

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass  
**Vote:** 5 - 0 - 0  
**Yeas:** George, Schrader, Starr, Verger, Metsger  
**Nays:** -  
**Exc.:** -  
**Prepared By:** Jim Stembridge, Administrator  
**Meeting Dates:** 5/13, 5/20

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**WHAT THE MEASURE DOES:** Allows Oregon Liquor Control Commission (OLCC) to suspend liquor licensee for failing to comply with liquor liability insurance or surety bond requirements. Authorizes OLCC to immediately suspend a liquor license on the grounds of failing to supply proof of compliance, either at the time of license renewal or upon the request of the commission.

**ISSUES DISCUSSED:**

- Insurance and bond requirement application and purpose
- Length of adjudication process under current authority
- Specific case in Bend
- How authority would be used and process for reinstatement

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Most types of liquor licenses that allow on-site consumption require the licensee to maintain either liquor liability insurance or a surety bond of at least \$300,000. The requirement was established for the purposes of covering injuries that may result from over-serving alcoholic beverages to visibly intoxicated customers. All licensees required to maintain liquor liability insurance are also required to show proof of compliance when the license is issued or renewed, similar to the requirement for providing proof of insurance for licensing motor vehicles.

Current statute does not provide the ability immediately suspend a liquor license if the licensee fails to maintain either the insurance policy or the bond. The current process to resolve this issue could take months, while the licensee continues to operate. House Bill 2247 provides the Liquor Control Commission the authority to immediately suspend a license for failing to carry required liability insurance or surety bond.