

HB 4006 STAFF MEASURE SUMMARY
House Committee On Economic Development

Carrier: Rep. Barker

Action Date: 02/10/20

Action: Do Pass.

Vote: 8-0-3-0

Yeas: 8 - Barreto, Bonham, Fahey, Helm, Lively, Marsh, McLain, Wilson

Exc: 3 - McKeown, Wallan, Witt

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/5, 2/10

WHAT THE MEASURE DOES:

Extends period for which an alcohol manufacturer or wholesaler may lease or furnish equipment to a retail licensee for a special event from 10 to 14 days and allows for a reasonable extension for setup or removal from the special event site. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Reasons for current statutory limit
- Special events that currently operate for longer than 10-day limit

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) oversees the sale of alcoholic beverages and recreational marijuana to allow access to responsible adults while protecting Oregon's public health, safety, and community livability. The OLCC was created in 1933 during a special session of the Legislative Assembly following the end of national prohibition. Oregon chose a "control" system, giving the state the exclusive right to sell packaged distilled spirits through retail liquor stores operated by contracted agents, and is one of seventeen states that sell distilled spirits through government-operated stores or designated outlets that the state supervises under a sales agent contract. The OLCC manages and distributes distilled spirits, licenses and regulates businesses that sell and serve alcohol, and trains and issues permits for alcohol servers.

Oregon's three-tier system consists of manufacturers, wholesalers, and retailers. "Tied House" regulations require the separation of manufacturers and distributors from retailers and prohibit manufacturers and wholesalers from having any financial or ownership interest in a retail establishment (ORS 471.392 to 471.402). Manufacturers or wholesalers are also prohibited from giving money, discounts, or items of value to a retailer, except for certain exceptions.

House Bill 4006 amends one of those exceptions and allows a manufacturer or wholesaler to lease or furnish equipment for a period of 14 days, rather than 10 days, to a retail licensee for special events with an allowance for a reasonable extension for setup or removal from the special event site.