



March 18, 2019

Senator David Gomberg, Co-Chair
Senator James Manning, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development

Dear Co-Chairs Gomberg and Manning, and members of the committee:

Thank you for the opportunity to present before your committee on March 12, 13, and 14 regarding OLCC's programs and budget (SB 5519). Please see below responses to the questions raised during the presentation. In addition, the following supplemental materials are provided for further background:

- Background on Liquor Agent and Distillery Tasting Room Compensation
- 2018 Compensation for Liquor Agents.
- Total Agency Operations' Cost, Agents Compensation and CPI from 1980 to 2018
- OLCC (Merchant) Card Acceptance Fee Summary

Q: What is the history of liquor agent payments?

A history of the "Average Legislatively Approved Compensation Percentage" and payments from the 1996-97 biennium follows.

History of "Average Legislatively Approved Compensation Percentage"

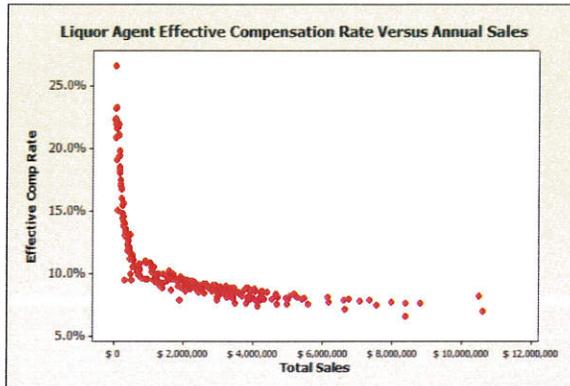
Biennium	Approved %	Paid %	Dollar Reduction*	Compensation Paid	Change
96-97	8.20%	8.20%		\$30,886,227	
98-99	8.54%	8.54%		\$35,471,473	14.85%
00-01	8.54%	8.54%		\$40,597,355	14.45%
02-03	8.88%	8.48%	\$300,000	\$44,809,260	10.37%
04-05	8.88%	8.88%		\$53,671,254	19.78%
06-07	8.88%	8.88%		\$64,625,504	20.60%
07-09	8.88%	8.82%	\$500,000	\$72,768,617	5.88%
09-11	8.88%	8.88%		\$77,048,991	12.12%
11-13	8.88%	8.88%		\$86,384,020	10.15%
13-15	8.88%	8.88%		\$95,158,000	7.79%
15-17	8.93%	8.93%		\$102,570,335	
17-19	8.93%	In process			

*Reductions were the result of Legislative action that reduced the authorized limitation.

However, average percentages don't tell the entire story; the compensation formula includes a base rate which combined with compensation rates for sales to consumers and sales to



licensees result in overall compensation for individual agents that range from 7.14% to 22.42%. Together compensation for all agents equal 8.93%.



Q: How does liquor agent compensation work?

The following three documents provide background on the compensation formula and its impact on agents. A description of the three documents follow:

Document 1: Background on Liquor Agent and Distillery Tasting Room Compensation

- Page 1-3 Description of compensation formula
- Page 4 History of "Average Legislatively Approved Compensation Percentage"
- Page 4-5 Distilled Spirits Compensation Comparison by Type of Agent
- Page 5 Liquor agent 5 year average income per year in each of past 5 years
- Page 6 Liquor agent average distilled spirits compensation change per year in each of past 5 years
- Page 7 2017 Store types grouped for compensation analysis
- Page 8 Comparable Control States distilled liquor compensation
- Page 9 Distilled Spirit Tasting Room Background
- Page 10-13 Distilled Spirits Tasting Room Outlet Income From Sales of Distilled Spirits

Document 2: 2018 Compensation for Liquor Agents

This spreadsheet highlights in yellow 2018 total compensation for liquor agents. The spreadsheet details compensation from each part of the compensation formula described in the Background Document (pages 1-3) and is arranged from highest compensation to lowest. The stores receiving the lowest compensation (in this spreadsheet) and lowest average gain (page 7 in Background Document) are generally nonexclusive stores who primarily sell products other than distilled spirits, beer and/or wine. An example is a tackle shop who sells distilled spirits.

Document 3: Total Agency Operations' Cost, Agents Compensation and CPI from 1980 to 2018

This graph shows the 38 year trend line for agent compensation, CPI, and agency costs.

Q: What is the problem OLCC is trying to solve related to credit card costs?

OLCC believes it is paying for bankcard fees on sales items that are not related to distilled liquor sales. There is no reliable information in the current systems that allows the OLCC determine the amount of bank card fees attributed to distilled liquor and the amount of

bankcard fees for other items charged through state credit card machines. See the attached document "OLCC (Merchant) Card Acceptance Fee Summary.

Document 4: OLCC (Merchant) Card Acceptance Fee Summary

The merchant card summary outlines the problem statement, the areas for consideration that have contributed to the complicated nature of the internal process for merchant card acceptance fee reimbursement, a summary of the Merchant Card Contracts, and the billing process.

Q: Why did delinquent accounts rise from \$6,000 to \$13,000?

OLCC's FY18 delinquent accounts were mainly due to privilege tax audit balances, liquor and freight claims, liquor license NSF's, and employee receivables. Collections activities continue for all receivables, with FY18 write-offs totaling \$58.00.

Q: Does OLCC make efforts to increase diversity of its workforce through its recruiting efforts; does it recruit in colleges?

Yes. The OLCC seeks to reflect the diversity of Oregon society. The first goal in the agency's Diversity and Inclusion Strategic Action Plan is to promote the public interest through the *recruitment of a highly qualified and diverse workforce*. The agency utilizes a variety of strategies in its efforts to diversify its workforce and licensees. During agent recruitment and informational meetings on obtaining marijuana licenses, the agency reached out to a variety of organizations including the Hispanic Metropolitan Chamber of Commerce, Native American Business Network, Network of Entrepreneurial Women, Oregon Association of Minority Entrepreneurs, Women Entrepreneurs of Oregon, African American Chamber of Commerce of Oregon, and the Asian Pacific American Chamber of Commerce. The agency places employment advertisements in minority newspapers, professional associations and community groups according to need and available budget and regularly attends a variety of job fairs at Clackamas Community College, Mt. Hood Community College, Portland State University and Columbia Sportswear. The agency also participates in Portland's City Career Fair/Diversity Employment Day and diversity events sponsored by the Governor.

Please know that I and my staff are available at any time to answer additional questions or provide further information.

Respectfully,



Steve Marks
Executive Director
Oregon Liquor Control Commission

BACKGROUND

Liquor Agent and Distiller Compensation

The State of Oregon owns the inventory sold in exclusive, non-exclusive and distillery tasting room outlets.

Background:

Oregon is one of 17 control states (besides Maryland where control varies by county) where the state maintains the exclusive right to sell packaged distilled spirits. Oregon buys distilled spirits from manufacturers including Oregon distillery agents then contracts with retail liquor outlets and distillery tasting rooms to sell the distilled spirits. Retail liquor outlets and distillery tasting rooms receive a commission for those sales.

HB 5019 (2017 session) provided OLCC with a limitation to spend \$123,927,415 on distilled spirits compensation during the 2017-19 biennium.

- This limitation was based upon a forecast of \$1.148 billion in sales and an average 8.93% compensation rate as a percentage of sales.
- The average is misleading because compensation is allocated by a complex formula including several base compensation levels, elective deferred compensation, and differing commission rates for distilled spirits sold to consumers and to licensees.
- Many people assume that agents receive an 8.93% compensation for each bottle sold, however, an agent's compensation rate for each bottle sold is a melding of all components of the funding formula and is lower than 8.93%. The agency-wide average compensation per bottle is impacted by the number of agents at each base rate, the number of agents deferring compensation, and the overall the ratio of consumer to licensee sales.
- An individual agent's compensation per bottle is impacted by their stores specific base rate, whether they are eligible and choose to participate in deferred compensation, and the amount of sales they make to consumers and to licensees. Distillery tasting rooms can only sell to consumers.
- If revenue from distilled spirits exceeds the forecast then the OLCC is required to come back to the Emergency Board for additional limitation for compensation.

Distilled Liquor Compensation Formula:

The composition of the distilled compensation formula is set by the OLCC; however, it is difficult to change. Similar to the school funding formula, a change in any one component of the formula creates winners and losers.

Distilled Liquor Compensation Formula

$$[\text{Base}] + [\text{Deferred Comp}] + [\text{Consumer Sales} \times \text{Consumer Comp Rate}] + [\text{Licensee Sales} \times \text{Licensee Comp Rate}]$$

Base Compensation:

Exclusive agents sell only distilled spirits and related products; however, SB 5520 (2015) provided additional funding for exclusive agents who added beer and wine sales to continue being compensated as an exclusive agents. Exclusive agents receive a monthly base allowance according to their annual distilled spirits sales volume.

<u>Annual Sales</u>	<u>Fixed Monthly Base</u>
Tier 1 Up to \$209,999	14.25 of the first \$10,000 monthly sale (maximum of \$1,400)
Tier 2 \$210,000 - \$499,999	\$1,660
Tier 3 \$450,000 - \$749,000	\$1,920
Tier 4 \$750,000 - \$1,049,999	\$2,348
Tier 5 \$1,050,000 - \$1,649,999	\$2,440
Tier 6 \$1,650,000 and up	\$2,700

BACKGROUND

Non-exclusive agents have primary businesses other than the sale of distilled liquor including cafes, convenience stores, drug stores, gift shops, grocery stores, hardware stores, jewelry stores, pharmacies, specialty markets, sporting goods stores, tackle shops, and video stores.

Fixed Monthly Base

14.25% of the first \$10,000 monthly sale (maximum of \$1,425)

Distillery tasting room agents are considered non-exclusive agents as their primary business is the manufacture of distilled spirits.

Fixed Monthly Base

14.2% of the first \$10,000 monthly sale (maximum of \$1,425)

Deferred Compensation:

Exclusive agents receive up to \$150 a month in matching funds for the Oregon Savings Growth Plan (deferred compensation).

Nonexclusive agents receive up to \$118 a month in matching funds for the Oregon Savings Growth Plan (deferred compensation).

Distillery tasting room agents are not eligible for deferred compensation.

Variable Sales Commission:

All agents including distillery tasting room agents receive the same commission rate on each bottle of distilled spirits sold. Commission rates are different for consumer sales versus licensee sales. Distillery tasting rooms can only sell to consumers. Commission rates typically change throughout the biennium in order to maintain the 8.93% average compensation as a percentage of revenue.

Commission rates are adjusted to maintain the 8.93% average compensation rate as actuals differ from estimates for the following:

- The total amount necessary to pay base compensation. This total generally increases during the biennium as new agents including distillery tasting room agents are added and agents reach sales levels that trigger an increase in base compensation. The variable commission rate for sales will lower as the total amount needed for base compensation exceeds the forecast.
- The total amount necessary to pay matching funds for deferred compensation. This total fluctuates as agents make individual decisions whether to participate and at what level. The variable rate for sales will lower as the total amount needed for deferred compensation exceeds the forecast.
- The ratio of consumer sales to licensee sales. Consumer sales are compensated at a higher rate than licensee sales. The remainder of the funds are used to pay base and deferred compensation. OLCC forecasts revenue

Forecasted sales revenue times 8.93% is the total allocated to pay agent compensation.

The agent compensation allocation is divided amongst base, deferred compensation and variable commission rates for consumer and licensee sales

BACKGROUND

and sets a forecasted compensation rate for both consumer and licensee sales. If consumer sales are higher than forecasted, then rates for both consumer and licensee sales go down (see Scenario 1). If consumer sales are lower than forecasted, then rates for both consumer and licensee sales go up (see Scenario 2).

- If total distilled revenue is higher than forecasted then OLCC applies to the e-Board for additional agent compensation limitation. The additional revenue will maintain the average 8.93% compensation rate.
- **The agency's current commission rates are 8.15% on consumer sales and 6.36% on gross licensee sales prior to the 5% licensee discount.**

Variable Commission Rates Adjust to Match Forecasted Variable Compensation

Forecasted Sales	Forecasted Sales Type	Forecasted Rate	Forecasted Compensation	
Consumer forecast	200,000	10.00%	20,000	
Licensee forecast	100,000	5.00%	5,000	
	300,000		25,000	Forecasted Compensation

Scenario 1 (variable rates go down)	Actual Sales	Forecasted Rate	Compensation Exceeds Forecast	Adjusted Rate	Adjusted Compensation
Consumer exceeds forecast	225,000	10.00%	22,500	9.52%	21,429
Licensee under forecast	75,000	5.00%	3,750	4.76%	3,572
Total Sales	300,000		26,250		25,001

When consumer sales exceed the forecast, variable rates need to be adjusted downward in order to reach the forecasted compensation target of \$25,000.

Scenario 2 (variable rates go up)	Actual Sales Type	Forecasted Rate	Compensation Less than Forecast	Adjusted Rate	Adjusted Compensation
Consumer under forecast	175,000	10.00%	17,500	10.52%	18,410
Licensee exceeds forecast	125,000	5.00%	6,250	5.26%	6,575
Total Sales	300,000		23,750		24,985

When consumer sales are lower than the forecast, the variable rates need to be adjusted upward in order to reach the forecasted compensation target of \$25,000.

BACKGROUND

The Distilled Spirits Agent Compensation Formula in Action:

- If any one of the four elements of the formula vary from the original estimate – the variable percentages **must** change to maintain the 8.93% average payout rate.
- Increasing base compensation (new agents or distillery agent outlets are added or agents move a class) reduces the balance of limitation available for the variable rates. The variable rates **must** be reduced to maintain the 8.93% average payout rate.
- If the proportion of deferred compensation match changes (agents increase or decrease contribution or participation) – the variable rates **must** change to maintain the 8.93% average payout rate.
- If the ratio of consumer sales to licensee sales changes – the variable rates **must** change to maintain the 8.93% average payout rate.

History of “Average Legislatively Approved Compensation Percentage”

Biennium	Approved %	Paid %	Dollar Reduction*	Compensation Paid	Change
96-97	8.20%	8.20%		\$30,886,227	
98-99	8.54%	8.54%		\$35,471,473	14.85%
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*Reductions were the result of Legislative action that reduced the authorized limitation.

Distilled Spirits Compensation Comparison by Type of Agent

	Exclusive	Nonexclusive	Distillery Tasting Rooms
Base Compensation	Varies on sales volume – ranges from 14.25% of first \$10,000 to \$2,700	14.25% of first \$10,000 in sales	14.25% of first \$10,000 in sales
Deferred Compensation	Yes	Yes	No
Consumer Sales	8.15% of sales	8.15% of sales	8.15% of sales
Licensee Sales	6.36% of sales	6.36% of sales	6.36% on sales to full-on premises owned by distillery agent; sales to other licensees are not allowed
OLCC Pays for Inventory	OLCC buys the distilled liquor from the manufacturers when it leaves the warehouse for stores; stores do not pay	OLCC buys the distilled liquor from the manufacturers when it leaves the warehouse for stores; stores do not pay	OLCC buys the distilled liquor from the manufacturer (distillery) as it is sold in the tasting

BACKGROUND

	for inventory, all distilled liquor in stores are owned by the state	for inventory, all distilled liquor in stores are owned by the state	room. Sales to the state are tracked electronically.
Shipping Cost	OLCC pays cost	OLCC pays cost	No shipping required
Credit Card Reimbursement	OLCC pays cost	OLCC pays cost	Distillery pays cost
Commission Payments	Agents deposit daily sales to state treasurer– OLCC pays commission to agents once a month	Agents deposit daily sales to state treasurer– OLCC pays commission to agents once a month	Distillery tasting room agents retain manufacturing costs and commission and remit the remainder to the state on a negotiated schedule.
Shelf Tags	OLCC provides	OLCC provides	Distillery Provides
Required Signage	OLCC provides	OLCC provides	OLCC provides

Historical Liquor Agent Distilled Spirits Compensation (does not include distillery tasting room agents)

The following chart outlines categories of yearly compensation for the sale of distilled spirits (averaged over 5 years), the number of outlets in that category, the average compensation for distilled spirits of stores within that category and the types of stores represented in each category. *This does not include compensation from sales of beer and wine or other items sold by stores.*

Non-exclusive stores include 1 café, 21 convenience stores, 3 drug stores, 1 gift shop, 39 grocery stores, 8 hardware stores, 1 jewelry store, 3 pharmacies, 4 specialty markets, 2 sporting goods stores, 1 tackle shop and 2 video stores.

Liquor agent 5 year average income per year in each of past 5 years

Yearly Compensation	# Outlets	Average Yearly Compensation	Exclusive	Exclusive Beer & Wine	Nonexclusive	Nonexclusive Beer & Wine
900,000+	1	904,350		1		
800,000+	0	0				
700,000+	2	731,090	1	1		
600,000+	3	652,181	1	2		
500,000+	6	559,178	2	4		
400,000+	10	445,965	1	9		
300,000+	35	344,850	23	12		
200,000+	51	254,153	29	22		
150,000+	25	178,549	19	6		
100,000+	22	124,706	12	3	6	1
75,000+	6	80,411	1		3	2
50,000+	20	62,085	1		15	4
25,000+	39	36,323	1		37	1
15,000+	7	18,993			7	
<14,999	18	10,475			18	
Total	245		91	60	86	8

BACKGROUND

Liquor Agent Year over Year Compensation changes (does not include distillery tasting room agents)

The following chart outlines categories of yearly distilled spirits compensation increases/decreases (averaged over 5 years), the number of outlets in that category, the average commission gain/loss of stores within that category and the types of stores represented in each category. Compensation changes can be impacted by changes in sales volume, ratio of consumer to licensee sales, prices of bottles sold, changes in consumer buying patterns, population change, competition, and environmental factors impacting specific locations such as construction and road closures.

Liquor agent average distilled spirits compensation change per year in each of past 5 years

5 year ave. yearly gain.	# Outlets	Ave. Yearly Compensation from Sales of Distilled Spirits*	Exclusive	Exclusive Beer & Wine	Nonexclusive	Nonexclusive Beer & Wine
90,000+	1	695,834		1		
80,000+	1	568,215	1			
70,000+	0	0				
60,000+	0	0				
50,000+	1	706,252	1			
40,000+	2	682,415		2		
30,000+	9	437,288	2	5	1	
25,000+	11	291,109	5	5	1	
20,000+	10	354,596	4	6		
15,000+	16	307,407	9	7		
10,000+	30	274,545	14	14	2	
5,000+	51	218,463	33	14	2	2
3,000+	25	110,804	9	2	12	2
2,000+	19	88,167	4	1	11	3
1,000+	17	59,436	1		14	1
0+	39	31,651	1		37	1
(-1000) to 0	7	26,627			7	
(-2000) to (-1000)	4	355,410	2	2		
(-3,000) to (-2,000)	2	389,423	2			
(-4,000) to (-3,000)	1	205,761	1			
-14,856	1	140,227		1		

*Does not include compensation for items other than distilled spirits sold in stores

BACKGROUND

2017 Overall Sales

Store Class	Stores	Total Sales	Consumer Sales	Licencee Sales	Annual Increase in Comp Over Last 5 Years
Large Stores	123	\$ 482,540,129	\$ 376,410,282	\$ 106,129,847	5.2%
Licencee Stores	6	\$ 38,837,837	\$ 14,074,401	\$ 24,763,437	7.5%
Medium Stores	32	\$ 42,422,820	\$ 34,792,890	\$ 7,629,930	3.3%
Small Stores	86	\$ 26,221,114	\$ 22,700,215	\$ 3,520,899	3.4%
Total	247	\$ 590,021,900	\$ 447,977,787	\$ 142,044,113	5.0%
				CPI	1.91%

Store Types Grouped for Compensation Analysis

Small Stores: Primarily rural stores compensated as non-exclusive with 2017 sales averaging \$305,000. The range of sales in 2017 was between \$18,500 and \$842,000. Compensation heavily impacted by base rates. 35% of all stores in the state but responsible for the 4% of total revenues

Medium Stores: Primarily larger rural stores classified as exclusive stores between class 3 and 5. 2017 sales averaged \$1,170,000 and ranged from \$758,000 to \$1,604,000. Compensation moderately impacted by base rates. 13% of all stores in state but responsible for 7% of total revenues.

Large Stores: Class 6 exclusive stores and large exclusive stores. 2017 Sales averaged \$3.9 million with a range of \$1.7 million to \$11.3 million. Includes non-exclusive conversions that retain their Class 6 base compensation. Compensation is weighted to the variable compensation rates for consumer (8.15%) and licensee sales (6.35%). 50% of all stores but responsible for 80% of annual liquor revenues.

Licencee Stores: Liquor stores with 50% or more of their sales to licensees. Sales average \$4,127,000 and range from 1,837,000 to \$7,785,000. 2% of all store in the state but responsible for 7% of revenues

BACKGROUND

Comparable Control States Distilled Liquor Compensation

There are 17 control states; however, Idaho, Ohio, Utah, Vermont, and Washington (pre-privatization) are most closely aligned with Oregon’s model. Each state treats compensation for sales of distilled spirits differently.

State Model and Compensation Formulas (OLCC is in process of verifying this data)

State	Model	Compensation
Idaho	101 contract non-exclusive stores, 56 state owned exclusive stores	12% first \$325 K 8% next \$75 K 4% > \$400 K
Ohio	425 agents	6% retail sales 4% wholesale sales
Utah	100 package agencies, 36 state owned and staffed	Nonexclusive – negotiated on an individual basis Exclusive – based on average monthly case sales (ranges from 2,092 to 8,021)
Maine	All agency stores	Liquor stores buy the inventory from the state at a wholesale price and pay all other costs to run their businesses including credit card fees. Wholesale price discount: 13.5% on SKUs below 24.99 15.5% on SKUs 25.00 and above
Vermont	All non-exclusive agency stores	Base: 6.7% of gross sales plus 1.5% if certain incentives are met (premises, inventory, bookkeeping, etc.)
Washington (pre-privatization)	153 contract stores, 158 state owned and staffed	Base ranging from \$480 to \$630 plus 22.07% on first 10,500 of sales 8.21% on 10,501 to 21,000 in sales 6.45% over 21,000 in sales
Oregon	X exclusive stores, X non-exclusive stores, X non-exclusive, 95 distillery tasting room agents	Exclusive Fixed base up to \$2,700 plus 8.15% for consumer sales and 6.36% for licensee sales Nonexclusive Fixed base up to 1,425 plus 8.15% for consumer sales and 6.36% for licensee sales

BACKGROUND

Distilled Spirit Tasting Room Background

There are three basic models of distillery outlets: 1) a single distillery that sells out of one premise; 2) a distillery that sells out of multiple premises; and 3) a distillery that sells in connection with a licensed restaurant. ORS 471.230 as modified by SB 1044 (2017) outlines the privileges of an Oregon distillery licensee. Oregon licensed distilleries are not required to distill products in Oregon. The privileges of a distillery license are listed below.

Distilleries may but are not required to:

- Import, manufacture, distill, rectify, blend, denature, and store spirits of an alcoholic content greater than 10% alcohol by weight.
- Transport spirits out of Oregon for sales outside of Oregon
- Open six retail outlets – one in each tasting room for retailing products “manufactured” in Oregon by the distillery. Manufactured means distill, rectify or blend.
- Open two full on-premises sales licenses – one at the licensed premises and at one other location owned by the licensee
- Hold special events on a location other than a licensed premises for a period up to five days at a time for a total of 62 days per calendar year per location. There is no limit on the number of locations. Privileges and requirements for special events include providing tastings of distilled liquor manufactured by the distillery, allowing sales by the drink of distilled liquor manufactured by the distillery (if food service requirements are met), and selling factory sealed containers of distilled liquor manufactured by the distillery.

Distilleries must:

- Sell their spirits to the Oregon Liquor Control Commission through an electronic transfer for sales in distillery outlet tasting rooms or special events or physically transfer distilled liquor to OLCC for warehouse distribution
- Purchase from the Commission alcoholic beverages for blending and manufacturing purposes
- Have a contract with OLCC to sell spirits similar to OLCC contracts with liquor agent stores

In 2017 there were 98 approved distillery outlets (only 95 had sales); however, there is a potential of 510 outlets, should every existing Oregon distillery licensee open the six retail outlets allowed under the law. The establishment of distillery tasting rooms are part of the distillery privilege and are handled administratively; unlike exclusive and nonexclusive distilled liquor agent stores, the establishment of new stores do not require commission approval. In addition, manufacturers outside of Oregon can obtain an Oregon distiller’s license which allows them to add six retail outlets as well.

BACKGROUND

Distilled Spirit Tasting Room Outlet Income From Sales of Distilled Liquor

In the fiscal year 2017 there were \$7.2 million in total sales reported by 95 distillery agents. Of the \$7.2 million:

- \$3.7 million was retained by distillery agents for payment of their manufacturing costs and profit (wholesale costs)
- \$1.2 million paid to distillery agents for base and commission on sales in distillery retail outlets or special events
- \$2.3 million was paid to State of Oregon for distribution to the state, cities and counties.

Oregon licensed distillery outlets are compensated for their sales in their retail outlets in the same manner as OLCC non-exclusive retail agents. Non-exclusive retail agents are defined as businesses that sell liquor as part of another primary business. Distillery agents are compensated as non-exclusive liquor agents because their primary business is the distillation of alcohol. The sale of liquor through the distillery agents is adjunct to their primary business. The only difference is that Oregon distilleries are also manufacturers and as such retain their manufacturer’s wholesale cost which typically includes costs of goods sold and profit (an average of 48% of the bottle cost). In addition they receive a base commission equal to 14.25% of their first \$10,000 in sales plus a variable 8.15% commission rate for consumer sales and 6.36% commission rate for sales to distillery owned full-on premises which is equivalent to the Tier 1 Base compensation for exclusive and non-exclusive agents whose average sales are similar.

2017 Distilled Spirit Tasting Room Outlet Sales and Income

2017 Yearly Distilled Spirit Sales	# of Distillery Outlets	Average Yearly Sales in Distillery Outlets	Average Manufacturers Compensation Paid to Distillery Agents	Average Base and Commission Compensation Paid to Distillery Agents	Average Mark-up Retained by State	Ave. # of Bottles Sold
500,000+	1	795,205	412,318	74,617	308,270	30,246
300,000 – 499,000	4	421,242	208,956	40,440	160,869	14,639
200,000 – 299,000	3	243,454	123,938	38,280	82,696	8,392
100,000 – 199,999	11	146,226	72,880	26,683	46,663	5,567
50,000 – 99,999	18	72,218	37,236	15,133	19,848	2,480
25,000 – 49,999	20	35,161	17,752	7,853	9,557	1,172
1 – 24,999	38	10,953	5,510	2,423	3,186	385
Total	95					

BACKGROUND

2017 Distillery Agent Distillery Sales and Compensation

	Legal Entity (Licensee)	Gross Sales	Manufacturers Comp	Agents Comp	State & Local	Bottles Sold	Comp %
	TOTAL 2017	7,238,361	3,656,306	1,206,912	2,375,143	257,907	17%
1	Edgefield Distillery	795,205	412,318	74,617	308,270	30,246	9%
2	Bendistillery Inc.	488,418	238,168	56,849	193,401	20,733	12%
3	House Spirits Distillery LLC	446,145	220,813	53,461	171,871	13,674	12%
4	Eastside Distilling LLC	421,464	213,780	51,449	156,235	13,070	12%
5	Eastside Distilling LLC	328,940	163,061	43,909	121,970	11,078	13%
6	Cannon Beach Distillery LLC	286,483	150,510	40,340	95,633	8,277	14%
7	New Deal Distillery	241,026	120,949	36,744	83,333	9,149	15%
8	Eastside Distilling	202,854	100,356	33,377	69,121	7,750	16%
9	House Spirits	199,044	98,603	32,390	68,051	6,112	16%
10	Bull Run Distillery	178,152	92,042	30,363	55,748	4,141	17%
11	Heritage Distillery	176,308	80,435	27,194	68,679	12,437	15%
12	Hood River Distillers	157,178	76,557	28,956	51,665	7,914	18%
13	Clear Creek Distillery LLC	156,651	78,705	29,171	48,775	4,891	19%
14	Maverick Spirit LLC	148,137	76,737	27,255	44,145	5,028	18%
15	Stein Distillery Inc	140,930	70,789	23,778	46,363	4,059	17%
16	Thomas & Sons Distillery, LLC	124,654	62,216	24,727	37,710	5,548	20%
17	Stone Barn Brandyworks LLC	118,238	58,977	24,482	34,779	4,033	21%
18	Pilot House Spirits LLC	105,751	54,849	22,548	28,354	3,411	21%
19	Northwest Natural Spirits LLC	103,443	51,768	22,648	29,027	3,660	22%
20	Rogue River Brewing Company	99,084	57,477	21,326	20,282	2,725	22%
21	McMenamin's Inc.	97,324	48,825	20,712	27,787	3,530	21%
22	Oregon Sweet Grass LLC	94,704	46,710	20,149	27,844	3,354	21%
23	Northwest Natural Spirits LLC	90,480	45,475	17,639	27,366	2,980	19%
24	Oregon Brewing Company	82,535	46,936	17,057	18,542	2,247	21%
25	Eclectic Spirits LLC	76,935	37,927	16,132	22,876	2,040	21%
26	McMenamin's Inc.	76,009	38,012	16,793	21,204	2,887	22%
27	Stein Distillery Inc	73,324	36,907	16,257	20,160	1,909	22%
28	Oregon Brewing Company	71,572	41,606	16,032	13,935	1,916	22%
29	Eastside Distilling	70,163	35,908	10,760	23,496	3,251	15%
30	McMenamin's Inc.	68,480	34,393	15,122	18,965	2,550	22%
31	Rolling River Spirits LLC	66,520	33,412	14,365	18,743	2,293	22%
32	Bendistillery Inc.	64,207	31,366	12,254	20,586	2,525	19%
33	B203 LLC	57,887	28,448	12,967	16,472	2,417	22%
34	Northwest Natural Spirits LLC	54,731	27,343	12,260	15,129	1,960	22%
35	Superfly Distillery	52,370	27,226	11,310	13,834	2,249	22%
36	Eastside Distilling LLC	52,102	26,696	9,946	15,460	2,131	19%
37	4 Spirits Distillery	51,498	25,590	11,318	14,590	1,669	22%

BACKGROUND

38	Oregon Brewing Company	48,068	26,744	10,767	10,557	1,259	22%
39	New Basin Distilling Co LLC	47,627	23,707	10,443	13,476	1,594	22%
40	Rogue River Brewing Company	43,377	24,175	9,717	9,486	1,189	22%
41	Gallagher & Carini LLC	41,221	21,233	9,120	10,868	1,280	22%
42	YOGD, LLC	40,897	20,310	9,161	11,426	1,426	22%
43	McMenamin's Inc.	39,218	19,760	8,785	10,673	1,423	22%
44	Indio Spirits	38,614	19,122	8,650	10,843	1,425	22%
45	Big Bottom Whiskey	38,306	19,672	8,581	10,053	1,035	22%
46	Ransom Spirits LLC	36,952	18,945	8,277	9,730	1,023	22%
47	Abide Craft Distillers LLC	35,577	18,229	7,899	9,449	1,148	22%
48	Trails End Spirits	34,772	17,407	7,789	9,577	1,152	22%
49	McMenamin's Inc.	34,007	17,010	7,618	9,379	1,306	22%
50	Brandy Peak Distillery	30,803	15,846	6,901	8,056	774	22%
51	Hard Times Distillery	30,573	12,101	6,797	11,675	1,184	22%
52	Clear Creek Distillery LLC	29,953	15,009	6,710	8,234	1,318	22%
53	Veracity Spirits LLC	28,052	14,055	6,284	7,713	941	22%
54	Eclectic Spirits LLC	26,979	13,010	6,043	7,926	653	22%
55	McMenamin's Inc.	26,547	13,283	5,946	7,318	1,006	22%
56	Tanoshii, Inc	26,408	13,249	5,915	7,244	1,109	22%
57	Wolf Spirits LLC	25,268	12,163	5,652	7,452	1,201	22%
58	Cascade Alchemy	24,699	12,330	5,525	6,844	993	22%
59	McMenamin's Inc.	24,619	12,340	5,515	6,764	920	22%
60	North Coast Distilling LLC	23,389	11,846	5,239	6,304	725	22%
61	Rogue River Brewing Company	23,173	13,325	5,191	4,657	619	22%
62	Oregon Grain Growers	22,787	10,851	5,104	6,832	622	22%
63	McMenamins Inc.	22,556	11,289	5,053	6,215	845	22%
64	McMenamins Inc.	21,032	10,512	4,711	5,809	799	22%
65	Glacier45 LLC	19,965	9,220	4,469	6,276	784	22%
66	Eclectic Spirits LLC	19,932	9,647	4,465	5,820	459	22%
67	Indio Spirits	17,409	8,625	3,900	4,884	674	22%
68	McMenamin's Inc.	14,983	7,426	3,356	4,200	534	22%
69	Deep Woods Distillery	14,263	6,940	3,195	4,128	741	22%
70	Tualatin Valley distilling LLC	12,654	6,611	2,834	3,209	244	22%
71	Albany Steamworks LLC	12,497	6,319	2,799	3,379	331	22%
72	McMenamins Inc.	11,835	5,931	2,651	3,253	446	22%
73	Crescendo LLC	11,502	5,670	2,576	3,255	461	22%
74	Glaser Estate Winery, LLC	9,145	4,380	2,045	2,719	441	22%
75	Eastside Distilling LLC	9,098	4,696	2,038	2,364	403	22%
76	Swallowtail Spirits	8,711	4,364	1,951	2,396	309	22%
77	Thomas & Sons Distillery, LLC	8,453	4,243	1,893	2,317	330	22%
78	Rogue River Brewing Company	8,293	4,612	1,858	1,824	226	22%

BACKGROUND

79	Around the Bend Distilling, LLC	7,756	3,878	1,737	2,141	277	22%
80	Flooded Fox Den Distillery LLC	7,504	3,737	1,681	2,087	304	22%
81	Rogue River Brewing Company	7,139	4,037	1,599	1,503	191	22%
82	Thomas & Sons Distillery, LLC	6,818	3,425	1,526	1,867	294	22%
83	Thomas & Sons Distillery, LLC	6,146	3,016	1,375	1,755	246	22%
84	Northwest Distillery, Inc	5,898	2,780	1,321	1,797	322	22%
85	Thomas & Sons Distillery, LLC	5,568	2,783	1,247	1,538	218	22%
86	Dundee Hills Distilling	5,413	2,799	1,205	1,409	111	22%
87	Roderick W. Warner	4,964	2,459	1,112	1,393	278	22%
88	Elixir, Inc	4,234	2,069	948	1,217	101	22%
89	Eastside Pub	4,215	2,375	944	896	117	22%
90	III Spirits	3,162	1,653	708	801	43	22%
91	YOGD, LLC	2,705	1,342	606	756	89	22%
92	Industrial Row Distillery LLC	1,486	751	333	402	48	22%
93	Clear Creek Distillery LLC	1,465	732	328	405	44	22%
94	Cascadia Artisan	505	258	113	134	28	22%
95	3 Mile LLC	227	118	51	58	0	22%
96	Black Rock Distillery LLC	0	0	0	0	0	
97	Dogwood Distilling LLC	0	0	0	0	0	
98	Eastside Distilling LLC	0	0	0	0	0	
99	Dundee Hills Distilling	0	0	0	0	0	
100	House Spirits Distillery LLC	0	0	0	0	0	
101	Distilling Head	0	0	0	0	0	
102	Gallagher & Carini LLC	0	0	0	0	0	
103	Hard Times Distillery	0	0	0	0	0	
104	Ransom Spirits LLC	0	0	0	0	0	
105	Hard Times - Salem	0	0	0	0	0	
106	It's 5 LLC	0	0	0	0	0	

Store No	Location	Store Class	Zone	FY 2018			Percent	Percent	FY 2018		FY 2018	FY 2018	FY 2018	FY 2018	FY 2018
				Consumer Sales	Licensee Sales	Total Sales	Consumer Sales	Licensee Sales	Base Comp	Deferred Comp	Consumer Comp	Licensee Comp	Total Comp	Effective Comp Rate	
1201	Portland Janzten Beach	6	Metro Valley	\$10,194,234	\$633,902	\$10,828,136	94%	6%	\$32,400	\$0	\$830,830	\$40,316	\$903,546	8.34%	
1182	Portland Hollywood	6	Metro Valley	\$6,632,607	\$4,888,432	\$11,521,038	58%	42%	\$32,400	\$1,800	\$540,557	\$310,904	\$885,662	7.69%	
1150	Bend East	6	Eastern	\$5,825,586	\$5,632,095	\$11,457,681	51%	49%	\$32,400	\$1,800	\$474,785	\$387,186	\$867,186	7.57%	
1185	Portland Uptown	6	Metro Valley	\$3,349,278	\$8,484,109	\$11,833,387	28%	72%	\$32,400	\$0	\$272,966	\$539,589	\$844,955	7.14%	
1258	Hillsboro Shaleen St W	6	Metro Valley	\$4,809,690	\$4,433,445	\$9,243,135	52%	48%	\$32,400	\$0	\$391,990	\$281,967	\$706,357	7.64%	
1139	Portland Barbur	6	Metro Valley	\$4,726,608	\$4,367,384	\$9,093,992	52%	48%	\$32,400	\$1,800	\$385,219	\$277,766	\$697,184	7.67%	
1179	Portland Rose City	6	Metro Valley	\$5,436,674	\$2,725,855	\$8,162,529	67%	33%	\$32,400	\$1,800	\$443,089	\$173,364	\$650,653	7.97%	
1245	Portland Pearl District	6	Metro Valley	\$2,987,148	\$5,128,192	\$8,115,340	37%	63%	\$32,400	\$1,800	\$243,453	\$326,153	\$603,806	7.44%	
1157	Salem East	6	Metro Valley	\$5,211,580	\$2,184,732	\$7,396,311	70%	30%	\$32,400	\$1,800	\$424,744	\$138,949	\$597,893	8.08%	
1172	Oregon City	6	Metro Valley	\$5,220,836	\$2,156,045	\$7,376,881	71%	29%	\$32,400	\$1,800	\$425,498	\$137,124	\$596,823	8.09%	
1041	Gresham Troutdale	6	Metro Valley	\$4,805,588	\$2,365,963	\$7,171,552	67%	33%	\$32,400	\$1,575	\$391,655	\$150,475	\$576,106	8.03%	
1025	Gresham East	6	Metro Valley	\$5,187,800	\$1,677,779	\$6,865,578	76%	24%	\$32,400	\$0	\$422,806	\$106,707	\$561,912	8.18%	
1107	Portland Cedar Mill	6	Metro Valley	\$1,899,242	\$4,974,884	\$6,874,126	72%	28%	\$32,400	\$1,800	\$405,453	\$120,792	\$560,445	8.15%	
1198	Salem Battlecreek	6	Metro Valley	\$5,551,935	\$809,649	\$6,361,584	87%	13%	\$32,400	\$1,800	\$452,483	\$51,494	\$538,176	8.46%	
1200	Portland Tenth Ave	6	Metro Valley	\$2,512,856	\$4,545,961	\$7,058,817	36%	64%	\$32,400	\$0	\$204,798	\$289,123	\$526,321	7.46%	
1218	Eugene Downtown	6	Mid-Willamette Valley/Southern	\$3,844,166	\$2,693,292	\$6,537,458	59%	41%	\$32,400	\$1,800	\$313,300	\$171,293	\$518,793	7.94%	
1113	Portland Menlo Park	6	Metro Valley	\$4,676,664	\$1,588,246	\$6,264,910	75%	25%	\$32,400	\$1,800	\$381,148	\$101,012	\$516,361	8.24%	
1096	Hillsboro	6	Metro Valley	\$4,313,266	\$1,329,642	\$5,642,908	76%	24%	\$32,400	\$1,800	\$351,531	\$84,565	\$470,296	8.33%	
1163	Bend North	6	Eastern	\$4,529,002	\$906,892	\$5,435,895	83%	17%	\$32,400	\$1,800	\$369,114	\$57,678	\$460,992	8.48%	
1193	Eugene NE	6	Mid-Willamette Valley/Southern	\$3,982,000	\$1,613,940	\$5,595,940	71%	29%	\$32,400	\$900	\$324,533	\$102,647	\$460,480	8.23%	
1230	Beaverton Town Square	6	Metro Valley	\$5,141,387	\$129,072	\$5,270,459	98%	2%	\$32,400	\$0	\$419,023	\$8,209	\$459,632	8.72%	
1076	Grants Pass Downtown	6	Mid-Willamette Valley/Southern	\$4,071,108	\$1,441,161	\$5,512,268	74%	26%	\$32,400	\$0	\$331,795	\$91,658	\$455,853	8.27%	
1154	Eugene South	6	Mid-Willamette Valley/Southern	\$4,216,991	\$934,852	\$5,151,843	82%	18%	\$32,400	\$1,800	\$343,685	\$59,457	\$437,341	8.49%	
1170	Portland Eleventh Ave	6	Metro Valley	\$3,127,202	\$2,198,627	\$5,325,829	59%	41%	\$32,400	\$0	\$254,867	\$139,833	\$427,100	8.02%	
1094	Milwaukie	6	Metro Valley	\$3,209,286	\$2,054,934	\$5,264,220	61%	39%	\$32,400	\$1,800	\$261,557	\$130,694	\$426,451	8.10%	
1166	Portland Moreland	6	Metro Valley	\$2,573,317	\$2,695,775	\$5,269,092	49%	51%	\$32,400	\$0	\$209,725	\$171,451	\$413,577	7.85%	
1103	Albany East	6	Mid-Willamette Valley/Southern	\$4,260,091	\$491,146	\$4,751,237	90%	10%	\$32,400	\$1,800	\$347,197	\$31,237	\$412,634	8.68%	
1145	Portland Division	6	Metro Valley	\$4,087,402	\$675,906	\$4,763,307	86%	14%	\$32,400	\$1,800	\$333,123	\$42,988	\$410,311	8.61%	
1098	Happy Valley Southgate	6	Metro Valley	\$3,877,644	\$895,571	\$4,773,215	81%	19%	\$32,400	\$1,800	\$316,028	\$56,958	\$407,186	8.53%	
1220	Keizer	6	Metro Valley	\$3,996,327	\$699,604	\$4,695,931	85%	15%	\$32,400	\$0	\$325,701	\$44,495	\$402,596	8.57%	
1089	McMinnville	6	Metro Valley	\$3,873,524	\$821,668	\$4,695,192	82%	18%	\$32,400	\$1,800	\$315,692	\$52,258	\$402,150	8.57%	
1180	Tualatin	6	Metro Valley	\$4,025,387	\$604,563	\$4,629,950	87%	13%	\$32,400	\$1,800	\$328,069	\$38,450	\$400,719	8.65%	
1067	The Dalles	6	Eastern	\$4,029,311	\$599,619	\$4,628,930	87%	13%	\$32,400	\$0	\$328,389	\$38,136	\$398,925	8.62%	
1205	Portland 205	6	Metro Valley	\$3,506,695	\$1,240,630	\$4,747,325	74%	26%	\$32,400	\$1,800	\$285,796	\$78,904	\$398,900	8.40%	
1042	Hood River	6	Eastern	\$3,619,062	\$955,687	\$4,574,749	79%	21%	\$32,400	\$1,800	\$294,954	\$60,782	\$389,935	8.52%	
1186	Portland Eastport	6	Metro Valley	\$3,596,793	\$980,934	\$4,577,727	79%	21%	\$32,400	\$1,800	\$293,139	\$62,387	\$389,726	8.51%	
1177	Salem West	6	Metro Valley	\$3,262,799	\$1,360,635	\$4,623,434	71%	29%	\$32,400	\$1,800	\$265,918	\$86,536	\$386,655	8.36%	
1119	Gresham Rockwood	6	Metro Valley	\$2,957,787	\$1,713,385	\$4,671,171	63%	37%	\$32,400	\$1,800	\$241,060	\$108,971	\$384,231	8.23%	
1195	Springfield West	6	Mid-Willamette Valley/Southern	\$3,805,330	\$577,722	\$4,383,051	87%	13%	\$32,400	\$1,800	\$310,134	\$36,743	\$381,077	8.69%	
1052	Rainier	6	Metro Valley	\$4,080,068	\$217,750	\$4,297,819	95%	5%	\$32,400	\$1,800	\$332,526	\$13,849	\$380,574	8.86%	
1048	Tigard	6	Metro Valley	\$2,523,870	\$2,134,026	\$4,657,896	54%	46%	\$32,313	\$1,350	\$205,695	\$135,724	\$375,082	8.05%	
1214	Grants Pass East	6	Mid-Willamette Valley/Southern	\$3,776,353	\$420,740	\$4,197,093	90%	10%	\$32,400	\$1,800	\$307,773	\$26,759	\$368,732	8.79%	
1192	Portland Beaumont	6	Metro Valley	\$2,555,471	\$1,929,658	\$4,485,129	57%	43%	\$32,400	\$1,800	\$208,271	\$122,726	\$365,197	8.14%	
1004	Redmond South	6	Eastern	\$3,680,158	\$485,684	\$4,165,841	88%	12%	\$32,400	\$1,800	\$299,933	\$30,890	\$365,022	8.76%	
1238	Clackamas Sunnyside	6	Metro Valley	\$3,722,638	\$423,758	\$4,146,396	90%	10%	\$32,400	\$1,800	\$303,395	\$26,951	\$364,546	8.79%	
1069	Bend South	6	Eastern	\$3,682,476	\$493,077	\$4,175,552	88%	12%	\$32,400	\$0	\$300,122	\$31,360	\$363,881	8.71%	
1158	Lake Oswego Lake Grove	6	Metro Valley	\$3,706,063	\$438,770	\$4,144,832	89%	11%	\$32,400	\$900	\$302,044	\$27,906	\$363,250	8.76%	
1183	Portland Powell	6	Metro Valley	\$3,090,366	\$1,204,438	\$4,294,804	72%	28%	\$32,400	\$1,800	\$251,865	\$76,602	\$362,667	8.44%	
1188	Eugene West	6	Mid-Willamette Valley/Southern	\$2,586,229	\$1,813,971	\$4,400,200	59%	41%	\$32,400	\$0	\$210,778	\$115,369	\$358,546	8.15%	
1105	Milwaukie Oak Grove	6	Metro Valley	\$3,910,564	\$87,030	\$3,997,594	98%	2%	\$32,400	\$1,050	\$318,711	\$5,535	\$357,696	8.95%	
1030	Klamath Falls East	6	Mid-Willamette Valley/Southern	\$3,576,425	\$479,229	\$4,055,654	88%	12%	\$32,400	\$1,800	\$291,479	\$30,479	\$356,158	8.78%	
1196	Springfield East	6	Mid-Willamette Valley/Southern	\$3,439,716	\$645,746	\$4,085,462	84%	16%	\$32,400	\$1,200	\$280,337	\$41,069	\$355,006	8.69%	
1228	Corvallis Downtown	6	Mid-Willamette Valley/Southern	\$3,024,971	\$1,157,401	\$4,182,372	72%	28%	\$32,400	\$0	\$246,535	\$73,611	\$352,546	8.43%	
1142	Portland St Johns	6	Metro Valley	\$2,740,521	\$1,509,787	\$4,250,308	64%	36%	\$32,400	\$0	\$223,352	\$96,022	\$351,775	8.28%	
1242	Bend West	6	Eastern	\$3,549,797	\$387,625	\$3,937,422	90%	10%	\$32,400	\$1,800	\$289,308	\$24,653	\$348,161	8.84%	
1217	Medford East	6	Mid-Willamette Valley/Southern	\$3,137,737	\$774,699	\$3,912,436	80%	20%	\$32,400	\$0	\$255,726	\$49,271	\$337,396	8.62%	
1194	Corvallis North	6	Mid-Willamette Valley/Southern	\$3,513,797	\$250,163	\$3,763,960	93%	7%	\$32,400	\$1,800	\$286,374	\$15,910	\$336,485	8.94%	
1091	Lincoln City North	6	Coastal	\$3,196,914	\$656,639	\$3,853,552	83%	17%	\$32,400	\$1,650	\$260,548	\$41,762	\$336,361	8.73%	
1162	Newberg	6	Metro Valley	\$3,128,190	\$725,900	\$3,854,090	81%	19%	\$32,400	\$1,800	\$254,948	\$46,167	\$335,315	8.70%	
1169	Eugene NW	6	Mid-Willamette Valley/Southern	\$3,647,112	\$61,180	\$3,708,292	98%	2%	\$32,400	\$0	\$297,240	\$0	\$333,531	8.99%	
1146	Forest Grove	6	Metro Valley	\$3,119,522	\$659,256	\$3,778,779	83%	17%	\$32,400	\$1,800	\$254,241	\$41,929	\$330,370	8.74%	
1199	Portland Center	6	Metro Valley	\$1,793,563	\$2,343,513	\$4,137,076	43%	57%	\$32,400	\$0	\$146,175	\$149,047	\$327,623	7.92%	
1101	Clackamas	6	Metro Valley	\$2,845,618	\$973,859	\$3,819,477	75%	25%	\$32,400	\$0	\$231,918	\$61,937	\$326,255	8.54%	
1237	Beaverton Allen Blvd	6	Metro Valley	\$2,437,441	\$1,477,249	\$3,914,690	62%	38%	\$32,400	\$0	\$198,651	\$93,953	\$325,005	8.30%	
1155	Portland Hawthorne	6	Metro Valley	\$2,072,465	\$1,908,090	\$3,980,555	52%	48%	\$32,400	\$0	\$168,906	\$121,355	\$322,660	8.11%	
1022	Newport	6	Coastal	\$2,910,036	\$797,471	\$3,707,507	78%	22%	\$32,400	\$1,800	\$237,168	\$50,719	\$322,087	8.69%	
1229	Eugene Westside	6	Mid-Willamette Valley/Southern	\$3,287,176	\$250,693	\$3,537,869	93%	7%	\$32,400	\$0	\$267,905	\$15,944	\$316,249	8.94%	

1141	Salem North	6	Metro Valley	\$2,895,241	\$699,724	\$3,594,965	81%	19%	\$32,400	\$1,800	\$235,962	\$44,502	\$314,665	8.75%
1024	Portland Hillsdale	6	Metro Valley	\$1,820,301	\$2,100,344	\$3,920,644	46%	54%	\$32,400	\$0	\$148,355	\$133,582	\$314,336	8.02%
1275	Roseburg West	6	Mid-Willamette Valley/Southern	\$2,696,041	\$945,220	\$3,641,261	74%	26%	\$32,400	\$1,800	\$219,727	\$60,116	\$314,043	8.62%
1250	Beaverton Murray Schlls	6	Metro Valley	\$3,419,628	\$29,383	\$3,449,011	99%	1%	\$32,400	\$0	\$278,700	\$1,869	\$312,968	9.07%
1068	Woodburn	6	Metro Valley	\$3,010,203	\$517,821	\$3,528,024	85%	15%	\$32,400	\$1,800	\$245,332	\$32,933	\$312,465	8.86%
1010	Hermiston	6	Eastern	\$3,134,611	\$301,749	\$3,436,360	91%	9%	\$32,400	\$1,800	\$255,471	\$19,191	\$308,862	8.99%
1174	Medford South	6	Mid-Willamette Valley/Southern	\$2,688,382	\$854,078	\$3,542,460	76%	24%	\$32,400	\$1,800	\$219,103	\$54,319	\$307,623	8.68%
1181	Hillsboro Aloha	6	Metro Valley	\$3,036,789	\$363,040	\$3,399,828	89%	11%	\$32,400	\$1,800	\$247,498	\$23,089	\$304,788	8.96%
1087	Warrenton	6	Coastal	\$2,860,351	\$513,336	\$3,373,687	85%	15%	\$32,400	\$1,800	\$233,119	\$32,648	\$299,967	8.89%
1246	Redmond North	6	Eastern	\$2,578,521	\$840,717	\$3,419,238	75%	25%	\$32,400	\$1,800	\$210,149	\$53,740	\$297,819	8.71%
1221	Portland Lloyd Center	6	Metro Valley	\$2,619,012	\$796,475	\$3,415,488	77%	23%	\$32,400	\$900	\$213,450	\$50,656	\$297,405	8.71%
1116	Sandy	6	Eastern	\$2,854,950	\$429,956	\$3,284,906	87%	13%	\$32,400	\$1,800	\$232,678	\$27,345	\$294,224	8.96%
1017	Salem South	6	Metro Valley	\$2,655,685	\$663,282	\$3,318,967	80%	20%	\$32,400	\$0	\$218,438	\$42,185	\$294,023	8.77%
1264	Wilsonville North	6	Metro Valley	\$2,843,884	\$411,698	\$3,255,582	87%	13%	\$32,400	\$0	\$231,777	\$26,184	\$290,361	8.92%
1013	Lebanon	6	Mid-Willamette Valley/Southern	\$2,830,691	\$397,307	\$3,227,998	88%	12%	\$32,400	\$1,800	\$230,701	\$25,269	\$290,170	8.99%
1191	Aloha Farmington	6	Metro Valley	\$2,578,210	\$718,827	\$3,297,037	78%	22%	\$32,400	\$1,800	\$210,124	\$45,717	\$290,042	8.80%
1086	Beaverton Progress	6	Metro Valley	\$2,692,882	\$564,282	\$3,257,164	83%	17%	\$32,400	\$900	\$219,470	\$35,888	\$288,658	8.86%
1215	Portland Woodstock	6	Metro Valley	\$2,721,631	\$491,784	\$3,213,414	85%	15%	\$32,400	\$1,800	\$221,813	\$31,277	\$287,290	8.94%
1197	Portland Gateway	6	Metro Valley	\$2,425,521	\$791,827	\$3,217,349	75%	25%	\$32,400	\$0	\$197,680	\$50,360	\$280,440	8.72%
1100	Pendleton	6	Eastern	\$2,455,040	\$725,631	\$3,180,671	77%	23%	\$32,400	\$1,800	\$200,086	\$46,150	\$280,436	8.82%
1040	Umatilla	6	Eastern	\$2,837,058	\$197,823	\$3,034,881	93%	7%	\$32,400	\$1,800	\$231,220	\$12,582	\$278,002	9.16%
1210	Medford West	6	Mid-Willamette Valley/Southern	\$2,103,205	\$1,118,348	\$3,221,553	65%	35%	\$32,400	\$1,800	\$171,411	\$71,127	\$276,738	8.59%
1202	Ashland	6	Mid-Willamette Valley/Southern	\$1,914,012	\$1,319,209	\$3,233,221	59%	41%	\$32,400	\$1,800	\$155,992	\$83,902	\$274,094	8.48%
1093	Portland Kenton	6	Metro Valley	\$2,295,504	\$770,233	\$3,065,737	75%	25%	\$32,400	\$0	\$187,084	\$48,987	\$268,470	8.76%
1122	Canby	6	Metro Valley	\$2,718,229	\$219,386	\$2,937,615	93%	7%	\$32,400	\$150	\$221,536	\$13,953	\$268,039	9.12%
1187	Portland King Blvd	6	Metro Valley	\$2,162,331	\$907,866	\$3,070,197	70%	30%	\$32,400	\$0	\$176,230	\$57,740	\$266,370	8.68%
1189	King City	6	Metro Valley	\$2,823,214	\$26,327	\$2,849,542	99%	1%	\$32,400	\$1,800	\$230,092	\$1,674	\$265,966	9.33%
1156	Scappoose	6	Metro Valley	\$2,506,724	\$396,508	\$2,903,232	86%	14%	\$32,400	\$0	\$204,298	\$25,218	\$261,916	9.02%
1164	Portland Downtown	6	Metro Valley	\$1,334,265	\$1,781,510	\$3,115,775	43%	57%	\$32,313	\$900	\$108,743	\$113,304	\$255,260	8.19%
1003	Prineville	6	Eastern	\$2,390,260	\$383,080	\$2,773,340	86%	14%	\$32,400	\$1,800	\$194,806	\$24,364	\$253,370	9.14%
1124	Sherwood	6	Metro Valley	\$2,353,913	\$443,703	\$2,797,617	84%	16%	\$32,400	\$0	\$191,844	\$28,220	\$252,463	9.02%
1243	Portland Bethany Blvd	6	Metro Valley	\$2,580,549	\$108,409	\$2,688,958	96%	4%	\$32,400	\$0	\$210,315	\$6,895	\$249,610	9.28%
1202	Portland Raleigh Hills	6	Metro Valley	\$2,478,430	\$200,402	\$2,678,832	93%	7%	\$32,400	\$0	\$201,992	\$12,746	\$247,138	9.23%
1184	Wilsonville	6	Metro Valley	\$2,331,209	\$343,658	\$2,674,867	87%	13%	\$32,400	\$1,800	\$189,994	\$21,857	\$246,050	9.20%
1132	Stayton	6	Mid-Willamette Valley/Southern	\$2,243,668	\$461,422	\$2,705,090	83%	17%	\$32,400	\$0	\$182,859	\$29,346	\$244,605	9.04%
1095	Roseburg East	6	Mid-Willamette Valley/Southern	\$2,494,696	\$107,116	\$2,601,813	96%	4%	\$32,400	\$1,800	\$203,318	\$6,813	\$244,330	9.39%
1167	Astoria	6	Coastal	\$2,029,691	\$666,126	\$2,695,817	75%	25%	\$32,400	\$0	\$165,420	\$42,366	\$240,185	8.91%
1077	Florence	6	Coastal	\$2,143,958	\$469,228	\$2,613,186	82%	18%	\$32,400	\$1,800	\$174,733	\$29,843	\$238,775	9.14%
1097	North Bend	6	Coastal	\$2,322,154	\$235,444	\$2,557,597	91%	9%	\$32,400	\$0	\$189,256	\$14,974	\$236,630	9.25%
1117	Molalla	6	Metro Valley	\$2,182,596	\$358,449	\$2,541,045	86%	14%	\$32,400	\$1,800	\$177,882	\$22,797	\$234,879	9.24%
1063	Milton-Freewater	6	Eastern	\$2,322,312	\$142,337	\$2,464,649	94%	6%	\$32,400	\$1,800	\$189,268	\$9,053	\$232,521	9.43%
1016	Dallas	6	Metro Valley	\$2,209,124	\$263,079	\$2,472,203	89%	11%	\$32,400	\$1,800	\$180,044	\$16,732	\$230,975	9.34%
1131	Medford North	6	Mid-Willamette Valley/Southern	\$2,280,467	\$161,670	\$2,442,137	93%	7%	\$32,400	\$1,800	\$185,858	\$10,282	\$230,340	9.43%
1143	Springfield Gateway	6	Mid-Willamette Valley/Southern	\$2,342,969	\$69,102	\$2,412,070	97%	3%	\$32,400	\$0	\$190,952	\$4,395	\$227,747	9.44%
1151	Seaside	6	Coastal	\$1,855,297	\$610,332	\$2,465,629	75%	25%	\$32,400	\$1,800	\$151,207	\$38,817	\$224,224	9.09%
1178	Lake Oswego Downtown	6	Metro Valley	\$2,011,820	\$367,149	\$2,378,968	85%	15%	\$32,400	\$1,800	\$163,963	\$23,351	\$221,514	9.31%
1239	Hillsboro TV Hwy	6	Metro Valley	\$2,242,254	\$36,914	\$2,279,167	98%	2%	\$32,400	\$1,800	\$182,744	\$2,348	\$219,291	9.62%
1102	Tillamook	6	Coastal	\$2,010,487	\$342,479	\$2,352,966	85%	15%	\$32,400	\$0	\$163,855	\$21,782	\$218,036	9.27%
1036	La Grande	6	Eastern	\$2,044,060	\$216,336	\$2,260,396	90%	10%	\$32,400	\$0	\$166,591	\$13,759	\$212,750	9.41%
1108	Coos Bay	6	Coastal	\$1,681,086	\$639,925	\$2,321,011	72%	28%	\$32,400	\$1,800	\$137,008	\$40,699	\$211,908	9.13%
1026	Eagle Point	6	Mid-Willamette Valley/Southern	\$1,922,847	\$306,843	\$2,229,690	86%	14%	\$32,400	\$1,800	\$156,712	\$19,515	\$210,427	9.44%
1028	St Helens	6	Metro Valley	\$1,898,723	\$344,963	\$2,243,686	85%	15%	\$32,400	\$1,200	\$154,746	\$21,940	\$210,286	9.37%
1085	Central Point	6	Mid-Willamette Valley/Southern	\$2,146,739	\$5,561	\$2,152,300	100%	0%	\$32,400	\$0	\$174,959	\$354	\$209,513	9.73%
1112	Portland Macadam	6	Metro Valley	\$1,379,809	\$892,936	\$2,272,745	61%	39%	\$32,400	\$1,800	\$112,454	\$56,791	\$203,445	8.95%
1148	Madras	6	Eastern	\$1,890,652	\$208,997	\$2,099,649	90%	10%	\$32,400	\$1,800	\$154,088	\$13,292	\$201,580	9.60%
1240	West Linn South	6	Metro Valley	\$1,805,898	\$317,282	\$2,123,181	85%	15%	\$32,400	\$900	\$147,181	\$20,179	\$200,660	9.45%
1256	Gladstone	6	Metro Valley	\$1,941,686	\$195,641	\$2,137,327	91%	9%	\$29,817	\$0	\$158,247	\$12,443	\$200,507	9.38%
1008	Silverton	6	Metro Valley	\$1,695,793	\$367,409	\$2,063,202	82%	18%	\$32,400	\$1,800	\$138,207	\$23,367	\$195,774	9.49%
1137	Cottage Grove	6	Mid-Willamette Valley/Southern	\$1,715,155	\$236,255	\$1,951,410	88%	12%	\$32,400	\$1,800	\$139,785	\$15,026	\$189,011	9.69%
1046	Estacada	6	Metro Valley	\$1,637,017	\$375,183	\$2,012,200	81%	19%	\$31,125	\$150	\$133,417	\$23,862	\$188,554	9.37%
1232	Talent	N	Mid-Willamette Valley/Southern	\$1,519,953	\$632,647	\$2,152,601	71%	29%	\$17,100	\$1,158	\$123,876	\$40,236	\$182,371	8.47%
1120	Portland Parkrose	6	Metro Valley	\$1,739,074	\$91,462	\$1,830,536	95%	5%	\$32,400	\$1,800	\$141,735	\$5,817	\$181,752	9.93%
1236	Portland Barnes	6	Metro Valley	\$1,813,221	\$15,383	\$1,828,604	99%	1%	\$32,400	\$0	\$147,778	\$978	\$181,156	9.91%
1011	Ontario	6	Eastern	\$1,481,503	\$406,478	\$1,887,981	78%	22%	\$32,400	\$1,800	\$120,743	\$25,852	\$180,795	9.58%
1056	Bandon	6	Coastal	\$1,258,980	\$665,963	\$1,924,943	65%	35%	\$32,400	\$1,800	\$102,607	\$42,355	\$179,162	9.31%
1152	Klamath Falls Downtown	6	Mid-Willamette Valley/Southern	\$1,522,446	\$350,301	\$1,872,748	81%	19%	\$32,400	\$300	\$124,079	\$22,279	\$179,059	9.56%
1092	Baker City	6	Eastern	\$1,519,838	\$331,517	\$1,851,355	82%	18%	\$32,400	\$1,200	\$123,867	\$21,084	\$178,551	9.64%
1219	Albany, North	6	Mid-Willamette Valley/Southern	\$1,379,432	\$513,596	\$1,893,028	73%	27%	\$32,400	\$450	\$112,424	\$32,665	\$177,938	9.40%
1212	West Linn North	6	Metro Valley	\$1,524,570	\$276,659	\$1,801,229	85%	15%	\$32,400	\$0	\$124,252	\$17,595	\$174,248	9.67%
1257	Gresham NE Division	6	Metro Valley	\$1,711,011	\$0	\$1,711,011	100%	0%	\$29,280	\$0	\$139,447	\$0	\$168,727	9.86%

1241	Portland Garden Home	5	Metro Valley	\$1,603,002	\$0	\$1,603,002	100%	0%	\$32,400	\$1,800	\$130,645	\$0	\$164,845	10.28%
1034	La Pine	6	Eastern	\$1,471,003	\$215,125	\$1,686,127	87%	13%	\$29,280	\$1,800	\$119,887	\$13,682	\$164,649	9.76%
1173	Sunriver South	N	Eastern	\$1,433,038	\$401,289	\$1,834,327	78%	22%	\$17,100	\$1,416	\$116,793	\$25,522	\$160,831	8.77%
1090	Sisters	N	Eastern	\$1,340,785	\$478,981	\$1,819,766	74%	26%	\$17,100	\$1,180	\$107,196	\$30,129	\$155,605	8.55%
1054	Independence	5	Metro Valley	\$1,315,689	\$267,507	\$1,583,196	83%	17%	\$29,280	\$0	\$107,229	\$17,013	\$153,522	9.70%
1261	Portland Boise Eliot	5	Metro Valley	\$1,474,486	\$34,164	\$1,508,650	98%	2%	\$29,280	\$0	\$120,171	\$2,173	\$151,623	10.05%
1153	Creswell	5	Mid-Willamette Valley/Southern	\$1,257,121	\$285,108	\$1,542,228	82%	18%	\$29,280	\$0	\$102,455	\$18,133	\$149,868	9.72%
1129	Brookings	5	Coastal	\$999,636	\$517,918	\$1,517,554	66%	34%	\$29,280	\$1,800	\$81,470	\$32,940	\$145,490	9.59%
1073	Banks	N	Metro Valley	\$1,516,779	\$36,416	\$1,553,195	98%	2%	\$17,100	\$1,416	\$123,618	\$2,316	\$144,450	9.30%
1269*	Wood Village	5	Metro Valley	\$1,408,605	\$2,195	\$1,410,800	100%	0%	\$26,840	\$0	\$114,801	\$140	\$141,781	10.05%
1216	Portland West Slope	5	Metro Valley	\$1,172,058	\$248,503	\$1,420,561	83%	17%	\$29,280	\$0	\$95,523	\$15,805	\$140,608	9.90%
1023	Lincoln City South	5	Coastal	\$1,103,417	\$313,114	\$1,416,530	78%	22%	\$29,280	\$0	\$89,928	\$19,914	\$139,122	9.82%
1160	Gearhart	5	Coastal	\$1,024,930	\$359,070	\$1,384,000	74%	26%	\$29,280	\$1,800	\$83,532	\$22,837	\$137,449	9.93%
1138	Cave Junction	5	Mid-Willamette Valley/Southern	\$1,046,463	\$310,481	\$1,356,944	77%	23%	\$29,280	\$1,800	\$85,287	\$19,747	\$136,113	10.03%
1060	Sutherlin	5	Mid-Willamette Valley/Southern	\$1,197,211	\$89,599	\$1,286,810	93%	7%	\$29,280	\$1,800	\$97,573	\$5,698	\$134,351	10.44%
1190	Veneta	N	Mid-Willamette Valley/Southern	\$1,336,952	\$106,126	\$1,443,078	93%	7%	\$17,100	\$1,416	\$108,962	\$6,750	\$134,227	9.30%
1050	Rogue River	N	Mid-Willamette Valley/Southern	\$1,242,638	\$189,144	\$1,431,782	87%	13%	\$17,100	\$1,416	\$101,275	\$12,030	\$131,821	9.21%
1115	Welches	5	Eastern	\$897,844	\$425,941	\$1,323,784	68%	32%	\$29,280	\$900	\$73,174	\$27,090	\$130,444	9.85%
1062	Philomath	5	Mid-Willamette Valley/Southern	\$1,105,636	\$122,303	\$1,227,939	90%	10%	\$29,280	\$1,800	\$90,109	\$7,778	\$128,968	10.50%
1061	Junction City	5	Mid-Willamette Valley/Southern	\$1,114,270	\$126,460	\$1,240,729	90%	10%	\$29,280	\$0	\$90,813	\$8,043	\$128,136	10.33%
1045	Waldport	N	Coastal	\$1,146,882	\$244,654	\$1,391,536	82%	18%	\$17,100	\$1,416	\$93,471	\$15,560	\$127,547	9.17%
1265*	Eugene Whiteaker	N	Mid-Willamette Valley/Southern	\$1,284,002	\$50,907	\$1,334,909	96%	4%	\$15,675	\$0	\$104,646	\$3,238	\$123,559	9.26%
1029	Winston	N	Mid-Willamette Valley/Southern	\$1,210,058	\$120,558	\$1,330,616	91%	9%	\$17,100	\$0	\$98,620	\$7,667	\$123,387	9.27%
1018	Cannon Beach	5	Coastal	\$714,584	\$520,716	\$1,235,300	58%	42%	\$29,280	\$1,800	\$58,239	\$33,118	\$122,436	9.91%
1106	Sweet Home	5	Mid-Willamette Valley/Southern	\$1,075,355	\$35,996	\$1,111,351	97%	3%	\$29,280	\$0	\$87,641	\$2,289	\$119,211	10.73%
1231	Salem Downtown	5	Metro Valley	\$623,766	\$513,877	\$1,137,643	55%	45%	\$29,280	\$1,800	\$50,837	\$32,683	\$114,600	10.07%
1222*	Damascus	5	Metro Valley	\$967,027	\$23,361	\$990,388	98%	2%	\$20,937	\$0	\$78,813	\$1,486	\$101,235	10.22%
1019	Reedsport	4	Coastal	\$795,346	\$105,849	\$901,195	88%	12%	\$28,176	\$0	\$64,821	\$6,732	\$99,729	11.07%
1039	Amity	N	Metro Valley	\$924,051	\$6,147	\$930,198	99%	1%	\$17,100	\$0	\$75,310	\$391	\$92,801	9.98%
1121	Wheeler	N	Coastal	\$680,784	\$211,559	\$892,343	76%	24%	\$17,100	\$0	\$55,484	\$13,455	\$86,039	9.64%
1020	Depoe Bay	4	Coastal	\$544,376	\$194,131	\$738,507	74%	26%	\$28,176	\$0	\$44,367	\$12,347	\$84,889	11.49%
1134	Canyonville	N	Mid-Willamette Valley/Southern	\$799,942	\$40,072	\$840,013	95%	5%	\$17,100	\$0	\$65,195	\$2,549	\$84,844	10.10%
1263*	Albany	6	Mid-Willamette Valley/Southern	\$759,692	\$24,950	\$784,642	97%	3%	\$18,900	\$0	\$61,915	\$1,587	\$82,402	10.50%
1014	Burns	N	Eastern	\$687,716	\$112,382	\$800,098	86%	14%	\$17,100	\$1,416	\$56,049	\$7,147	\$81,712	10.21%
1027	Clatskanie	N	Coastal	\$758,002	\$15,902	\$773,903	98%	2%	\$17,100	\$1,410	\$61,777	\$1,011	\$81,298	10.50%
1047	Shady Cove	N	Coastal	\$667,131	\$123,680	\$790,811	84%	16%	\$17,100	\$1,416	\$54,371	\$7,866	\$80,753	10.21%
1055	Coquille	N	Coastal	\$684,540	\$108,377	\$792,918	86%	14%	\$17,100	\$0	\$55,790	\$6,893	\$79,783	10.06%
1109	Harrisburg	N	Mid-Willamette Valley/Southern	\$704,146	\$28,265	\$732,411	96%	4%	\$17,100	\$0	\$57,388	\$1,798	\$76,286	10.42%
1123	Pacific City	N	Coastal	\$606,478	\$147,764	\$754,242	80%	20%	\$17,100	\$0	\$49,428	\$9,398	\$75,926	10.07%
1024	Toledo	N	Coastal	\$637,037	\$68,600	\$705,637	90%	10%	\$17,100	\$1,410	\$51,919	\$4,363	\$74,792	10.60%
1058	Lakeview	N	Coastal	\$622,935	\$85,635	\$708,570	88%	12%	\$17,100	\$0	\$50,769	\$5,446	\$73,316	10.35%
1104	Rockaway	N	Coastal	\$577,554	\$141,901	\$719,454	80%	20%	\$17,100	\$0	\$47,071	\$9,025	\$73,195	10.17%
1057	Gold Beach	N	Coastal	\$560,242	\$128,687	\$688,928	81%	19%	\$17,100	\$1,416	\$45,660	\$8,184	\$72,360	10.50%
1051	John Day	N	Eastern	\$580,266	\$71,059	\$651,325	89%	11%	\$17,100	\$0	\$47,292	\$4,519	\$68,911	10.58%
1130	Myrtle Creek	3	Eastern	\$526,767	\$11,989	\$538,756	98%	2%	\$23,040	\$1,800	\$42,931	\$763	\$68,534	12.72%
1118	Oakridge	N	Mid-Willamette Valley/Southern	\$562,349	\$38,791	\$601,139	94%	6%	\$17,100	\$1,416	\$45,831	\$2,467	\$66,814	11.11%
1053	Sheridan	N	Metro Valley	\$495,810	\$123,597	\$619,407	80%	20%	\$17,100	\$1,416	\$40,409	\$7,861	\$66,785	10.78%
1005	Enterprise	N	Eastern	\$545,524	\$59,836	\$605,360	90%	10%	\$17,100	\$0	\$44,460	\$3,806	\$65,366	10.80%
1114	Cascade Locks	N	Eastern	\$581,933	\$10,126	\$592,059	98%	2%	\$17,100	\$0	\$47,428	\$644	\$65,172	11.01%
1259	North Plains	N	Metro Valley	\$546,972	\$6,939	\$553,911	99%	1%	\$17,100	\$0	\$44,578	\$441	\$62,120	11.21%
1244	Government Camp	N	Eastern	\$255,379	\$366,219	\$621,599	41%	59%	\$17,100	\$300	\$20,813	\$23,292	\$61,505	9.89%
1211	Charleston	N	Mid-Willamette Valley/Southern	\$510,676	\$17,852	\$528,528	97%	3%	\$17,100	\$1,416	\$41,620	\$1,135	\$61,272	11.59%
1088	Drain	N	Mid-Willamette Valley/Southern	\$460,228	\$50,875	\$511,102	90%	10%	\$17,100	\$0	\$37,509	\$3,236	\$57,844	11.32%
1125	Garibaldi	N	Coastal	\$378,948	\$122,436	\$501,384	76%	24%	\$17,100	\$1,416	\$30,884	\$7,787	\$57,187	11.41%
1072	Vernonia	N	Metro Valley	\$405,809	\$102,844	\$508,653	80%	20%	\$17,100	\$0	\$33,073	\$6,541	\$56,714	11.15%
1043	Myrtle Point	N	Mid-Willamette Valley/Southern	\$428,675	\$45,058	\$473,733	90%	10%	\$17,100	\$1,410	\$34,937	\$2,866	\$56,313	11.89%
1270*	Bend Newport Ave	N	Eastern	\$510,673	\$9,775	\$520,448	98%	2%	\$9,975	\$0	\$41,620	\$622	\$52,217	10.03%
1007	Mill City	N	Mid-Willamette Valley/Southern	\$411,738	\$19,359	\$431,097	96%	4%	\$17,100	\$0	\$33,557	\$1,231	\$51,888	12.04%
1147	Willamina	N	Metro Valley	\$377,449	\$55,074	\$432,523	87%	13%	\$17,100	\$0	\$30,762	\$3,503	\$51,365	11.88%
1080	Jacksonville	N	Mid-Willamette Valley/Southern	\$364,666	\$59,350	\$424,016	86%	14%	\$17,100	\$0	\$29,720	\$3,775	\$50,595	11.93%
1009	Brownsville	N	Mid-Willamette Valley/Southern	\$313,290	\$100,641	\$413,932	76%	24%	\$17,100	\$1,200	\$25,533	\$6,401	\$50,234	12.14%
1144	Stanfield	N	Eastern	\$388,928	\$12,792	\$401,720	97%	3%	\$17,100	\$0	\$31,698	\$814	\$49,611	12.35%
1249	Sunriver North	N	Eastern	\$376,697	\$0	\$376,697	100%	0%	\$17,100	\$0	\$30,701	\$0	\$47,801	12.69%
1082	Joseph	N	Eastern	\$297,111	\$85,646	\$382,757	78%	22%	\$17,100	\$708	\$24,215	\$5,447	\$47,470	12.40%
1059	Vale	2	Eastern	\$288,708	\$16,718	\$305,426	95%	5%	\$19,920	\$1,800	\$23,530	\$1,063	\$46,313	15.16%
1267	Scio	N	Mid-Willamette Valley/Southern	\$335,897	\$3,266	\$339,163	99%	1%	\$17,100	\$0	\$27,376	\$208	\$44,683	13.17%
1084	Chiloquin	N	Mid-Willamette Valley/Southern	\$310,565	\$12,950	\$323,515	96%	4%	\$17,100	\$1,416	\$25,311	\$824	\$44,651	13.80%
1271*	Terrebonne	N	Eastern	\$412,020	\$11,409	\$423,430	97%	3%	\$9,975	\$0	\$33,580	\$726	\$44,280	10.46%
1206	Dexter	N	Mid-Willamette Valley/Southern	\$292,529	\$28,966	\$321,494	91%	9%	\$17,100	\$1,416	\$23,841	\$1,842	\$44,199	13.75%
1049	Lakeside	N	Coastal	\$313,502	\$17,417	\$330,919	95%	5%	\$17,100	\$0	\$25,550	\$1,108	\$43,758	13.22%

1128	Port Orford	N	Mid-Willamette Valley/Southern	\$260,435	\$64,662	\$325,097	80%	20%	\$17,100	\$0	\$21,225	\$4,113	\$42,438	13.05%
1262	Eugene South Hills	N	Mid-Willamette Valley/Southern	\$299,764	\$12,883	\$312,647	96%	4%	\$17,100	\$0	\$24,431	\$819	\$42,350	13.55%
1203	Detroit	N	Mid-Willamette Valley/Southern	\$284,358	\$23,625	\$307,984	92%	8%	\$17,100	\$0	\$23,175	\$1,503	\$41,778	13.56%
1161	Boardman	N	Eastern	\$265,570	\$47,242	\$312,813	85%	15%	\$17,100	\$0	\$21,644	\$3,005	\$41,749	13.35%
1079	Elgin	N	Eastern	\$274,523	\$17,747	\$292,270	94%	6%	\$17,100	\$0	\$22,374	\$1,129	\$40,602	13.89%
1021	Union	N	Eastern	\$201,184	\$109,683	\$310,867	65%	35%	\$17,100	\$0	\$16,397	\$6,976	\$40,472	13.02%
1075	Riddle	N	Mid-Willamette Valley/Southern	\$245,725	\$51,162	\$296,887	83%	17%	\$17,100	\$0	\$20,027	\$3,254	\$40,380	13.60%
1176	Mapleton	N	Coastal	\$242,206	\$13,983	\$256,189	95%	5%	\$17,100	\$0	\$19,740	\$889	\$37,729	14.73%
1002	Heppner	N	Eastern	\$209,642	\$29,911	\$239,553	88%	12%	\$17,100	\$1,416	\$17,086	\$1,902	\$37,504	15.66%
1111	Bonanza	N	Mid-Willamette Valley/Southern	\$224,406	\$24,628	\$249,033	90%	10%	\$17,100	\$0	\$18,289	\$1,566	\$36,955	14.84%
1260*	Portland, Cascade Sta.	6	Metro Valley	\$301,136	\$57	\$301,193	100%	0%	\$12,246	\$0	\$24,543	\$4	\$36,793	12.22%
1234	Wamic	N	Eastern	\$180,431	\$77,122	\$257,553	70%	30%	\$17,100	\$0	\$14,705	\$4,905	\$36,710	14.25%
1149	Maupin	N	Eastern	\$197,990	\$30,609	\$228,599	87%	13%	\$17,100	\$1,416	\$16,136	\$1,947	\$36,599	16.01%
1165	Blue River	N	Mid-Willamette Valley/Southern	\$223,049	\$18,985	\$242,034	92%	8%	\$17,100	\$0	\$18,178	\$1,207	\$36,486	15.07%
1272*	Sisters, West	N	Eastern	\$335,277	\$11,502	\$346,779	97%	3%	\$8,228	\$0	\$27,325	\$732	\$36,285	10.46%
1081	Gilchrist	N	Eastern	\$192,213	\$54,286	\$246,499	78%	22%	\$17,100	\$0	\$15,665	\$3,453	\$36,218	14.69%
1175	Idleld Park	N	Mid-Willamette Valley/Southern	\$218,367	\$15,985	\$234,352	93%	7%	\$17,100	\$137	\$17,797	\$1,017	\$36,051	15.38%
1255	Corbett	N	Eastern	\$202,775	\$37,604	\$240,379	84%	16%	\$17,100	\$0	\$16,526	\$2,392	\$36,018	14.98%
1015	Nyssa	N	Eastern	\$161,496	\$64,563	\$226,059	71%	29%	\$17,100	\$1,416	\$13,162	\$4,106	\$35,784	15.83%
1033	Pilot Rock	N	Eastern	\$182,524	\$20,369	\$202,892	90%	10%	\$17,100	\$1,416	\$14,876	\$1,295	\$34,687	17.10%
1248	Klamath Falls Running Y	N	Mid-Willamette Valley/Southern	\$133,311	\$91,861	\$225,172	59%	41%	\$16,467	\$1,062	\$10,865	\$5,842	\$34,236	15.20%
1006	Athena	N	Eastern	\$187,325	\$16,698	\$204,023	92%	8%	\$17,100	\$0	\$15,267	\$1,062	\$33,429	16.38%
1224	Keno	N	Mid-Willamette Valley/Southern	\$197,916	\$0	\$197,916	100%	0%	\$17,100	\$0	\$16,130	\$0	\$33,230	16.79%
1126	Merrill	N	Mid-Willamette Valley/Southern	\$156,777	\$28,826	\$185,603	84%	16%	\$17,100	\$1,416	\$12,777	\$1,833	\$33,127	17.85%
1065	Glendale	N	Mid-Willamette Valley/Southern	\$167,595	\$34,445	\$202,040	83%	17%	\$17,100	\$0	\$13,659	\$2,191	\$32,950	16.31%
1071	Halfway	N	Eastern	\$153,840	\$41,695	\$195,536	79%	21%	\$17,100	\$0	\$12,538	\$2,652	\$32,290	16.51%
1223	Christmas Valley	N	Mid-Willamette Valley/Southern	\$166,128	\$2,472	\$168,600	99%	1%	\$17,100	\$708	\$13,539	\$157	\$31,505	18.69%
1168	Prospect	N	Mid-Willamette Valley/Southern	\$145,405	\$22,880	\$168,285	86%	14%	\$17,100	\$0	\$11,851	\$1,455	\$30,406	18.07%
1001	Condon	N	Eastern	\$104,393	\$31,951	\$136,343	77%	23%	\$16,793	\$1,416	\$8,508	\$2,032	\$28,749	21.09%
1140	Wasco	N	Eastern	\$131,713	\$12,132	\$143,845	92%	8%	\$15,743	\$0	\$10,735	\$772	\$27,250	18.94%
1066	Fossil	N	Eastern	\$122,626	\$7,763	\$130,390	94%	6%	\$16,562	\$0	\$9,994	\$494	\$27,050	20.75%
1083	Wallowa	N	Eastern	\$118,627	\$10,461	\$129,088	92%	8%	\$16,091	\$0	\$9,668	\$665	\$26,425	20.47%
1268*	Eugene Bailey Hill	N	Mid-Willamette Valley/Southern	\$198,684	\$2,438	\$201,122	99%	1%	\$9,975	\$0	\$16,193	\$155	\$26,323	13.09%
1064	Arlington	N	Eastern	\$110,814	\$0	\$110,814	100%	0%	\$15,728	\$0	\$9,031	\$0	\$24,760	22.34%
1070	Prairie City	N	Eastern	\$102,270	\$6,513	\$108,783	94%	6%	\$14,791	\$0	\$8,335	\$414	\$23,540	21.64%
1031	Powers	N	Coastal	\$98,985	\$5,818	\$104,804	94%	6%	\$14,661	\$0	\$8,067	\$370	\$23,098	22.04%
1110	Chemult	N	Eastern	\$97,446	\$4,354	\$101,800	96%	4%	\$12,979	\$0	\$7,942	\$277	\$21,198	20.82%
1038	North Powder	N	Eastern	\$81,670	\$11,266	\$92,937	88%	12%	\$13,264	\$0	\$6,656	\$717	\$20,636	22.20%
1204	Huntington	N	Eastern	\$79,506	\$8,987	\$88,493	90%	10%	\$11,420	\$1,380	\$6,480	\$572	\$19,852	22.43%
1078	Richland	N	Eastern	\$76,591	\$11,917	\$88,508	87%	13%	\$12,569	\$0	\$6,242	\$758	\$19,569	22.11%
1226	Butte Falls	N	Mid-Willamette Valley/Southern	\$74,708	\$0	\$74,708	100%	0%	\$10,642	\$1,416	\$6,089	\$0	\$18,147	24.29%
1099	Sumpter	N	Eastern	\$56,583	\$22,774	\$79,357	71%	29%	\$11,292	\$0	\$4,612	\$1,448	\$17,352	21.87%
1133	Silver Lake	N	Eastern	\$69,782	\$12,294	\$82,076	85%	15%	\$10,817	\$0	\$5,687	\$782	\$17,286	21.06%
1227*	Parkdale	N	Eastern	\$98,501	\$171	\$98,671	100%	0%	\$7,125	\$0	\$8,028	\$11	\$15,164	15.37%
1235	Odessa	N	Mid-Willamette Valley/Southern	\$56,951	\$9,608	\$66,559	86%	14%	\$9,473	\$0	\$4,642	\$611	\$14,725	22.12%
1171	Ukiah	N	Eastern	\$56,306	\$11,257	\$67,563	83%	17%	\$9,038	\$0	\$4,589	\$716	\$14,343	21.23%
1247	Cannon Beach Dwntrwn	N	Coastal	\$63,584	\$0	\$63,584	100%	0%	\$8,914	\$0	\$5,182	\$0	\$14,096	22.17%
1136	Jordan Valley	N	Eastern	\$53,795	\$5,812	\$59,607	90%	10%	\$8,507	\$0	\$4,384	\$370	\$13,261	22.25%
1213	Agness	N	Coastal	\$34,128	\$18,537	\$52,666	65%	35%	\$7,516	\$1,416	\$2,781	\$1,179	\$12,892	24.48%
1135	Dayville	N	Eastern	\$55,900	\$0	\$55,900	100%	0%	\$8,022	\$0	\$4,556	\$0	\$12,578	22.50%
1233	Monument	N	Eastern	\$53,351	\$0	\$53,351	100%	0%	\$7,608	\$480	\$4,348	\$0	\$12,436	23.31%
1208	Camas Valley	N	Mid-Willamette Valley/Southern	\$54,214	\$0	\$54,214	100%	0%	\$7,625	\$0	\$4,419	\$0	\$12,043	22.21%
1032	Long Creek	N	Eastern	\$53,062	\$0	\$53,062	100%	0%	\$7,491	\$0	\$4,325	\$0	\$11,815	22.27%
1044	Bly	N	Eastern	\$48,753	\$834	\$49,587	98%	2%	\$7,072	\$0	\$3,973	\$53	\$11,099	22.38%
1037	Paisley	N	Eastern	\$38,378	\$9,106	\$47,483	81%	19%	\$3,128	\$0	\$3,128	\$579	\$10,504	22.12%
1209	Ione	N	Eastern	\$42,476	\$5,026	\$47,503	89%	11%	\$6,671	\$0	\$3,462	\$320	\$10,452	22.00%
1207	Unity	N	Eastern	\$33,153	\$0	\$33,153	100%	0%	\$4,740	\$0	\$2,702	\$0	\$7,442	22.45%
1127	Malin	N	Mid-Willamette Valley/Southern	\$32,594	\$0	\$32,594	100%	0%	\$4,642	\$0	\$2,656	\$0	\$7,299	22.39%
1159	Fields	N	Eastern	\$19,251	\$0	\$19,251	100%	0%	\$2,747	\$0	\$1,569	\$0	\$4,316	22.42%
1275*	Ashland, South	N	Mid-Willamette Valley/Southern	\$6,292	\$0	\$6,292	100%	0%	\$329	\$0	\$513	\$0	\$842	13.37%

OLCC Credit (Merchant) Card Acceptance Fee Summary

Problem Statement

OLCC believes it is paying for bankcard fees on sales items that are not related to liquor sales. There is no reliable information in the current systems that allows the OLCC determine the amount of bank card fees attributed to distilled liquor and the amount of bankcard fees for other items charged through state credit card machines.

OLCC currently pays for bank card fees for all liquor and related items sales. Related items include things like glassware, ice, beer, wine, cigarettes and lottery tickets. Bankcard fees for related items are currently deducted from the agents compensation based on a fixed monthly amount. For Exclusive stores (liquor and liquor-related items only), a sales amount for related items sold in the store was determined at the time the store began accepting merchant cards in the late 1990's. This sales amount has never been updated and it is the basis for the monthly related item merchant card fee reimbursement deducted from the agent's compensation. For Non-exclusive stores (sell other products in addition to liquor and liquor-related items), a sales amount for liquor-related items sold in the store was determined at the time the store began accepting merchant cards in the late 1990's. This sales amount has never been updated and it is the basis for the monthly related item merchant card fee reimbursement deducted from the agent's compensation. A store reports its beer and wine sales monthly if it has converted from an exclusive to non-exclusive and that reported amount is used to calculate the additional fee reimbursement deducted from the agent's compensation. Typically, a non-exclusive store that sells items other than liquor, beer, wine and liquor-related items, will use their own non-state-leased terminal to process customer credit card purchases for those items however there is no information made available to OLCC to confirm that this actually occurs.

Several areas for consideration have contributed to the complicated nature of the current internal process for merchant card acceptance fee reimbursement from the agents to OLCC:

- 1) Increasingly stores are expanding to sell items other than distilled liquor, resulting in credit card fees not related to distilled liquor sales that are not reimbursed to OLCC. Examples include cigarettes, liquor-related items, and beer and wine sales beyond the initial basis established at the time the original agent was placed. As a point of reference, we have agents that receive a quarterly check from the OLCC due to the fact that so many of their cigarette sales are processed through the OLCC terminals, that we owe them money back. They don't collect enough in cash sales for liquor to take those amounts out of their bank deposits.
- 2) The agents are required to report their unrelated items sold; however the liquor-related items and beer and wine sales reporting is self-reported by the agents. In some cases OLCC has met resistance to providing those records. The OLCC has nothing in place to verify those amounts. It is based on the honor system. In some cases OLCC has met resistance to providing those records.
- 3) The re-evaluation of a store's fee calculation basis (as allowed on an annual basis per the Retail Operations Manual) typically results in more reimbursement due from an agent. This is typically met with resistance from the agent and hasn't been enforced historically, making it difficult to implement now. No standard review of stores' sales data is performed by the OLCC in order to adjust reimbursement of fees on a regular basis. This has created a precedent that makes it difficult to implement change now.
- 4) Based on when the fee calculation basis was put into place for individual stores, the charges are not consistent or equitable between agents.

Merchant Card Contract Summary

The Oregon State Treasury maintains the Merchant Services (aka credit card acceptance) contract with US Bank/Elavon on behalf of state agencies. This contract allows the OLCC's contracted liquor agents to accept Visa, MasterCard and Discover in their liquor stores. The agents and OLCC benefit from Treasury's negotiated merchant processing fees that are lower than might otherwise be available due to statewide volumes/economies of scale rather than individual agency volume.

Billing Process

US Bank/Elavon bills Treasury directly for both liquor store terminal leases and the merchant card acceptance fees for liquor store sales transactions that are paid for by credit cards. Treasury then debits the charges directly from the OLCC's bank account on a monthly basis. The OLCC may then deduct certain portions of the merchant card acceptance fees (described below) from the agents' monthly compensation payments.

Merchant Card Acceptance Fee Components

The primary components of merchant card acceptance fees are:

Interchange: Non-negotiable fee set by the card associations (e.g. Visa, MC) that is paid to the issuing bank of the card used for the purchase. The rates are a percentage plus a per transaction amount that will vary by card type.

Assessment: Non-negotiable fee set by the card associations and paid to the card associations.

Processing: Fee negotiated by Treasury and paid to the Merchant Services provider (US Bank/Elavon).

Equipment: OLCC provides leased credit card terminals to agents for use in processing in-store sale transactions. The current lease rate is \$23 per month per terminal and \$10 per month for optional pin pads. Agents are authorized to use state-leased credit card terminals for sales of non-liquor items including cigarettes, beer and wine. If an agent requires more than two terminals in their store, the lease fee for the incremental terminal(s) is deducted from their monthly agent's compensation payment. For the 2017-19 biennium, the cost for the equipment-related portion of the merchant card fees is expected to be \$325 thousand. The lease for the terminals is up for renewal in October, 2018.

OLCC Merchant Card Fee Budget Limitation

The limitation of \$11.8 million in the OLCC's 2017-19 budget covers the merchant card acceptance fees incurred for the fees described above related to in-store liquor sales. Currently about 6% of this amount is designated for related items and beer and wine and reimbursed by liquor store agents by withholding the amounts from their monthly compensation.

Total Agency Operations' Cost, Agents Compensation and CPI From 1980 to 2018

