that is not less than the rate imposed for the privilege of manu-
21 facturing or distributing malt beverages under ORS 473.030 (1).

22 “(3) The rate of tax imposed by this section shall apply proportionately
23 to quantities in containers of less capacity than those quantities specified in
24 this section.

25 “(4) The tax imposed by this section shall be measured by the volume of
26 cider produced, purchased or received by any manufacturer. If the cider re-
27 mains unsold and in the possession of the producer at the plant where it was
28 produced, no tax imposed or levied by this section is required to be paid until
29 the cider has become sufficiently aged for marketing at retail, but this sub-
30 section shall not be construed so as to alter or affect any provision of this

1 chapter relating to tax liens or the filing of statements.

2 **“SECTION 8. (1) The amendments to ORS 473.030 and 473.035 by**
3 **sections 6 and 7 of this 2023 Act become operative 30 days after the**
4 **date on which the estimated prevalence rate of adults in this state**
5 **needing substance use disorder treatment in a specialized facility but**
6 **not receiving treatment, as measured by the National Survey on Drug**
7 **Use and Health conducted by the United States Substance Abuse and**
8 **Mental Health Services Administration, is first publicly reported by**
9 **the administration to be not more than five percent of the adult pop-**
10 **ulation of this state.**

11 **“(2) The amendments to ORS 473.030 and 473.035 by sections 6 and**
12 **7 of this 2023 Act apply to the manufacture or distribution of malt**
13 **beverages, cider or wine occurring on or after January 1 of the year**
14 **following the operative date specified in subsection (1) of this section.**

15 **“SECTION 9. On or before March 31 of each year, beginning with**
16 **March 31, 2025, the Oregon Liquor and Cannabis Commission shall:**

17 **“(1) For periods beginning on or after January 1 of the preceding**
18 **year and ending before January 1 of the current year, estimate the**
19 **increase, if any, in the amount of tax revenue received by the com-**
20 **mission that is attributable to the amendments to ORS 473.030 and**
21 **473.035 by sections 1 and 2 of this 2023 Act; and**

22 **“(2) Notwithstanding ORS 471.805 and 471.810, transfer an amount**
23 **equal to the estimate required under subsection (1) of this section, as**
24 **follows:**

25 **“(a) Fifteen percent to the Oregon Health Authority, to be used for**
26 **public education campaigns that educate the public about the potential**
27 **health consequences of the use of alcohol, opioids, fentanyl, cannabis**
28 **and methamphetamine, with priority given to communities most ad-**
29 **versely affected by disordered use of the listed substances.**

30 **“(b) Ten percent to the Oregon Liquor and Cannabis Commission**

1 to implement a point-of-sale consumer education campaign to inform
2 consumers about the potential health consequences of alcohol con-
3 sumption with a primary focus on addiction, cancer and impotence.

4 “(c) Twenty percent to counties, for the purpose of county behav-
5 ioral health or public health departments hiring certified prevention
6 counselors to be placed in every public middle school and high school
7 in every county.

8 “(d) Twenty-five percent to the Oregon Health Authority to develop
9 and implement a program to provide immediate access to withdrawal
10 management and culturally relevant residential treatment programs
11 available to all adults in the state.

12 “(e) Ten percent to the Oregon Health Authority to provide re-
13 imbursements for deductibles paid related to withdrawal management,
14 residential or outpatient substance use treatment and addiction ther-
15 apists.

16 “(f) Ten percent to local police departments.

17 “(g) Ten percent to Oregon State Police for the purpose of law
18 enforcement directed against illegal cannabis organizations.

19 “SECTION 10. ORS 471.810 is amended to read:

20 “471.810. (1) At the end of each month, the Oregon Liquor and Cannabis
21 Commission shall certify the amount of moneys available for distribution in
22 the Oregon Liquor and Cannabis Commission Account and, after withholding
23 such moneys as it may deem necessary to pay its outstanding obligations **and**
24 **after the transfers required under section 9 of this 2023 Act**, shall within
25 35 days of the month for which a distribution is made direct the State
26 Treasurer to pay the amounts due, upon warrants drawn by the Oregon De-
27 partment of Administrative Services, as follows:

28 “(a) Fifty-six percent, or the amount remaining after the distribution un-
29 der subsection (4) of this section, credited to the General Fund available for
30 general governmental purposes wherein it shall be considered as revenue

1 during the quarter immediately preceding receipt;

2 “(b) Twenty percent to the cities of the state in such shares as the pop-
3 ulation of each city bears to the population of the cities of the state, as de-
4 termined by Portland State University last preceding such apportionment,
5 under ORS 190.510 to 190.610;

6 “(c) Ten percent to counties in such shares as their respective populations
7 bear to the total population of the state, as estimated from time to time by
8 Portland State University; and

9 “(d) Fourteen percent to the cities of the state to be distributed as pro-
10 vided in ORS 221.770 and this section.

11 “(2) The commission shall direct the Oregon Department of Administra-
12 tive Services to transfer 50 percent of the revenues from the taxes imposed
13 by ORS 473.030 and 473.035, **after the transfers required under section 9**
14 **of this 2023 Act**, to the Mental Health Alcoholism and Drug Services Ac-
15 count in the General Fund to be paid monthly as provided in ORS 430.380.

16 “(3) If the amount of revenues received from the taxes imposed by ORS
17 473.030 for the preceding month was reduced as a result of credits claimed
18 under ORS 473.047, the commission shall compute the difference between the
19 amounts paid or transferred as described in subsections (1)(b), (c) and (d) and
20 (2) of this section and the amounts that would have been paid or transferred
21 under subsections (1)(b), (c) and (d) and (2) of this section if no credits had
22 been claimed. The commission shall direct the Oregon Department of Ad-
23 ministrative Services to pay or transfer amounts equal to the differences
24 computed for subsections (1)(b), (c) and (d) and (2) of this section from the
25 General Fund to the recipients or accounts described in subsections (1)(b),
26 (c) and (d) and (2) of this section.

27 “(4) Notwithstanding subsection (1) of this section, no city or county shall
28 receive for any fiscal year an amount less than the amount distributed to the
29 city or county in accordance with ORS 471.350 (1965 Replacement Part),
30 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967

1 fiscal year unless the city or county had a decline in population as shown
2 by its census. If the population declined, the per capita distribution to the
3 city or county shall be not less than the total per capita distribution during
4 the 1966-1967 fiscal year. Any additional funds required to maintain the level
5 of distribution under this subsection shall be paid from funds credited under
6 subsection (1)(a) of this section.

7 “(5) Notwithstanding subsection (1) of this section, amounts to be dis-
8 tributed from the Oregon Liquor and Cannabis Commission Account that are
9 attributable to a per bottle surcharge imposed by the Oregon Liquor and
10 Cannabis Commission, shall be credited to the General Fund.

11 **“(6) Notwithstanding subsections (1) to (5) of this section, amounts**
12 **distributed from the Oregon Liquor and Cannabis Commission Ac-**
13 **count, other than transfers described in section 9 (2) of this 2023 Act,**
14 **may not exceed 105 percent of the amount distributed from the ac-**
15 **count in the biennium ending June 30, 2023. This subsection applies to**
16 **biennia beginning on or after July 1, 2025.**

17 **“SECTION 11. This 2023 Act takes effect on the 91st day after the**
18 **date on which the 2023 regular session of the Eighty-second Legislative**
19 **Assembly adjourns sine die.”.**

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