

OLCC COVID RESPONSE

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

Steve Marks – Executive Director

Nathan Rix – Deputy Director, Policy & Strategy

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OLCC BUSINESS CONTINUITY

COVID BACKGROUND

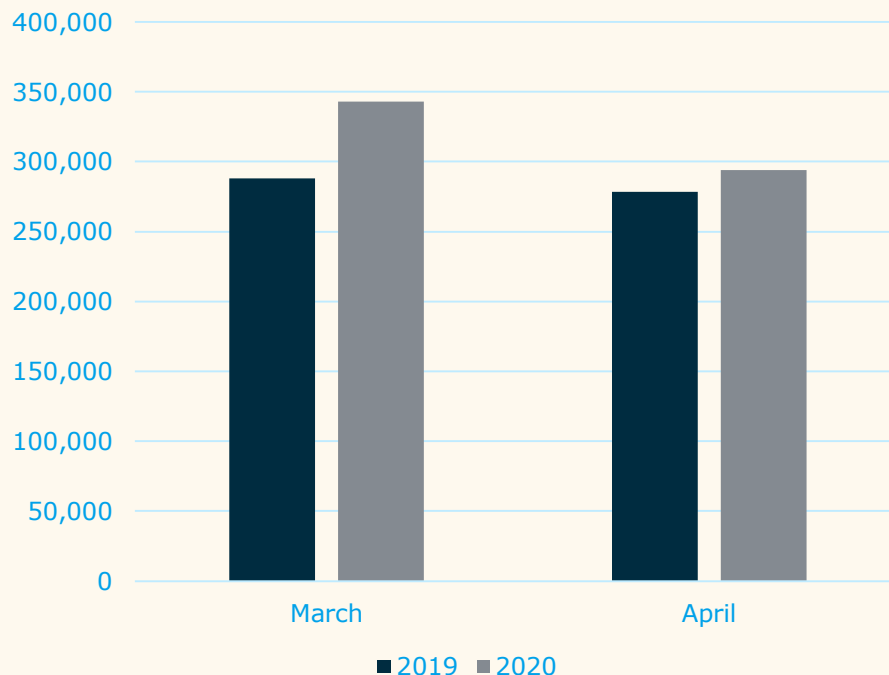
- The COVID pandemic and Executive Orders significantly impacted a sizeable segment of OLCC regulated industries.
- The Governor's Executive Order NO. 20-07 shuttered the hospitality industry by halting dine-in eating and drinking.
- The OLCC pivoted to enable licensees to maintain some business activity while maintaining public health social distancing requirements.
- **OLCC Licensee Numbers**
 - Bars and Restaurants 7,465; Grocery/Convenience Stores 4,995; 1,140 Wineries; 433 breweries/brewpubs; 227 distributors/wholesalers; 134 distillers
- Consumers transitioned from "on premises" to "off premises" (home) consumption
- OLCC warehouse staff provisioned record shipments to meet liquor store and consumer demand across the state



OLCC SPIRITS SALES

CHANGES IN CONSUMER BEHAVIOR

March & April Year-over-Year
Case Sales Comparison



Number of Cases Sold – March 2020

- 16% higher than forecasted for March 2019

Number of Cases Sold – April 2020

- 2.5% higher than forecasted for April 2019

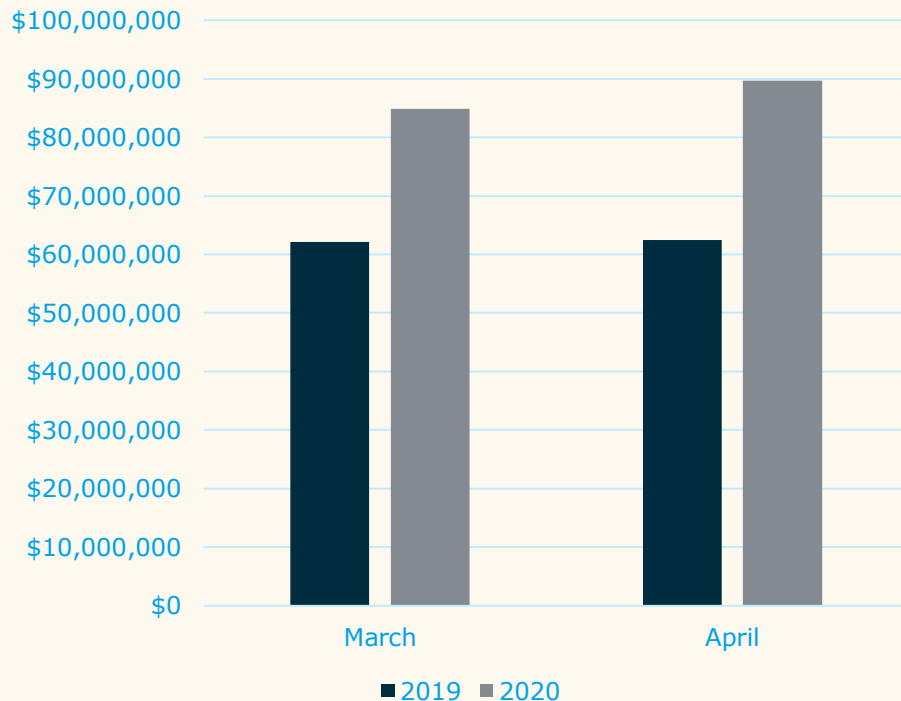
\$16.5 million estimated additional gross sales, which means \$6.3 million in additional revenue for State and Local Governments

- 15% higher than March and April 2019

MARIJUANA SALES

CHANGES IN CONSUMER BEHAVIOR

March & April Year-over-Year
Dollars Sold Comparison



Marijuana Sales (\$)

- 36.5% higher in March 2020 vs. March 2019
- 43.6% higher in April 2020 vs. April 2019

\$7.5 million estimated additional revenue for State School Fund, Mental Health Alcoholism and Drug Services Account, State Police Account, and local jurisdictions.

- 38% higher than March and April 2019

OLCC BUSINESS CONTINUITY

INTERNAL PIVOT

- Expanded protection for employee health (social distancing protocols, PPE)
- Telework implemented for nearly all staff (utilizing secure VPN)
- Virtual meetings (Commission actions, rule discussions, case settlements)
- Virtual inspections (Licensing, Compliance)
- Progress on Licensing backlog
 - Staff resources (cross-agency) re-assigned to assist with licensing backlog
 - Streamlined license processing by fast-tracking renewals
- Human Resources focused on filling essential positions
- Fast track policy action (P.A.C.E.)

OLCC BUSINESS CONTINUITY

PUBLIC HEALTH & SAFETY

- **Public Health & Social Distancing**

- Accommodated vulnerable populations by allowing grocery stores to sell alcohol at 6:00 am
- Provided relief to overwhelmed grocers by suspending Bottle Bill enforcement -- not accepting empty beverage containers for redemption
- Streamlined “for-hire carrier” registration and expanded delivery hours
- Allowed bar and restaurant licensees to provide “curbside” delivery of wine, cider, beer
- Enabled liquor stores to provide “curbside delivery”
- Provided liquor stores operational flexibility (staffing, hours, social distancing)
- Allowed “curbside” delivery of recreational and medical marijuana products
- Increased Medical Marijuana daily sales and delivery limits for OMMP patients

- **Public Safety**

- Implemented a violation for any licensee violating an Executive Order issued by the Governor
- Issued immediate alcohol license suspensions, conducted complaint driven investigations, provided compliance education



OLCC BUSINESS CONTINUITY ECONOMIC SUPPORT

- **Economic Support**

- Postponed renewal fees and waived late fees for all liquor license applicants
- Enabled existing licensees can operate with an expired liquor license
- Delayed required payment of privilege tax fees for licensees
- Enabled wholesalers to extend credit terms to retailers for more than 45 days for non-alcoholic beverages
- Rescinded tax on malt beverages that passed their “sell-by date” (unsalable)
- Enabled alcohol licensees to suspend their Limited Liability Insurance (LLI) without penalty
- Suspended payment for changes to previously approved packages and labels for recreational and medical marijuana products

- **Business Support**

- Provided industry with guidance (Delivery, LLI, Virtual Tastings, Bottle Bill Redemption)
- Fast-tracked permission for existing licensees to deliver beer, wine and cider
- Enabled Oregon Distillers to provide limited home delivery of their products



OLCC BUSINESS CONTINUITY PARTNERSHIPS

- **Temporary rules will expire in September 2020**
 - Staff working with partner stakeholders through rulemaking to sensibly extend permanent rules
 - Monitoring Executive Order status and its effects on rulemaking
 - Identifying areas for additional economic relief
- **Bottle Bill Partnership – OLCC, OBRC, NW Grocers**
- **Hand Sanitizer Partnership**
 - Leveraged Oregon distillers' capacity to coordinate the production of up to 20,000 gallons of medical grade hand sanitizer per week
 - Helped licensees redirect waste beer and wine to the production of hand sanitizer
 - Coordinated logistics for delivering hand sanitizer to state EOC warehouse and hospitals utilizing OLCC distribution transport



OLCC BUSINESS CONTINUITY MOVING FORWARD...

- **Coordination**

- Governor's office and legislature for policy direction
- OHSA/OHA – social distancing communications, compliance education, enforcement

- **Continuing licensee support**

- Helping licensees' maintain their businesses
- Ensuring opportunity for hospitality industry employment
- Promoting public health best practices
- Preventing the sale/service to minors and over-service

- **Managing Business**

- Generating revenue for the State, Cities and Counties
- Continuous improvement, innovation and investment



OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

