

# House Bill 2123

Sponsored by Representative NOSSE (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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says how liquor stores get money from the OLCC if the alcohol selling system changes in some kinds of ways and the stores close or cannot sell as much alcohol. (Flesch Readability Score: 63.3).

Specifies the type of change in the system for selling containers of distilled liquor that qualifies a person appointed to operate a liquor store for business loss compensation. Specifies that for certain liquor stores, the amount of business loss compensation is determined by the Oregon Liquor and Cannabis Commission by rule and increases for other liquor stores the percentage of average annual gross distilled liquor sales to be paid as business loss compensation. Includes as a source of moneys for business loss compensation a percentage of average annual gross distilled liquor sales.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to distilled liquor sales; creating new provisions; amending ORS 471.473; and declaring an  
3 emergency.

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

5 **SECTION 1.** ORS 471.473 is amended to read:

6 471.473. (1) A person appointed to operate a store established by the Oregon Liquor and  
7 Cannabis Commission under ORS 471.750 qualifies for the payment of business loss compensation  
8 under this section if:

9 (a) The system for selling containers of distilled liquor at retail in this state changes after the  
10 person assumes operation of the store; and

11 (b) The system change results from a law that:

12 (A) Prohibits the commission from purchasing or selling distilled liquor; **or**

13 (B) **Otherwise changes the system in a manner that causes a reduction in sales of dis-**  
14 **tilled liquor by a person described in this subsection.**

15 (2)(a) The purpose of business loss compensation is to offset the actual or presumed sales re-  
16 duction and actual or perceived devaluation of a liquor store business following a system change  
17 described in subsection (1) of this section. **Except as provided in paragraph (b) of this sub-**  
18 **section,** the commission shall pay a person qualifying under this section business loss compensation  
19 [*equal to four percent of the average annual gross distilled liquor sales made by the store during the*  
20 *five years that preceded the system change, whether or not the person was the store operator during*  
21 *the entire five-year period*] **according to the formula determined by the commission by rule.**

22 (b) If the store has operated less than five years prior to the system change, the commission  
23 shall pay compensation equal to [*four*] **10** percent of the average annual gross distilled liquor sales  
24 made by the store prior to the system change.

25 (3)(a) The commission shall pay any business loss compensation due under this section from the  
26 suspense account described in ORS 471.805. Except as otherwise required by federal or state law

**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 or by contract, the commission shall give the payment of business loss compensation priority over  
 2 the payment of other debts from the suspense account.

3 (b) Notwithstanding ORS 279A.250 to 279A.290 or the revolving fund balance limit established  
 4 in ORS 471.805[.]:

5 (A) If a change in the system for selling containers of distilled liquor at retail in this state re-  
 6 sults in business loss compensation being payable under this section, and the commission declares  
 7 within five years after the system change that a warehouse established by the commission under  
 8 ORS 471.750 or the inventory of the commission is surplus property, the net proceeds from sale of  
 9 the warehouse or inventory remaining after deduction of sales costs shall be deposited to the sus-  
 10 pense account described in ORS 471.805.

11 (B) **If a change in the system for selling containers of distilled liquor at retail in this**  
 12 **state results in business loss compensation being payable under this section but does not**  
 13 **result in the commission making the declaration described in this subparagraph (A) of this**  
 14 **paragraph, an amount of moneys equivalent to 10 percent of the average annual gross dis-**  
 15 **tilled liquor sales during the five years that preceded the system change in this state shall**  
 16 **be deposited to the suspense account described in ORS 471.805.**

17 (c) All moneys deposited under *[this]* paragraph (b) of this subsection shall be kept in a sub-  
 18 account within the suspense account that indicates the source of the moneys. Notwithstanding ORS  
 19 471.805, moneys deposited to the suspense account under *[this]* paragraph (b) of this subsection  
 20 may not be transferred to the Oregon Liquor and Cannabis Commission Account if any business loss  
 21 compensation is owed and remains unpaid. *[This]* Paragraph (b) of this subsection does not restrict  
 22 the source for paying business loss compensation from the suspense account or alter the priority  
 23 of business loss compensation payment established in paragraph (a) of this subsection.

24 (4) If a person that receives business loss compensation under this section brings any action  
 25 against the commission for damages resulting from a change in the system for selling containers of  
 26 distilled liquor at retail in this state, the business loss compensation received by the person as a  
 27 result of that system change shall be an offset against any damages awarded the person in the  
 28 action. This subsection does not create any new cause of action.

29 (5) Business loss compensation received by a person under this section does not affect the  
 30 claiming of any tax deduction by the person for depreciation of equipment, fixtures or other property  
 31 improvements, but is ordinary business income of the person, taxable as provided by law.

32 **SECTION 2. The amendments to ORS 471.473 by section 1 of this 2025 Act apply to**  
 33 **changes in the system for selling containers of distilled liquor at retail in this state that**  
 34 **occur on or after the effective date of this 2025 Act.**

35 **SECTION 3. This 2025 Act being necessary for the immediate preservation of the public**  
 36 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**  
 37 **on its passage.**

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