

**PROPOSED AMENDMENTS TO
HOUSE BILL 2702**

1 On page 1 of the printed bill, line 2, delete “; and declaring an
2 emergency”.

3 Delete lines 4 through 30 and delete pages 2 through 4 and insert:

4 **“SECTION 1. Sections 2 to 7 of this 2013 Act are added to and made
5 a part of ORS chapter 471.**

6 **“SECTION 2. As used in sections 2 to 7 of this 2013 Act:**

7 **“(1) ‘Alcohol impact area’ means a geographic area within a city
8 that is adversely affected by problems arising from chronic public
9 inebriation or from illegal activity associated with alcoholic liquor
10 sales or public consumption of alcoholic liquor products.**

11 **“(2) ‘Alcoholic liquor products’ means wine, malt beverages, cider
12 and any wine, malt beverage or cider products recognized by the
13 Oregon Liquor Control Commission as being subject to the conditions
14 of an alcohol impact area.**

15 **“(3) ‘Chronic public inebriation’ means concentrated occurrences
16 of public intoxication or public consumption of alcoholic liquor pro-
17 ducts that result in the intoxication or consumption endangering the
18 welfare, health, peace or safety of a neighborhood or community.**

19 **“SECTION 3. (1) A city that has a population in excess of 300,000
20 may file a petition with the Oregon Liquor Control Commission for the
21 recognition of an alcohol impact area within the city.**

22 **“(2) A petition filed under this section must identify the geographic**

1 boundaries of the proposed alcohol impact area. The proposed bound-
2 aries may not include the entire area of the city. If a boundary of the
3 proposed alcohol impact area is a street, both sides of the street must
4 be included in the proposed alcohol impact area. The petition must
5 describe the boundaries in a manner that allows the commission to
6 determine which off-premises sales licensees of the commission are
7 located within the boundaries and that can be easily understood by the
8 public. The petition must explain the rationale for the selection of the
9 boundaries.

10 “(3) In addition to meeting the requirements of subsection (2) of
11 this section, a petition filed under this section must include the fol-
12 lowing:

13 “(a) Findings of fact that demonstrate the need for the alcohol im-
14 pact area and demonstrate that chronic public inebriation or illegal
15 activity associated with alcoholic liquor sales or public consumption
16 of alcoholic liquor products within the proposed alcohol impact area:

17 “(A) Contribute to the deterioration of the general quality of life
18 within the area; or

19 “(B) Threaten the welfare, health, peace or safety of area visitors
20 or occupants.

21 “(b) Findings of fact that demonstrate a pervasive pattern of
22 chronic public inebriation or illegal activity associated with alcoholic
23 liquor sales or public consumption of alcoholic liquor products in the
24 proposed alcohol impact area and that are supported by documentation
25 such as crime statistics, police reports, emergency medical response
26 data, detoxification reports, sanitation reports and public health re-
27 cords or by community group petitions, public testimony or the testi-
28 mony of current or former chronic public inebriates.

29 “(c)(A) Documentation demonstrating the past good faith attempts
30 by the city to use voluntary efforts to control problems described in

1 paragraph (b) of this subsection in the proposed alcohol impact area
2 arising from chronic public inebriation or from illegal activity associ-
3 ated with alcoholic liquor sales or public consumption of alcoholic li-
4 quor products; and

5 “(B) An explanation of why past good faith attempts by the city to
6 use voluntary efforts to control problems described in paragraph (b)
7 of this subsection failed to sufficiently resolve the problems.

8 “(d) A statement setting forth the conditions being sought under
9 section 4 of this 2013 Act and explaining how the conditions will reduce
10 chronic public inebriation or illegal activity associated with alcoholic
11 liquor sales or public consumption of alcoholic liquor products in the
12 proposed alcohol impact area.

13 “(4) If a city files a petition that includes a request to restrict the
14 off-premises sales of specific alcoholic liquor products under section 4
15 of this 2013 Act, the petition must demonstrate to the satisfaction of
16 the commission that the products are reasonably linked to problems
17 in the proposed alcohol impact area arising from chronic public
18 inebriation or from illegal activity associated with alcoholic liquor
19 sales or public consumption of alcoholic liquor products. For purposes
20 of this subsection, a city may demonstrate a reasonable link between
21 a specific alcoholic liquor product and problems through the use of
22 police, fire and emergency medical response statistics, photographic
23 evidence, police officer, resident or medical provider testimony, testi-
24 mony of current or former chronic public inebriates, litter pickup data
25 or other statistically documented evidence of a reliable nature.

26 “SECTION 4. (1) If a city files a petition that meets the require-
27 ments listed in section 3 of this 2013 Act, the Oregon Liquor Control
28 Commission may vote to recognize an alcohol impact area for the city.
29 An alcohol impact area recognized by the commission must have the
30 geographic boundaries set forth in the petition. The commission may

1 not recognize more than one alcohol impact area within a city.

2 “(2) Except as provided in this subsection, the commission may
3 impose any conditions on alcoholic liquor sales in the alcohol impact
4 area for which the city has demonstrated a need or demonstrated to
5 the satisfaction of the commission a reasonable link to problems in the
6 area. Conditions may include, but need not be limited to, restrictions
7 on the hours for off-premises sales of alcoholic liquor generally or of
8 specific alcoholic liquor products. The commission may not impose a
9 condition restricting the sale of a specific alcoholic liquor product that
10 is a malt beverage product unless the product contains at least 5.7
11 percent alcohol by volume. The commission may not impose a condi-
12 tion restricting the sale of a specific alcoholic liquor product that is
13 a wine product unless the wine product is fortified with distilled liquor.

14 “(3) A commission restriction on the sale of specific alcoholic liquor
15 products must individually identify each product that is being re-
16 stricted. A commission restriction on the sale of a specific alcoholic
17 liquor product applies to all container sizes in which the product is
18 sold.

19 “(4) If a new alcoholic liquor product becomes available in an alco-
20 hol impact area, is subject to restriction under subsection (2) of this
21 section and has substantial and material similarities to a restricted
22 product, a city may request in writing that the commission restrict
23 sales of the new alcoholic liquor product in the alcohol impact area.
24 Notwithstanding section 3 (4) of this 2013 Act, proof that a new alco-
25 holic liquor product has substantial and material similarities to a re-
26 stricted product and is a substitute in the marketplace for the
27 restricted product is sufficient to establish that the new alcoholic li-
28 quor product is reasonably linked to problems in the alcohol impact
29 area arising from chronic public inebriation or from illegal activity
30 associated with alcoholic liquor sales or public consumption of alco-

1 holic liquor products. If the commission approves a written request
2 under this subsection, the approval must individually identify the
3 specific alcoholic liquor product that is being restricted.

4 “(5) A city may request in writing that the commission add a spe-
5 cific alcoholic liquor product that is subject to restriction under sub-
6 section (2) of this section to a list of restricted products for an alcohol
7 impact area. Except as provided in subsection (4) of this section for
8 new alcoholic liquor products, the city must demonstrate to the com-
9 mission as described in section 3 (4) of this 2013 Act that the specific
10 alcoholic liquor product is reasonably linked to problems in the alcohol
11 impact area arising from chronic public inebriation or from illegal
12 activity associated with alcoholic liquor sales or public consumption
13 of alcoholic liquor products. If the commission approves a written re-
14 quest under this subsection, the approval must individually identify
15 the specific alcoholic liquor product that is being added to the list of
16 restricted products.

17 **“SECTION 5. (1) If the Oregon Liquor Control Commission recog-**
18 **nizes an alcohol impact area under section 4 of this 2013 Act, no later**
19 **than three business days after voting to recognize the alcohol impact**
20 **area the commission shall send notice by first class mail to any li-**
21 **icensed distributors serving the alcohol impact area and any off-**
22 **premises sales licensees in the alcohol impact area. The notice must**
23 **inform the distributors and off-premises sales licensees that the com-**
24 **mission has recognized an alcohol impact area, state the geographic**
25 **boundaries of the area, state any conditions imposed on alcoholic li-**
26 **quor sales in the area or imposed on the sale of specific alcoholic li-**
27 **quor products and state the date on which the conditions take effect.**

28 “(2) An alcohol impact area becomes effective on the date of the
29 commission vote recognizing the alcohol impact area, except that:

30 “(a) A city or the commission may not take any action against a

1 licensed distributor or off-premises sales licensee for a violation of an
2 alcohol impact area condition that occurs before the earlier of the date
3 that the distributor or off-premises sales licensee has actual notice of
4 the alcohol impact area conditions or three business days after the
5 commission sends the distributor or off-premises sales licensee notice
6 of the alcohol impact area conditions under subsection (1) of this sec-
7 tion.

8 “(b) Any restriction on the sale of specific alcoholic liquor products
9 in an alcohol impact area does not take effect until 30 calendar days
10 after the date of the commission vote recognizing the alcohol impact
11 area.

12 “(3) If the commission approves a written request by a city to re-
13 strict the sale of a new alcoholic liquor product or to add a specific
14 alcoholic liquor product to the list of restricted products for an alcohol
15 impact area, no later than three business days after approving the
16 request the commission shall send notice to any licensed distributors
17 serving the alcohol impact area and any off-premises sales licensees
18 in the alcohol impact area. The notice must inform the distributors
19 and off-premises sales licensees that the new alcoholic liquor product
20 or added specific alcoholic liquor product has been restricted. Any re-
21 striction of the sale of a new alcoholic liquor product or an added
22 specific alcoholic liquor product in an alcohol impact area does not
23 take effect until 30 calendar days after the date of the commission vote
24 approving the city request for the restriction.

25 **“SECTION 6. (1) If the Oregon Liquor Control Commission recog-**
26 **nizes an alcohol impact area for a city under section 4 of this 2013 Act,**
27 **the city shall study the alcohol impact area to determine whether the**
28 **conditions imposed for the area are effective in mitigating the adverse**
29 **effects on the welfare, health, peace or safety of the neighborhoods**
30 **or communities in the area from chronic public inebriation or from**

1 **illegal activity associated with alcoholic liquor sales or public con-**
2 **sumption of alcoholic liquor products. The city shall submit to the**
3 **commission annual reports evaluating the effectiveness of each of the**
4 **conditions imposed for the alcohol impact area. The city shall deliver**
5 **the report to the commission annually no later than 60 days after the**
6 **anniversary of the commission vote recognizing the alcohol impact**
7 **area.**

8 **“(2) The commission shall conduct an assessment of the first two**
9 **years of conditions for an alcohol impact area. The commission shall**
10 **allow an opportunity for comment to all affected parties, including but**
11 **not limited to, licensees, residents and city officials. The assessment**
12 **must analyze all comments submitted by the affected parties and an-**
13 **alyze the first two annual reports submitted by the city under sub-**
14 **section (1) of this section. The assessment must state whether the**
15 **alcohol impact area has been effective in mitigating the adverse effects**
16 **on the welfare, health, peace or safety of the neighborhoods or com-**
17 **munities in the area arising from chronic public inebriation or from**
18 **illegal activity associated with alcoholic liquor sales or public con-**
19 **sumption of alcoholic liquor products. The assessment must state**
20 **whether the commission will continue to recognize the alcohol impact**
21 **area or will withdraw recognition. If the commission is withdrawing**
22 **recognition of the alcohol impact area, the assessment must state the**
23 **reasons for the withdrawal of recognition.**

24 **“(3) The commission must complete the assessment described in**
25 **subsection (2) of this section no later than 90 days following the de-**
26 **livery of the second annual report submitted by the city under sub-**
27 **section (1) of this section. The commission conducting an assessment**
28 **under subsection (2) of this section does not affect the duty of the city**
29 **under subsection (1) of this section to submit annual reports for as**
30 **long as the commission recognizes the alcohol impact area.**

1 **“SECTION 7. (1) An alcohol impact area recognized by the Oregon**
2 **Liquor Control Commission shall remain in effect until the commis-**
3 **sion withdraws recognition of the area. The commission:**

4 **“(a) Shall withdraw recognition of an alcohol impact area upon a**
5 **written request by the city.**

6 **“(b) Shall withdraw recognition of an alcohol impact area if the city**
7 **fails to timely deliver an annual report under section 6 of this 2013 Act.**

8 **“(c) May withdraw recognition after conducting the assessment re-**
9 **quired under section 6 of this 2013 Act.**

10 **“(d) May withdraw recognition of an alcohol impact area at its own**
11 **initiative and after a public hearing.**

12 **“(2) A city that has a recognized alcohol impact area may file a**
13 **petition with the commission to modify the geographic boundaries of**
14 **the area or to create, modify or repeal a condition on alcoholic liquor**
15 **sales in the area. The commission may grant a petition to modify the**
16 **boundaries of an alcohol impact area only if the city shows good cause**
17 **and submits the information described in section 3 (2) of this 2013 Act.**
18 **The commission may grant a petition to create, modify or repeal a**
19 **condition on alcoholic liquor sales in an alcohol impact area only if**
20 **the city shows good cause and submits the information described in**
21 **section 3 (3)(d) of this 2013 Act.”.**

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