

# OREGON'S ALCOHOL CONTROL SYSTEM A MODERN APPROACH

House Committee on Economic Development & Small Business

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# OLCC ALCOHOL PORTFOLIO OVERVIEW



## Licensing & Compliance

- License breweries, distilleries, wineries, retail stores, bars and restaurants
- Educate licensees and alcohol servers on requirements & responsibilities
- Inspect licensed businesses to ensure compliance
- Collect privilege taxes on the production and importation of beer, wine and cider

## Distilled Spirits

- Receive from suppliers -> Warehouse -> Distribute to liquor stores
- OLCC contracts with small business owners to sell liquor products
- OLCC establishes the price of distilled spirits (same price statewide)

# ALCOHOL REGULATION

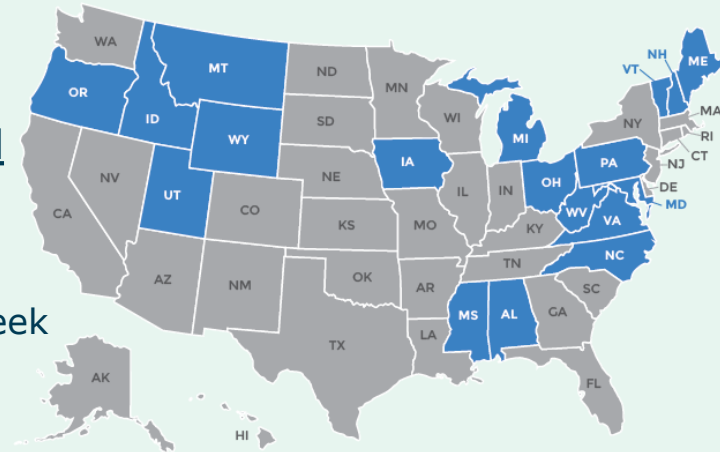
## OREGON'S CONTROL STATE SYSTEM

### Historical Context

- 1933 Liquor Control Act gave the OLCC exclusive right to sell distilled spirits.
- **Profits from sales** are returned to **benefit the state and localities.**

### National Perspective

- 17 US States operate a Control State Model
- Washington is the **only state to have switched from a control model to privatized market**
  - Five-fold increase (328 to 1,600) in liquor stores
  - Alcohol access doubled: 20 hours a day, 7 days a week ([2017 NIH Study](#))



### Oregon's 3 Tier Alcohol System

- Manufacturers – Breweries, Cideries, Distilleries and Wineries
- Distributors - Wholesalers
- Retailers – Bars, Restaurants, Groceries

# OLCC HISTORICAL MILESTONES



1933

Prohibition Ends

OLCC Created "Liquor Control Act"



1934

State-Run Liquor Stores Open

OLCC "Green Fronts"



1964

Automated Warehouse Tracking

Warehouse conveyor installed 1974



1983

Switch to Private Liquor Store Contracts

Convert last state store



2014

Oregon Legalizes Recreational Marijuana



2015

Liquor Store Expansion: Phase 1

Phase 2 in 2016



2020

COVID: Cocktails to go alcohol delivery legislation

OLCC Regulates Governors EO on social distancing and mask requirements



2021

OLCC is renamed, Oregon Liquor and **Cannabis** Commission

Remains "OLCC"

First State to establish "floor pricing"

# OREGON LIQUOR & CANNABIS COMMISSION

## SERVING OREGONIANS

### Oversight: Measured Availability & Accessibility

- Liquor store expansion aligned with population growth (1 per 15,000 adults)
- Oregon first state to establish a “floor price” for inexpensive liquor to discourage overconsumption

### Harm Reduction

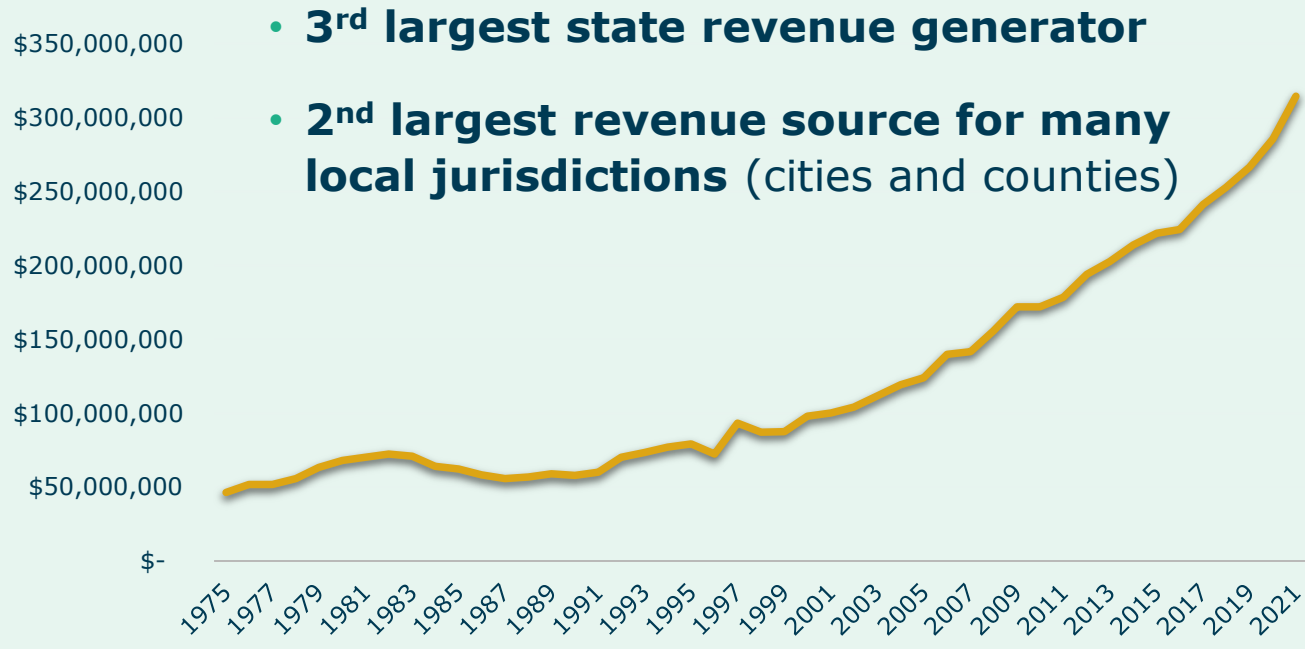
- Public Safety
  - Inspect bars, restaurants and retail sales locations
  - Prevent access to minors
- Train and educate business owners and employees (alcohol service education)



### 3<sup>rd</sup> Largest Generator of Public Funds

- Liquor 2020-22: \$629 million distributed to general fund, cities and counties

# OLCC DISTILLED SPIRITS REVENUE STATE & LOCAL DISTRIBUTIONS 2019-2021

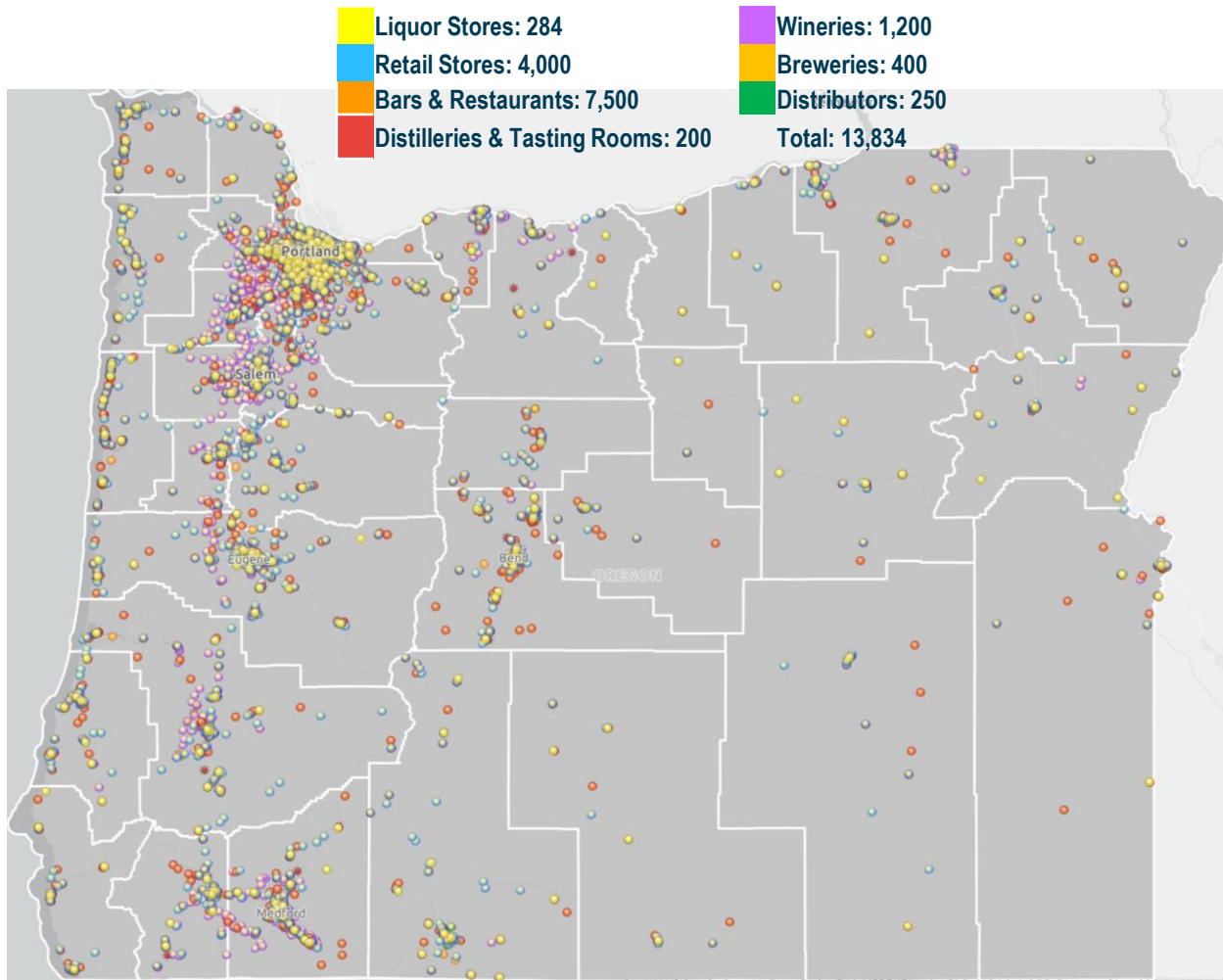


## Total Distribution to Cities, Counties and State

Oregon Statute (ORS 471.810), not OLCC, determines revenue distribution



# OLCC ALCOHOL BUSINESSES STATEWIDE



[More information available on OLCC's Liquor Sales Dashboard](#)



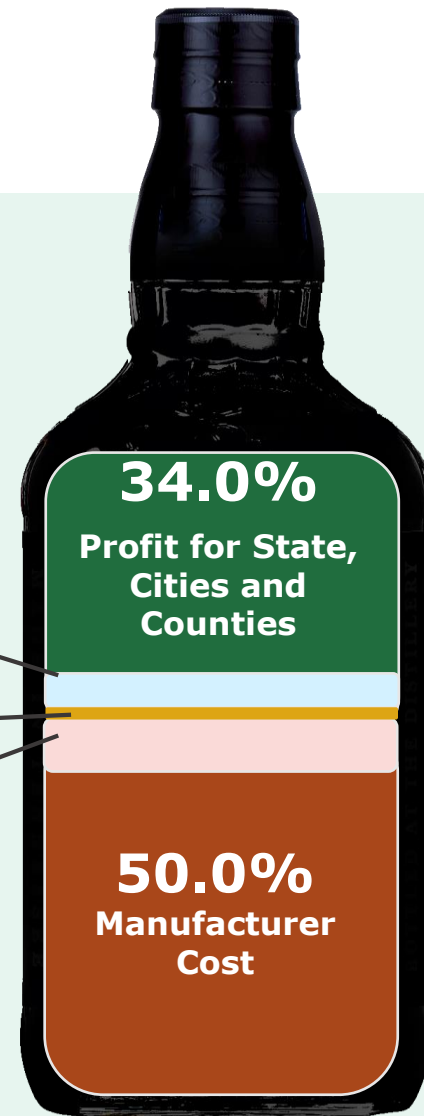
# OREGON'S DISTILLED PRICING MARK-UP FORMULA

2022 - Based on a \$20.79 Average Bottle Price

**5% OLCC Operating Expenses**  
Includes Enforcement, Licensing,  
Administration, Distribution functions

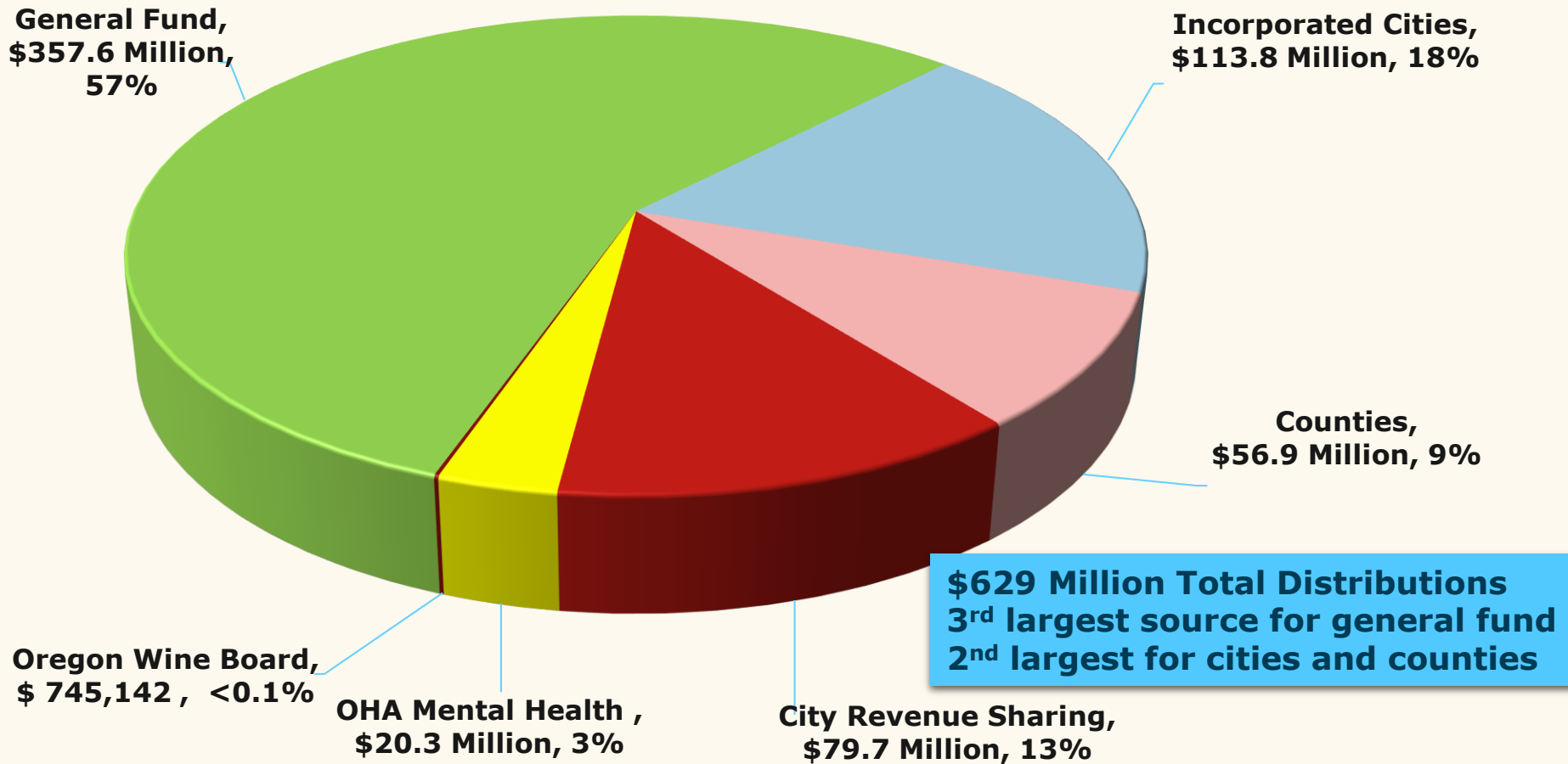
**1% Bank Card Costs**  
88% of all purchases made with bank cards

**10% Liquor Store Operator Commission**  
Average Liquor Store Agent Compensation





# PROJECTED ALCOHOL NET REVENUE DISTRIBUTION IN 2021-2023



# OLCC'S MISSION

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

## Questions?

