



SUPPORT THE NATION'S FIRST DISTILLED SPIRITS BOARD

Accelerating Oregon's Leadership in Quality, Craft Products
Boosting Small Business
Enhancing and Growing Tourism

The Oregon Distillers Guild and local distilled spirits producers across the state are asking the 2015 Oregon State Legislature to support the creation of the nation's first distilled spirits board. **The Oregon Spirits Board will help put Oregon's craft spirits businesses at the forefront of the craft spirits movement in America.**

WHAT HB2568 DOES

HB2568 would establish and provide ongoing funding for the Oregon Spirits Board, which would be similar to Oregon's very successful Wine Board. The Board would work on behalf of all Oregon distilled spirits producers throughout the state to:

- **Encourage Oregonians to Buy Local:** Oregon distilleries produce spirits in every major category, yet we only account for 12% of all sales in our own state. Oregonians have shown that they're more likely to purchase out-of-state spirits than the quality ones made right here at home. The Board would encourage the purchase of local spirits through sales, marketing and educational campaigns. This in turn will create a significant return on investment for the state.
- **Increase National and International Sales:** Just as within the State, the Oregon Spirits Board would educate and encourage consumers across the country and around the world to try the superior spirits produced in Oregon by Oregonians. Again, the Board would employ marketing, sales and educational programs to accomplish this. Again, this in turn will create a significant return on investment for the state.
- **Educate the Oregon State Legislature:** The Oregon Wine Board has worked for years to educate legislators about their industry – and how it is changing – in order for laws to keep pace. The Oregon Spirits Board would do the same by modernizing outdated laws and regulations – and also by identifying new laws and regulations that would responsibly evolve the industry.
- **Provide Job Training:** The Board would have the authority to help support local distillery programs at Oregon universities and community colleges; those that are helping to train the next generation of skilled workers in this arena, such as the Fermentation Sciences program at OSU.
- **Enhance the brand "Oregon":** The Board would work with other fermentation science based industries to help all of Oregon's craft industries – wine, beer, cheese and bread, to name a few – gain deserved recognition and wallet-share.

FUNDING THE BOARD:

To Fund the Oregon Spirits Board, a small portion of revenue from the sale of distilled spirits – from \$0.01 cents to \$0.04 cents per bottle depending on the size of the bottle – would go to the Board to reinvest in our industry. A significant portion of these funds would be invested right here in Oregon. Oregon currently has the second highest distilled spirits tax in the nation. While the amount we're asking for is small when compared to the amount collected by the OLCC, it would be a meaningful amount to the industry and it would yield a significant return on an investment for Oregonians.

- **2015-2017 Biennium Projected OLCC Revenue:** \$1.2 Billion (*source: OLCC*)
- **2015-2017 Biennium Projected Funding for the Oregon Spirits Board:** \$1.9 million (*source: OLCC*)

WHY A BOARD IS NEEDED

Without responsible promotion of our products we are at risk of stagnating, losing jobs and having a significant amount of money leaving the state; much to big liquor businesses outside of Oregon.

- Oregon's distilled spirits producers create local, quality jobs but only 12.5% of in state distilled spirits sales are from Oregon distilleries.
- We have dropped in rank in sales to Washington State, Colorado, New York and others, resulting in a loss of media attention for our industry, and lost sales opportunities.
- Other states have woken up to the craft spirits craze and their spirits are flooding into Oregon, creating greater competition.
- Large national brands have recognized that craft spirits have real staying power with today's consumers and they're shifting dollars to create pseudo craft spirits to keep money flowing their direction and away from Oregon's real craft spirits.

With the necessary financial backing and a united voice and message, Oregon's distilled spirits industry will take an unprecedented leadership position in America – and provide Oregonians with a significant return on their investment.

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