

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 2 - 0

Yeas: Edwards, Monroe, Starr, Beyer

Nays: Girod, Thomsen

Exc.: 0

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 2/4, 2/13

WHAT THE MEASURE DOES: Creates Oregon Liquor Control Commission Modernization Task Force. Clarifies ability of liquor enforcement inspectors to access Law Enforcement Data System.

ISSUES DISCUSSED:

- Impact of Washington initiative that privatized liquor sales and distribution in that state
- Potential for similar ballot measure in Oregon
- Access to distilled spirits in Oregon
- Application process for Oregon distilled spirits to be sold in liquor stores
- Limited hours of operation at many Oregon liquor stores compared to potential retail outlets
- Possible methods for promoting Oregon-made products
- Potential impact of measure on cost of distilled spirits
- Public uses of revenue generated from sale of distilled spirits in Oregon
- Ability of, and incentive for, liquor agents to improve their stores
- Public safety concerns related to increased access to distilled spirits
- Activities of the Commission's Retail Innovations Work Group
- Possibility of compensating liquor agents if they are put out of business if original measure were to pass
- Level of compensation for liquor agents

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

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 serve and sell alcoholic beverages. OLCC offers liquor licenses for the sale, manufacture, import or distribution of alcohol; licenses can be annual (and renewable) or temporary/special event licenses. 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.

Senate Bill 1559-A establishes a 13-member Oregon Liquor Control Commission Modernization Task Force to continue studying the issue and to report back to the Legislative Assembly. The measure also clarifies authority of OLCC's liquor enforcement inspectors to utilize the Law Enforcement Data System.

2/17/2014 10:23:00 AM

This summary has not been adopted or officially endorsed by action of the committee.