

(To Resolve Conflicts)

A-Engrossed House Bill 2740

Ordered by the Senate June 25
Including Senate Amendments dated June 25 to resolve conflicts

Sponsored by Representative LEIF; Representatives LEWIS, MORGAN, NOSSE, WILDE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes compensation schedule for Oregon Liquor Control Commission retail sales agents. Applies to compensation paid on or after July 1, 2021.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to retail sales agents; creating new provisions; amending ORS 471.750; and declaring an
3 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 471.**

6 **SECTION 2. (1) As used in this section:**

7 (a) "Nonurban county" has the meaning given that term in ORS 653.026.

8 (b) "Portland metropolitan area county" means a county within the urban growth
9 boundary of a metropolitan service district organized under ORS chapter 268.

10 (c) "Standard county" means a county that is not a Portland metropolitan area county
11 or a nonurban county.

12 (2) The Oregon Liquor Control Commission shall compensate an agent appointed under
13 ORS 471.750 in an amount equal to the sum of the following according to the store class, as
14 determined under subsection (3) of this section, operated by the agent:

15 (a) The monthly base compensation established in subsection (4) of this section;

16 (b) The wage escalator amount described in subsection (5) of this section;

17 (c) The retail escalator amount described in subsection (6) of this section; and

18 (d) The sales commission according to the rates provided in subsection (7) of this section.

19 (3) A store shall be classed based on the store's amount of annual sales of alcoholic
20 beverages rounded to the nearest whole dollar, adjusted annually by a percentage equal to
21 any percentage increase in the Consumer Price Index for All Urban Consumers, West Region
22 (All Items), as published by the Bureau of Labor Statistics of the United States Department
23 of Labor, as follows:

24 (a) Class 1: up to \$120,000;

25 (b) Class 2: at least \$120,001 and not more than \$450,000;

26 (c) Class 3: at least \$450,001 and not more than \$750,000;

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (d) Class 4: at least \$750,001 and not more than \$1,650,000;
- 2 (e) Class 5: at least \$1,650,001 and not more than \$2,500,000;
- 3 (f) Class 6: at least \$2,500,001 and not more than \$3,700,000;
- 4 (g) Class 7: at least \$3,700,001 and not more than \$5,500,000;
- 5 (h) Class 8: at least \$5,500,001 and not more than \$8,300,000;
- 6 (i) Class 9: at least \$8,300,001 and not more than \$12,500,000; and
- 7 (j) Class 10: at least \$12,500,001 and not more than \$18,750,000.

8 (4) The monthly base compensation for an agent, adjusted annually by a percentage equal
9 to any percentage increase in the Consumer Price Index for All Urban Consumers, West
10 Region (All Items), as published by the Bureau of Labor Statistics of the United States De-
11 partment of Labor, is determined as follows according to the class of store operated by the
12 agent:

- 13 (a) Class 1 store: 14.5 percent of the first \$10,000 in monthly sales of alcoholic beverages;
- 14 (b) Class 2 store: \$1,660;
- 15 (c) Class 3 store: \$1,920;
- 16 (d) Class 4 store: \$2,440;
- 17 (e) Class 5 store: \$2,700;
- 18 (f) Class 6 store: \$3,100;
- 19 (g) Class 7 store: \$3,600;
- 20 (h) Class 8 store: \$4,150;
- 21 (i) Class 9 store: \$4,800; and
- 22 (j) Class 10 store: \$5,500.

23 (5) The wage escalator amount is as follows:

- 24 (a) For an agent in a standard county, eight percent of the monthly base compensation;
- 25 or
- 26 (b) For an agent in a Portland metropolitan area county, 18 percent of the monthly base
27 compensation.

28 (6) The monthly retail escalator amount is as follows:

- 29 (a) For a store located in a standard county, 50 percent of the monthly base compen-
30 sation; or
- 31 (b) For a store located in a Portland metropolitan area county, 75 percent of the monthly
32 base compensation.

33 (7) The sales commission rates are as follows:

- 34 (a) For sales of alcoholic beverages to licensees, 6.54 percent of the amount of sales.
- 35 (b) For sales of alcoholic beverages to persons other than licensees, 8.38 percent of the
36 amount of sales.

37 **SECTION 3.** ORS 471.750, as amended by section 14, chapter 180, Oregon Laws 2021 (Enrolled
38 House Bill 2264), is amended to read:

39 471.750. (1) The Oregon Liquor Control Commission shall establish stores and warehouses in
40 places in this state that[,] in the commission's judgment[,] are required by public convenience or
41 necessity, for the sale of distilled liquors, wines and other alcoholic liquors containing over five
42 percent alcohol by volume, in sealed containers for consumption off the premises. The commission
43 shall keep on hand in the stores or warehouses **established under this section** [the] quantities and
44 kinds of alcoholic liquors as are reasonably required to supply the public demand.

45 (2) Any person qualified to purchase alcoholic liquors from the commission may present to the

1 commission, or *[to a store established under this section]* **at any of the stores established by the**
2 **commission**, an application for any kind or brand of alcoholic liquor that the person may desire
3 and that may be manufactured or obtainable in any place in the United States, *and*. The commis-
4 sion shall obtain the alcoholic liquor and sell it to the applicant. The commission may not require
5 that an application for a kind or brand of alcoholic liquor include a commitment to purchase a
6 minimum amount of the **alcoholic** liquor or require that a purchase be for more than one container
7 of a kind or brand of alcoholic liquor if the **alcoholic** liquor:

8 (a) Except as provided in subsection (6) of this section, has a retail sales price of \$30 or more
9 per container;

10 (b) Is available through a distributor in the United States that does not require the commission
11 to acquire more than one case of the distilled liquor in a single transaction;

12 (c) Is not regularly stocked by the commission; and

13 (d) Is ordered in a 750 milliliter container size if available in that size.

14 (3) The commission may not establish a store in any county or incorporated city of this state
15 where a local prohibitory law is in effect.

16 (4) The commission may appoint agents in the sale of alcoholic liquors pursuant to agreements
17 negotiated between the commission and the agents, or representatives of the agent.

18 (5)(a) The commission shall adopt rules governing advertising by stores operated by the com-
19 mission. Rules relating to advertising adopted by the commission under this subsection must allow
20 signs and displays within the **commission's** stores for the purpose of supplying consumer informa-
21 tion to customers, including but not limited to discounts, sales and other specials. Commission dis-
22 cretion with respect to *[those]* **the** signs and displays *[shall be]* **described in this subsection is**
23 limited to regulation of the content, size, number per brand, type and duration of the sign or display.

24 (b) Signs and displays may be supplied by manufacturers, wholesalers or distributors, and may
25 bear the name of a particular distillery, supplier or brand of liquor. The use of signs and displays
26 *[shall be]* **is** optional with the agent appointed by the commission.

27 (6) The commission may annually adjust the price threshold established in subsection (2)(a) of
28 this section by a percentage equal to the percentage change in the Consumer Price Index for All
29 Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the
30 United States Department of Labor. However, the commission may not adjust the price threshold to
31 be less than \$30.

32 (7) **The commission shall compensate an agent appointed under this section according to**
33 **the schedule established in section 2 of this 2021 Act.**

34 **SECTION 4. Section 2 of this 2021 Act and the amendments to ORS 471.750 by section 3**
35 **of this 2021 Act apply to compensation paid to an agent on or after July 1, 2021.**

36 **SECTION 5. This 2021 Act being necessary for the immediate preservation of the public**
37 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
38 **on its passage.**

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