

# Senate Bill 576

Sponsored by Senator MORRISETTE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows county or city to make binding recommendation to Oregon Liquor Control Commission regarding application for issuance or renewal of full on-premises sales license or limited on-premises sales license. Requires commission to follow recommendation unless applicant establishes good cause to disregard recommendation.

## A BILL FOR AN ACT

1  
2 Relating to local government recommendations on liquor licenses; creating new provisions; and  
3 amending ORS 471.166.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 471.**

6 **SECTION 2. (1) The governing body of a county may elect to issue binding written rec-**  
7 **ommendations to the Oregon Liquor Control Commission regarding applications for the is-**  
8 **suance or renewal of a full on-premises sales license or limited on-premises sales license for**  
9 **a business located within the county and outside an incorporated city. The city council of**  
10 **an incorporated city may elect to issue binding written recommendations to the commission**  
11 **regarding applications for the issuance or renewal of a full on-premises sales license or lim-**  
12 **ited on-premises sales license for a business located within the city. An election under this**  
13 **subsection must be made annually in the month of January. An election is valid for one year**  
14 **beginning on the date of receipt by the commission and applies to license applications filed**  
15 **with the commission during that year.**

16 **(2) The commission shall require the applicant for issuance or renewal of a full on-**  
17 **premises sales license or limited on-premises sales license to seek a written recommen-**  
18 **dation:**

19 **(a) From the governing body of the county if the license application is for a place of**  
20 **business located within a county making an election described in subsection (1) of this sec-**  
21 **tion and outside an incorporated city.**

22 **(b) From the city council if the license application is for a place of business located**  
23 **within an incorporated city making an election described in subsection (1) of this section.**

24 **(3) A county governing body or city council shall make any written recommendation un-**  
25 **der this section within the time described in ORS 471.166. If a county governing body or city**  
26 **council described in subsection (1) of this section makes a written recommendation regarding**  
27 **an application for issuance or renewal of a license, the commission shall follow the recom-**  
28 **mendation unless the applicant establishes good cause for the commission to disregard the**  
29 **recommendation.**

30 **SECTION 3. ORS 471.166 is amended to read:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 471.166. (1) The Oregon Liquor Control Commission may require that every applicant for issu-  
 2 ance or renewal of a license under this chapter acquire a written recommendation from the gov-  
 3 erning body of the county if the place of business of the applicant is outside an incorporated city,  
 4 and from the city council if the place of business of the applicant is within an incorporated city.  
 5 The commission may take such written recommendation into consideration before granting or re-  
 6 fusing the license.

7 **(2) Notwithstanding subsection (1) of this section, if the application is for a full on-**  
 8 **premises sales license or limited on-premises sales license for a place of business located**  
 9 **within a county or city that has made an election under section 2 of this 2009 Act:**

10 **(a) The commission shall require the applicant to seek the written recommendation from**  
 11 **the governing body of the county or from the city council; and**

12 **(b) The commission shall act upon any written recommendation of the county governing**  
 13 **body or city council as provided in section 2 of this 2009 Act.**

14 [(2)] (3) If the commission requires that an applicant for issuance of a new license acquire the  
 15 written recommendation of a local government, the applicant must give notice to the local govern-  
 16 ment when an application is made for issuance of the license. If the local government files a favor-  
 17 able recommendation with the commission within 45 days after the notice is given, the commission  
 18 shall proceed with consideration of the application. The commission shall proceed with consider-  
 19 ation of the application as though the local government had made a favorable recommendation un-  
 20 less, within 45 days after notice is given to the local government:

21 (a) The local government files an unfavorable recommendation with the commission with a  
 22 statement of the grounds for the unfavorable recommendation; or

23 (b) The local government files a request for additional time with the commission that sets forth  
 24 the reason additional time is needed by the local government, a statement that the local government  
 25 is considering making an unfavorable recommendation on the application, and the specific grounds  
 26 on which the local government is considering making an unfavorable recommendation.

27 [(3)] (4) If the commission requires that an applicant for renewal of a license acquire the written  
 28 recommendation of a local government under this section, the commission shall give notice to the  
 29 local government when an application is due for renewal of the license. If the local government files  
 30 a favorable recommendation with the commission within 60 days after the notice is given, the com-  
 31 mission shall proceed with consideration of the application. The commission shall proceed with  
 32 consideration of the application as though the local government had made a favorable recommen-  
 33 dation unless within 60 days after notice is given to the local government:

34 (a) The local government files an unfavorable recommendation with the commission with a  
 35 statement of the grounds for the unfavorable recommendation; or

36 (b) The local government files a request for additional time with the commission that sets forth  
 37 the reason additional time is needed by the local government, a statement that the local government  
 38 is considering making an unfavorable recommendation on the application, and the specific grounds  
 39 on which the local government is considering making an unfavorable recommendation.

40 [(4)] (5) The commission shall suspend consideration of an application subject to this section for  
 41 a reasonable period of time if a local government requests additional time under subsection [(2)(b)  
 42 or] (3)(b) **or** (4)(b) of this section and the grounds given by the local government are valid grounds  
 43 for an unfavorable determination under this chapter or rules adopted by the commission. The com-  
 44 mission shall by rule establish the period of time that shall be granted to a local government pur-  
 45 suant to a request under subsections [(2)(b) and] (3)(b) **or** (4)(b) of this section.

1        [(5)] **(6)** The commission shall by rule establish valid grounds for unfavorable recommendations  
2 by local governments under this section **or section 2 of this 2009 Act**. Valid grounds established  
3 by the commission under this section for an unfavorable recommendation by a local government  
4 must be limited to those grounds considered by the commission in making an unfavorable determi-  
5 nation on a license application.

6        [(6)] **(7)** A person filing an application for issuance or renewal of a license that is subject to this  
7 section must remit to the local government the fees established under subsections [(7) *and*] **(8) and**  
8 **(9)** of this section. The commission shall give notice to the applicant for license renewal of the  
9 amount of the fees and the name of the local government collecting the fees. The commission is not  
10 responsible for collecting the fees charged by the local government or for ensuring that the fees  
11 have been paid. An applicant for a license renewal shall certify in the application form filed with  
12 the commission that the applicant has paid any fees required under this section.

13        [(7)] **(8)** An applicant required to seek a written recommendation from a local government must  
14 pay an application fee to the local government, in an amount determined by the governing body of  
15 the city or county, for each application for a license. The application fee established by a local  
16 government under this subsection may not exceed \$25.

17        [(8)] **(9)** After public notice and hearing, the governing body of a city or county may adopt an  
18 ordinance, rule or resolution prescribing licensing guidelines to be followed in making recommen-  
19 dations on license applications under this chapter and in allowing opportunity for public comment  
20 on applications. If the guidelines are approved by the commission as consistent with commission  
21 rules, after public notice and hearing the governing body may adopt an ordinance, rule or regulation  
22 establishing a system of fees that is reasonable and necessary to pay expenses of processing the  
23 written recommendation. Processing fees under this subsection are in lieu of fees under subsection  
24 [(7)] **(8)** of this section. In no case shall the processing fee under this subsection be greater than  
25 \$100 for an original application, \$75 for a change in ownership, change in location or change in  
26 privilege application, and \$35 for a renewal or temporary application.

27