

House Bill 2885

Sponsored by COMMITTEE ON RULES

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**.

Establishes license fee surcharges for full on-premises sales, limited on-premises sales and off-premises sales licenses for alcoholic beverages. Dedicates surcharges for payment to cities or counties for public safety purposes.

Applies to licenses authorizing alcoholic beverage sales during periods that begin on or after January 1, 2014.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to license fee moneys collected by the Oregon Liquor Control Commission; creating new
3 provisions; amending ORS 471.311 and 471.810; appropriating money; prescribing an effective
4 date; and providing for revenue raising that requires approval by a three-fifths majority.

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

6 **SECTION 1.** ORS 471.311 is amended to read:

7 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make
8 application to the Oregon Liquor Control Commission upon forms to be furnished by the commission
9 showing the name and address of the applicant, location of the place of business that is to be op-
10 erated under the license, and such other pertinent information as the commission may require. No
11 license shall be granted or renewed until the applicant has complied with the provisions of this
12 chapter and the rules of the commission.

13 (2) The commission may reject any application that is not submitted in the form required by
14 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
15 A hearing under this subsection is not subject to the requirements for contested case proceedings
16 under ORS chapter 183.

17 (3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for
18 processing a renewal application for any license authorized by this chapter only if the renewal ap-
19 plication is received by the commission less than 20 days before expiration of the license. If the
20 renewal application is received prior to expiration of the license but less than 20 days prior to ex-
21 piration, this fee shall be 25 percent of the annual license fee. If a renewal application is received
22 by the commission after expiration of the license but no more than 30 days after expiration, this fee
23 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-
24 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

25 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that
26 failure to submit a timely application was due to unforeseen circumstances or to a delay in pro-
27 cessing the application by the local governing authority that is no fault of the licensee.

28 (5) The license fee is nonrefundable and shall be paid by each applicant upon the granting or
29 committing of a license. [*Subject to ORS 471.155 and 473.065, the annual or daily license fee and the*

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 *minimum bond required of each class of license under this chapter are as follows:]*

2 **(6) Subject to ORS 471.155 and 473.065, for the following classes of licenses and permits**
 3 **issued by the commission, the annual fees and minimum bond requirements are:**

License	Fee	Minimum Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None
Wholesale Malt Beverage		
and Wine	\$ 275	\$ 1,000
Warehouse	\$ 100	\$ 1,000
<i>[Special events winery</i>		
<i>license</i>	<i>\$ 10 per day]</i>	
Brewery-Public House,		
including Certificate		
of Approval	\$ 250	\$ 1,000
<i>[Limited On-Premises Sales</i>	<i>\$ 200</i>	<i>None]</i>
<i>[Off-Premises Sales</i>	<i>\$ 100</i>	<i>None]</i>
<i>[Temporary Sales</i>	<i>\$ 50 per day]</i>	
Grower Sales Privilege		
License	\$ 250	\$ 1,000
<i>[Special events grower</i>		
<i>sales privilege</i>		
<i>license</i>	<i>\$ 10 per day]</i>	
<i>[Special events</i>		
<i>brewery-public house</i>		
<i>license</i>	<i>\$ 10 per day]</i>	
<i>[Special events</i>		
<i>distillery</i>		
<i>license</i>	<i>\$ 10 per day]</i>	
Wine Self-Distribution		
Permit	\$ 100	\$ 1,000

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38 **(7) For the following licenses issued by the commission, the daily fees are:**

Special Events Winery		
License	\$ 10	
Temporary Sales	\$ 50	
Special Events Grower		
Sales Privilege		

1	License	\$	10
2	Special Events		
3	Brewery-Public House		
4	License	\$	10
5	Special Events		
6	Distillery		
7	License	\$	10

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9
10 (8)(a) A bond is not required for a full on-premises sales license. Except as otherwise
11 provided in this subsection, the annual fee for a full on-premises sales license is \$400.

12 (b) If the gross dollar volume of alcoholic beverage sales at the premises under the
13 privileges of the same class of license during the preceding year was more than \$_____ and
14 not more than \$_____, the annual fee for a full on-premises sales license is the amount
15 described in paragraph (a) of this subsection plus a surcharge of \$400.

16 (c) If the gross dollar volume of alcoholic beverage sales at the premises under the
17 privileges of the same class of license during the preceding year was more than \$_____, the
18 annual fee for a full on-premises sales license is the amount described in paragraph (a) of
19 this subsection plus a surcharge of \$1,100.

20 (d) Notwithstanding paragraphs (a) to (c) of this subsection, the annual fee for a full
21 on-premises sales license is \$200 if the license is held by a nonprofit private club as described
22 in ORS 471.175 (8) or a nonprofit or charitable organization that is registered with the state.
23 Subsection (11) of this section does not apply to a licensee described in this paragraph.

24 (9)(a) A bond is not required for a limited on-premises sales license. Except as otherwise
25 provided in this subsection, the annual fee for a limited on-premises sales license is \$200.

26 (b) If the gross dollar volume of alcoholic beverage sales at the premises under the
27 privileges of the same class of license during the preceding year was more than \$_____ and
28 not more than \$_____, the annual fee for a limited on-premises sales license is the amount
29 described in paragraph (a) of this subsection plus a surcharge of \$200.

30 (c) If the gross dollar volume of alcoholic beverage sales at the premises under the
31 privileges of the same class of license during the preceding year was more than \$_____, the
32 annual fee for a limited on-premises sales license is the amount described in paragraph (a)
33 of this subsection plus a surcharge of \$600.

34 (10)(a) A bond is not required for an off-premises sales license. Except as otherwise pro-
35 vided in this subsection, the annual fee for an off-premises sales license is \$100.

36 (b) If the gross dollar volume of alcoholic beverage sales at the premises under the
37 privileges of the same class of license during the preceding year was more than \$25,000 and
38 not more than \$50,000, the annual fee for an off-premises sales license is the amount de-
39 scribed in paragraph (a) of this subsection plus a surcharge of \$100.

40 (c) If the gross dollar volume of alcoholic beverage sales at the premises under the
41 privileges of the same class of license during the preceding year was more than \$50,000 and
42 not more than \$100,000, the annual fee for an off-premises sales license is the amount de-
43 scribed in paragraph (a) of this subsection plus a surcharge of \$200.

44 (d) If the gross dollar volume of alcoholic beverage sales at the premises under the
45 privileges of the same class of license during the preceding year was more than \$100,000 and

1 not more than \$150,000, the annual fee for an off-premises sales license is the amount de-
 2 scribed in paragraph (a) of this subsection plus a surcharge of \$400.

3 (e) If the gross dollar volume of alcoholic beverage sales at the premises under the
 4 privileges of the same class of license during the preceding year was more than \$150,000 and
 5 not more than \$250,000, the annual fee for an off-premises sales license is the amount de-
 6 scribed in paragraph (a) of this subsection plus a surcharge of \$900.

7 (f) If the gross dollar volume of alcoholic beverage sales at the premises under the priv-
 8 ileges of the same class of license during the preceding year was more than \$250,000, the
 9 annual fee for an off-premises sales license is the amount described in paragraph (a) of this
 10 subsection plus a surcharge of \$1,400.

11 (11) The commission may require that a premises licensed under subsection (8), (9) or (10)
 12 of this section maintain a record of gross dollar volume of alcoholic beverage sales at the
 13 premises under the privileges of the license in a form the commission deems expedient for
 14 purposes of administering this section. If a premises licensed for full on-premises sales is
 15 also a brewery-public house licensee, for purposes of subsection (8) of this section all retail
 16 sales of alcoholic beverages at the premises are under the privileges of the full on-premises
 17 sales license.

18 (12) If the annual license fee paid for a full on-premises sales license, limited on-premises
 19 sales license or off-premises sales license includes a surcharge described in subsection (8)(b)
 20 or (c), (9)(b) or (c) or (10)(b) to (f) of this section, the commission shall identify the incor-
 21 porated city, or if none the county, in which the licensed premises is located. The commis-
 22 sion shall keep a record for each incorporated city or county identified under this subsection
 23 showing the total surcharge amount paid by licensed premises within the city or county. The
 24 commission may reduce the total surcharge amount recorded for a city or county by a
 25 proportionate share of the actual direct costs to the commission of establishing and main-
 26 taining the surcharge record system. The commission may not reduce the total surcharge
 27 amount recorded for a city or county to cover overhead or other indirect or administrative
 28 expenses of the commission. When certifying to the State Treasurer the amount of moneys
 29 available for distribution under ORS 471.810, the commission shall notify the State Treasurer
 30 and the Oregon Department of Administrative Services of each total surcharge amount re-
 31 corded for a city or county that is included in the moneys available for payment under ORS
 32 471.810.

33 [(6)] (13) The fee for a certificate of approval or special certificate of approval granted under
 34 ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing
 35 of a certificate of approval or special certificate of approval. No bond is required for the granting
 36 of a certificate of approval or special certificate of approval. Certificates of approval are valid for
 37 a period commencing on the date of issuance and ending on December 31 of the fifth calendar year
 38 following the calendar year of issuance. The fee for a certificate of approval is \$175. Special cer-
 39 tificates of approval are valid for a period of 30 days. The fee for a special certificate of approval
 40 is \$10.

41 [(7) Except as provided in subsection (8) of this section, the annual license fee for a full on-premises
 42 sales license is \$400. No bond is required for any full on-premises sales license.]

43 [(8) The annual license fee for a full on-premises sales license held by a nonprofit private club as
 44 described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with
 45 the state, is \$200.]

1 *[(9) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.]*

2 **SECTION 2.** ORS 471.810 is amended to read:

3 471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the
4 amount of moneys available for distribution in the Oregon Liquor Control Commission Account and,
5 after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall
6 within 35 days of the month for which a distribution is made direct the State Treasurer to pay the
7 amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as fol-
8 lows:

9 (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this
10 section, credited to the General Fund available for general governmental purposes wherein it shall
11 be considered as revenue during the quarter immediately preceding receipt;

12 (b) Twenty percent to the cities of the state in such shares as the population of each city bears
13 to the population of the cities of the state, as determined by the State Board of Higher Education
14 last preceding such apportionment, under ORS 190.510 to 190.610;

15 (c) Ten percent to counties in such shares as their respective populations bear to the total
16 population of the state, as estimated from time to time by the State Board of Higher Education; and

17 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and
18 this section.

19 (2) The commission shall direct the Oregon Department of Administrative Services to transfer
20 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health
21 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS
22 430.380.

23 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding
24 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute
25 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)
26 and (2) of this section and the amounts that would have been paid or transferred under subsections
27 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct
28 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-
29 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to
30 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

31 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal
32 year an amount less than the amount distributed to the city or county in accordance with ORS
33 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
34 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
35 If the population declined, the per capita distribution to the city or county shall be not less than
36 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to
37 maintain the level of distribution under this subsection shall be paid from funds credited under
38 subsection (1)(a) of this section.

39 **(5) Notwithstanding subsection (1) of this section, if the commission notifies the State**
40 **Treasurer and the Oregon Department of Administrative Services under ORS 471.311 (12)**
41 **that the amount of moneys certified as available for distribution includes a surcharge**
42 **amount recorded for a city or county, the surcharge amount is not subject to warrant and**
43 **payment under subsection (1) of this section. The commission shall within 35 days of the**
44 **month for which a distribution is made direct the State Treasurer to pay the city or county**
45 **the surcharge amount recorded under ORS 471.311 (12) for the city or county upon warrant**

1 drawn by the department. A city or county may expend moneys received by the city or
2 county under this subsection only for purposes of providing public safety services.

3 **SECTION 3.** The amendments to ORS 471.311 by section 1 of this 2013 Act apply to a li-
4 cense that the Oregon Liquor Control Commission issues to authorize alcoholic beverage
5 sales during a licensing period that begins on or after January 1, 2014.

6 **SECTION 4.** This 2013 Act takes effect on the 91st day after the date on which the 2013
7 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

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