

SB 5520

Oregon Liquor Control Commission

SB 5520 is the budget bill for the Oregon Liquor Control Commission. The Subcommittee recommends a budget of \$170,614,219 Other Funds, and 230 positions, for the administrative and liquor-related functions of the agency. Expenditure limitation for 2015-17 expenses associated with implementation of Measure 91 is not included in this recommendation, and will be brought forward for consideration at a future opportunity.

This budget includes expenditures for the following: electronic licensing and commerce capability; training costs for OLCC inspectors; and upgrading the agency's antiquated telephone systems. The budget will allow for repairs to roofs, walls, fire alarms, and HVAC to safeguard employee safety and inventory. Resources to enhance shipping capacity are also included, to meet projected demand for distilled spirits for the next decade. Agent's compensation is increased in this budget, due to sales revenue associated with continuation of the \$0.50 per bottle surcharge imposed by OLCC, and due to agency plans to remove a compensation formula distinction between exclusive and non-exclusive stores. The recommended budget results in an average agent's compensation rate of 8.93% of sales. Agent's compensation expenditure limitation in the current biennium is also increased, due to higher than projected sales.

The recommended budget results in an estimated net distribution of \$467.2 million in alcohol-related revenue distribution to the state general fund and statutorily designated entities in the 2015-17 biennium.

The Transportation and Economic Development Subcommittee recommends SB 5520 be amended by the -2 amendment and be reported out do pass, as amended.