

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 04/22/15

Action: Do Pass.

Meeting Dates: 04/22

Vote:

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Directs Oregon Liquor Control Commission to charge application fee up to \$150 for issuance of new license or license following ownership change. Specifies application fee applies only to licenses with annual fee. Directs Commission to refund fee under specified circumstances. Directs Commission to adopt rules setting fee by class of license.

ISSUES DISCUSSED:

- Cost justification for \$150 for issuance of new license
- Explanation of fiscal impact range
- Past legislative efforts for an application fee

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) issues licenses to businesses that are engaged in the manufacturing, distribution and retail sale of alcoholic beverages. Except for special events licenses, the licenses are good for one year and require an annual fee ranging from \$100 for off-premises sales to \$400 for full on-premises sales.

The OLCC processes approximately 3,500 new license applications each year for new establishments and for those changing ownership. The OLCC does not charge a fee to process an application and collects the annual license fee only when the process is complete and the agency is ready to issue the license. More than 200 applicants last year (about six percent of all applicants) submitted applications that were never completed. The OLCC expends staff resources to process these applications, which results in a longer wait time for all other applicants. House Bill 2480 directs OLCC to charge a one-time application fee not to exceed \$150 for new license applications or when ownership changes; the measure does not charge an application fee on annual renewals. The fee is refundable if the application is complete and the OLCC does not either grant or refuse the application within 75 days.