

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	6 - 0 - 0
<b>Yeas:</b>	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	2/4

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**WHAT THE MEASURE DOES:** Specifies that the Oregon Liquor Control Commission may refuse to issue a license to an applicant if the applicant has been convicted of a federal law that is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.

**ISSUES DISCUSSED:**

- Inadvertent change made by Senate Bill 36 (2011)
- Restores Commission’s previous screening authority

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

**BACKGROUND:** The Oregon Liquor Control Commission (OLCC) is the licensing agency for businesses that import, manufacture, distribute, sell or serve alcohol in Oregon. The OLCC was instituted in 1933 following the end of national prohibition. Oregon is a control state, with the exclusive right to sell packaged distilled spirits through a statewide distribution center in Portland and sold through 242 retail liquor stores operated by contracted liquor agents. Licenses are issued to private businesses for the sale of packaged beer and wine, and to restaurants, bars and taverns for the sale of beer, wine and distilled spirits by the glass. The Commission issues a variety of licenses, based on the type of business operated by the licensee.

ORS 471.313 outlines the conditions under which the OLCC can refuse to issue a license to an applicant if there are reasonable grounds to believe that certain conditions are true. Examples include making false statements to the OLCC, failure to furnish or maintain required bonding or insurance, or excessive use of alcohol, drugs or controlled substances. Applicants can also be refused licensure if they have been convicted of violating any state or local liquor laws or for any felony; Senate Bill 36 (2011) expanded the types of convictions that could be considered to include violations of state or local laws that occurred in Oregon or another state in cases where the conviction is substantially related to the applicant’s fitness and ability to lawfully carry out the privileges of licensure. However, that measure also inadvertently deleted reference to violations of federal law, meaning that the OLCC currently cannot refuse to issue a license to an applicant who has been convicted of violating federal law that is relevant to their fitness to carry out their duties under the license. Senate Bill 37 reinstates the OLCC’s authority to refuse to license an applicant for that reason.