76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session MEASURE: SB 944 A CARRIER: Sen. George

Senate Committee on General Government, Consumer and Small Business Protection

REVENUE: Minimal revenue impact, no statement issued FISCAL: Minimal fiscal impact, no statement issued

**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 5 - 0 - 0

Yeas: Bonamici, Boquist, George, Monroe, Shields

Nays: 0 Exc.: 0

**Prepared By:** Patrick Brennan, Administrator

**Meeting Dates:** 3/21, 4/11, 4/13

**WHAT THE MEASURE DOES:** Modifies minimum purchase requirements for licensees of the Oregon Liquor Control Commission.

## **ISSUES DISCUSSED:**

- Ability for establishments to set themselves apart from competitors
- Types of special purchases for which provisions of measure would apply

**EFFECT OF COMMITTEE AMENDMENT:** Specifies that single container purchases must be items of value of \$30 or greater; authorizes the Commission to annually adjust the price threshold according to the Consumer Price Index in the Portland-Salem, OR-WA region. Specifies that single unit purchases must be of a brand available through a U.S. distributor that does not require the Commission to acquire more than one case in a single transaction and not regularly stocked by the Commission. Requires that the special order be for a 750 milliliter container if available in that size.

**BACKGROUND:** The Oregon Liquor Control Commission (OLCC) is the state entity responsible for overseeing the sale and distribution of packaged distilled spirits, which are disbursed statewide from a distribution center in Portland and sold in 242 retail liquor stores operated by contracted agents. The agency licenses qualified individuals and businesses to sell and serve alcohol, issuing licenses to private businesses such as grocery stores to sell packaged beer and wine, as well as restaurants, bars and taverns to sell beer, wine and distilled spirits by the glass.

On-premise sales license holders, including bars, taverns and restaurants, purchase the spirits they serve from OLCC's state liquor stores. Senate Bill 944-A stipulates that OLCC may not require on-premises sales license holders to purchase distilled liquor containers in multiple quantities at one time, provided the single unit requested is valued at \$30 or more; the measure provides for this minimum threshold to increase with the consumer price index in the Portland-Salem, OR-WA region. Other requirements include that the item must be a special order, available from a U.S. distributor, and that the item be ordered in a 750 ml container if available in that size.