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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
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Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee

From: Transportation and Economic Development Subcommittee

Re: HB 5019 Oregon Liquor Control Commission

Senator Monroe: "5019 is the budget for the Oregon Liquor Control Commission. The Transportation and Economic Development Subcommittee recommends a budget of \$207,708,449 Other Funds and 304 positions (298.82 FTE). The recommendation assumes gross liquor sales of \$1.35 billion, which includes an assumed \$35.4 million generated from the \$0.50 per bottle surcharge imposed by the OLCC in August, 2016. Agents' compensation is maintained at an average rate of 8.93% of sales, and the amount of revenue generated for the General Fund is estimated at \$326.1 million.

Recommended policy option packages include limitation to accommodate bank card fees and agent's compensation on the bottle surcharge and assumed increase in sales; two new positions in the retail services division to serve additional liquor stores approved by the OLCC; expenditure limitation for reclassifications to allow for more efficient utilization of existing staff resources; and additional positions to accommodate workload due to growth in the number of marijuana license applicants and licensees. A package is also included to provide limitation and position authority that enables OLCC to begin to address responsibilities related to tracking medical marijuana, pursuant to SB 1057. It is anticipated that the agency will return to the February 2018 session or a meeting of the Emergency Board to request enforcement personnel associated with these responsibilities. Targets for key performance measures related to marijuana regulation were also approved.

The Transportation and Economic Development Subcommittee recommends HB 5019 be amended by the -1 amendment and be reported out do pass, as amended."