

AGENCY

The **Oregon Liquor Control Commission (OLCC)** is an independent state agency under the Governor. The Commission is the agency responsible for regulating the sale and service of alcoholic beverages in Oregon by administering the state's Liquor Control Act and regulating the sale of recreational marijuana in Oregon through the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act. Five citizen commissioners set policy for the OLCC and are appointed by the governor to four-year terms, subject to Senate confirmation. Each commissioner represents a U.S. Congressional District within the state, with one coming from the food and beverage industry. The agency is headquartered in Portland with regional offices in Bend, Eugene, Medford and Salem.



WET and DRY COUNTIES

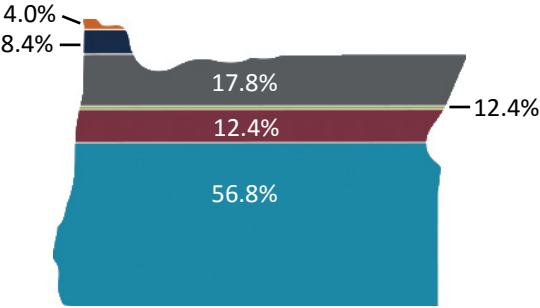
State law prohibits dry localities.

Population 21 and over (Estimate) (2016) **3,100,000**

NET REVENUE

OR distributes its net revenue into six categories:

- State General Fund (56.8%)
- City Revenue Sharing Account* (12.4%)
- Oregon Wine Board (0.1%)
- Incorporated Cities** (17.8%)
- Counties (8.4%)
- Mental Health, Alcoholism, and Drug Services (4.0%)



Figures are from FY2015-2016

*City Revenue Sharing – funds that go to all Oregon cities

**Incorporated Cities – cities that are incorporated

HISTORY

The Oregon Liquor Control Commission was created in 1933 by a special session of the Legislature after national prohibition ended. In the early 1980s, Oregon transitioned the last state-owned liquor store to private independent contractors to sell distilled spirits.

In 1985, Oregon became the first state in the country to require training for all of its alcohol servers.

Oregon law expanded in 2008 to allow business opportunities for craft distillers, and to help promote the industry.

Oregon became the third state in the nation to allow recreational marijuana sales after the passage of the Taxation of Marijuana and Industrial Hemp Act in 2014.

ENFORCEMENT

The Commission grants liquor licenses and alcohol service permits. The Commission is also the entity responsible for enforcement. It has a Public Safety Division with 12 offices across the state to handle license investigations, respond to complaints, and investigate liquor law violations.

\$446,000,000
2014-2016 Biennium Net Revenue

From 2004 through June 2016, the OLCC has contributed close to \$1.8 billion to the state.

DISTRIBUTION

Spirits are only sold in retail liquor locations operated and managed by state-appointed liquor agents who act as independent contractors. The OLCC ships to its contract retail stores, though the retail stores may also pick up the product, if desired. Bars and restaurants purchase spirits from the retail stores. Generally, they pick up their orders, but delivery is allowed.

Beer and wine are handled through private distributors who generally deliver products to the retailers. Bars and restaurants also receive their goods from the distributors. Retail to retail or retail to bar is not allowed, as the seller would be acting as a wholesaler, an activity for which they do not hold a license.

Does jurisdiction allow direct shipping of wine?



Estimated tax per standard drink:

SPIRITS: \$0.152
WINE: \$0.026
BEER: \$0.008

OUTLETS AND GROCERY STORES

Oregon's First Call Program provides licensees with the necessary resources and knowledge to be successful in their business operation and to establish and maintain an excellent record of compliance.

Oregon has control of spirits at wholesale and has 267 privately owned contract stores. The number of off-premise outlets for beer and wine are 4,780.

- Oregon does not have policies that regulate the density of off-premise outlets in a neighborhood/precinct/condensed area
- Servers must be 18 years old and older to serve beer at on-premise outlets, and employees at off-premise outlets must be 18 years old to sell beer
- The sale of beer, wine and cider are permitted in grocery stores with liquor license. Grocery and convenience stores can apply for a retail sales agent agreement to sell distilled spirits when an opening is available.
- Sunday sales are allowed
- Keg registration is required
- For every 100,000 residents ages 21 and older, there are 8.4 spirits outlets
- Beverage service training is mandatory and voluntary in the state depending on the program

OREGON LIQUOR CONTROL COMMISSION IN ACTION



The commission focuses public safety efforts on addressing alcohol sales to minors and visibly intoxicated people.

- Developed a statewide radio campaign targeted at encouraging Oregonians to enjoy college football season by tailgating responsibly. Partner agencies include Oregon Department of Transportation, Oregon State Police, and paid through an educational grant from the National Alcohol Beverage Control Association.
- Oregon's compliance rate for not selling alcohol to minors is 81%

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Oregon Liquor Control Commission, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)