



Oregon

John A. Kitzhaber, MD, Governor

Liquor Control Commission

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**Testimony of Thomas Erwin, Government Affairs Director
Oregon Liquor Control Commission
Senate Environment and Natural Resources Committee
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SB 112**

Since the inception of the Bottle Bill in 1971, the Oregon Liquor Control Commission has played an important role in administering this iconic law throughout our state. OLCC supports the concepts in SB 112, but we do believe some changes in the language would help clarify the two main purposes of this bill.

SB 112 allows the Oregon Liquor Control Commission to impose civil penalties for violations under the state's beverage container return law. Currently, OLCC only has authority to seek criminal penalties against non-liquor licensed retailers or to suspend liquor licenses for violations of the law. Over the past decade, and especially after bottled water was added to those products included under the Bottle Bill, the landscape of retailers selling products that are covered has expanded greatly. There are now many retail outlets that sell bottled water and pop that are covered under the Bottle Bill, but aren't licensed by OLCC because they don't sell alcohol. Unfortunately, the current statute allows the agency only to seek criminal penalties over those non-liquor licensed entities, and we have indicated in past legislative sessions that this was somewhat problematic and probably an inequity. This bill helps to resolve that inequity by creating civil penalties to levy against both licensed and non-liquor licensed businesses.

However, the language in this bill regarding the civil penalty is different from what we proposed in prior legislative sessions - which was more consistent with our other civil penalty language in ORS 471. The agency's goal is to have the option to impose a civil penalty only, rather than having to impose a civil penalty and a suspension of the liquor license which this bill seems to require. We do have suggested language that we would like to offer as an amendment to this part of the bill.

The second part of the bill is to authorize OLCC to audit beverage return data submitted by the beverage distributor cooperative and any non-participating beverage distributors. This gives the agency more ability to ensure this data is accurate. However, the standard definition of an audit contemplates comparing two different reports that describe the same data or information (such as for tax audits). Since we are not allowed to get retailer data we will have to take the distributor numbers at face value and review their accounting procedures and other data collection methods. Perhaps a better descriptor for this authority would be "review" rather than "audit."

OLCC looks forward to the continued partnership we have with all of the participants that help make the Bottle Bill work and that help support this landmark environmental legislation.

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