Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 141 A**
STAFF MEASURE SUMMARY **CARRIER: Rep. Nosse**
House Committee On Business and Labor

Fiscal: Fiscal impact issued
Revenue: No revenue impact, statement issued (Indeterminate Impact)

Action Date: 05/06/15
Action: Do Pass.
Meeting Dates: 05/06
Vote:
Yeas**:** 11 **-** Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner
Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:
Creates provisions for persons appointed to operate a store established by the Oregon Liquor Control Commission to receive payments of four percent of the average annual sales from the previous five years if, and only if, the system for selling containers of distilled liquor at retail in this state changes after the person assumed operation of the store. Creates provisions to fund business loss compensation from proceeds from selling the assets of the Commission. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current buyout requirements
- Whether four percent is appropriate level of payment
- Ability of former liquor store agent to become licensed off-premises sales licensee

EFFECT OF COMMITTEE AMENDMENT:
No amendment.

BACKGROUND:
Currently, Oregon's liquor agents face uncertainty regarding their current business model due to the possibility that the state could, at some future time, transition from the current control state system to a privatized system. Senate Bill 141-A is designed to add security and certainty that individual agents will be paid four percent of the average annual sales from the previous five years if, and only if, the system was to privatize. The measure would have no effect unless the state transitions to a private system. The payout provided for in Senate Bill 141-A is similar to the current administrative rule requiring a newly appointed liquor store agent to buyout an outgoing agent by paying an amount that equals three or four percent, depending on the outgoing agent’s annual evaluation, of the average annual gross sales for the last five years.

Under Senate Bill 141-A, the business loss compensation would be paid from the suspense account described in ORS 471.805, which would have been funded from the proceeds of selling the assets of the Oregon Liquor Control Commission (OLCC). These assets would no longer be needed in a privatized system, including the warehouse, distilled spirits and other assorted assets. The OLCC would still need to regulate establishments that serve alcohol, servers and other services that it currently provides, except for the retail services side, which would be eliminated under a privatized system.