



**Testimony of Thomas Erwin, Government Affairs Director
Oregon Liquor Control Commission**

**HB 2702
House Business & Labor Committee
March 8, 2013**

The Oregon Liquor Control Commission supports creating statutory authority for the agency to establish alcohol impact areas by rule. We believe Alcohol Impact Areas (AIAs) can be an effective tool to greatly reduce the negative impacts of street drinking and public intoxication resulting from off-premises sales, or noise and other disturbances resulting from on-premises sales.

We do have concerns with a few of the provisions of the bill and we would like to address those at this time. The areas we would like to see addressed, in the order they appear in the bill, are as follows:

- Section 2: We are unclear what the intended meaning of “designee” is and, consequently, how we would or should recognize someone as an official designee. We recommend either defining the term or striking that particular word from the bill and leaving the remaining language.
- Section 3, subsection (2): Among the enumerated requirements a municipality’s petition must contain, there is no requirement that the municipality outline boundaries for the proposed alcohol impact area. Without the designation of the area, it will be difficult for the municipality to submit required data relevant specifically to the area proposed, or to comply with the other requirements enumerated in this subsection. Requirements relate to the specific area proposed. We recommend that a new paragraph (a) be created, setting forth the requirement that the boundaries of the proposed alcohol impact area be specified by the municipality. We would also recommend that the current paragraph (a) relating to the municipality providing a public comment opportunity, be renumbered as paragraph (e) and moved to the bottom of the subsection (2) list. This would probably help those wishing to offer such public comment a list of subjects that would be germane to comment on for this purpose.

- While there may be several places in the bill where implied authority is granted to the agency to establish AIAs by rule, we believe that it is imperative this authority should be stated explicitly and we would like such a statement inserted before the current first sentence of subsection (4), in Section 3.
- As far as we can determine, the bill contains no penalty provision for violation of the Commission rule establishing an alcohol impact area. We believe such a provision is needed, and would probably be best contained in Section 3, subsection (6) of the bill.
- Section 5 of the bill requires an OLCC hearing and review of each alcohol impact area established one year after establishment, and periodically thereafter. A review requirement in this form could be quite resource intensive if a number of municipalities petition for and receive alcohol impact areas. We would propose, instead, that hearing and review be conducted if a petition is filed indicating that the rule establishing the area should be amended or repealed. We also suggest that the petitioning party bear the burden of proof regarding their desired outcome.
- Finally, this bill does not contain a minimum population threshold for seeking establishment of an alcohol impact area. This absence means that any of the current 240 plus municipalities in Oregon could theoretically invoke the AIA process. If very many do, or if two or more request an AIA contemporaneously, this would require additional resources for OLCC to process, and later review, these petitions. At the very least, it would most likely mean a delay in the process for whichever municipalities petitioned the agency after the initial city brought a petition forward.

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