

Joint Committee on Ways and Means

Carrier – House: Rep.  
Carrier – Senate: Sen.

**Revenue:** No Revenue Impact

**Fiscal:** Fiscal Impact Statements Issued.

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**Action:**

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Michelle Deister, Legislative Fiscal Office

**Meeting Date:** March 5, 2013

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**WHAT THE MEASURE DOES:** Senate Bill 1559A establishes the Oregon Liquor Control Modernization Task Force to evaluate the existing system for distributing and selling liquor, and to identify means of modernizing the system. The task force is required to report to an interim committee of the Legislative Assembly by October 1, 2014. The measure also clarifies the ability of the enforcement division of the Oregon Liquor Control Commission to access the Law Enforcement Data System for purposes of background checks related to license issuance.

**ISSUES DISCUSSED:** A hearing was held on the bill on February 25, 2014 in the Ways and Means Subcommittee on the Transportation and Economic Development. Among the issues discussed were:

- The relevance of a task force given the evaluation recently undertaken by OLCC and its stakeholders which failed to produce broad agreement;
- The potential for passage of a ballot initiative to change the relevancy what the task force studies and recommends;
- Amendments to HB 1559-A which would: eliminate the task force; change the makeup of the task force; allow the OLCC enforcement division to have access to the Law Enforcement Data System (LEDS) for background checks;
- Support to enable the OLCC enforcement division to utilize LEDS, which would result in a cost savings.

**EFFECT OF COMMITTEE AMENDMENTS:** The –A12 amendment deletes provisions related to the task force, and the –A13 amendment clarifies that the Enforcement Division of the OLCC has access to the Law Enforcement Data System.

**BACKGROUND:** The Oregon Liquor Control Commission (OLCC), established by the Legislative Assembly in 1933, regulates the sale and service of alcoholic beverages in Oregon, ensuring that only qualified individuals and businesses are licensed to sell and serve alcoholic beverages. While beer, wine and cider in Oregon may be purchased at retail outlets such as grocery and convenience stores, distilled spirits may only be purchased at stores operated by retail liquor agents or from distillers licensed to make retail sales. The spirits are distributed by OLCC to the statewide network of 248 liquor stores and are owned by the Commission until sold to consumers.

Following the completion of the 2013 Legislative Session, the OLCC Chair, Rob Patridge, convened a retail innovations work group to consider ways that the state’s current system of liquor sales and distribution might be modified in order to improve the consumer experience, including strategies for upgrading current retail agent stores and also consideration of expanding the number and types of locations where consumers could purchase distilled spirits. Also considered was how any proposed changes might affect Oregon’s distilled spirits, wine and craft beer industries; potential safety impacts of increased access to distilled spirits; and how revenues generated by sale of distilled liquor might change.