

**SB 1044 A STAFF MEASURE SUMMARY****Carrier:** Sen. Beyer**Senate Committee On Business and Transportation****Action Date:** 04/17/17**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Beyer, Girod, Monroe, Riley, Thomsen**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Patrick Brennan, LPRO Analyst**WHAT THE MEASURE DOES:**

Specifies that lapse, suspension or revocation of certificate, license, permit or other form of authorization issued by Oregon Liquor Control Commission related to alcoholic beverages does not divest the Commission of authority for investigation, disciplinary proceedings and changes to suspension or revocation of the certificate, license, permit or other authorization. Exempts the sale of distilled liquor and Commission appointment of distillery retail outlet agent from public contracting laws. Modifies expiration date for service permit, eliminates requirement for endorsement of service permit application, increases maximum fee Commission may assess for service permit, and eliminates the requirement that a permit holder must obtain a duplicate of a lost, mutilated or destroyed service permit or obtain a new permit following a name change. Exempts moneys from retail sale of distilled liquor held by appointed agent from laws regarding keeping of public moneys in financial institution if the agent has deposited a specified amount with the Commission. Requires the Commission to hold deposited amount in a reserve account and to return the deposited amount, with accrued interest, upon termination of the agent's appointment. Clarifies that moneys from retail sale of distilled liquor held by an agent are not subject to ORS 295.001 to 295.108 if the agent has an amount on deposit that the Commission deems reasonable and sufficient, and not less than the average daily gross receipts of the retail liquor sales by the agent. Permits homemade beer, wine and fermented juices to be donated to non-profit and charitable organizations for sale at auction. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Technical changes made by measure
- Level of security in retail liquor outlets compared to distillery tasting rooms
- Increasing number of retail outlets

**EFFECT OF AMENDMENT:**

Clarifies that moneys from retail sale of distilled liquor held by an agent are not subject to ORS 295.001 to 295.108 if agent has amount on deposit that Commission deems to be reasonable and sufficient and not less than the average daily gross receipts of retail liquor sales by the agent. Permits homemade beer, wine and fermented juices to be donated to non-profit and charitable organizations for sale at auction. Adds emergency clause.

**BACKGROUND:**

The Oregon Liquor Control Commission (OLCC) is the licensing agency for businesses that import, manufacture, distribute, sell or serve alcohol in Oregon. The OLCC was instituted in 1933 following the end of national alcohol prohibition. Oregon is a control state, with the exclusive right to sell packaged distilled spirits through a statewide distribution center in Portland, which is then sold through retail liquor stores operated by contracted liquor agents. Licenses are issued to private businesses for the sale of packaged beer and wine, and to restaurants, bars and taverns for the sale of beer, wine and distilled spirits by the glass. The Commission issues a variety of licenses, based on the type of business operated by the licensee.