

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2363**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Michael Graham  
Reviewed by: Michelle Deister  
Date: February 18, 2021

**Measure Description:**

Allows certain holders of temporary event licenses to sell alcoholic beverages for on and off-premises consumption at more than one location on licensed premises.

**Government Unit(s) Affected:**

Oregon Liquor Control Commission (OLCC)

**Summary of Fiscal Impact:**

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

**Analysis:**

The measure allows nonprofit or charitable organizations registered in the state, state agencies, or local governments that have been issued a temporary sales license to sell alcoholic beverages, including wine, malt beverages, cider or distilled liquor, at more than one location on the licensed premises for both on and off-premises consumption. It permits the Oregon Liquor Control Commission (OLCC) to adopt new administrative rules or take any action necessary to implement this measure, which becomes operative on January 1, 2022. The measure takes effect 91 days after adjournment *sine die*.

OLCC estimates that it would be able to implement the measure with its existing budgetary resources. The agency believes the changes to temporary sales licenses, in practice, would only apply to nonprofit or charitable organizations that have been granted a temporary sales license. When a large event operating under a temporary sales license is held, OLCC often sends inspectors to ensure that these events are maintaining their restricted access areas and complying with OLCC rules and regulations. Adding multiple points of sale on the premises at large qualifying events could present greater challenges to OLCC’s efforts to police and maintain public safety at these events. However, because OLCC anticipates these changes would only apply to a small number of events, the measure is expected to have a minimal fiscal impact on OLCC’s biennial budget.

The minimal fiscal impact notwithstanding, it should be noted that by allowing the sale of packaged distilled spirits on temporary sales license premises, the measure would conflict with existing Oregon law. Under Oregon’s liquor control model, only designated liquor agents and distillery retail agents can sell packaged distilled spirits in Oregon. By allowing holders of a temporary sales license to sell packaged distilled spirits, the measure in effect creates a third class of persons authorized to sell packaged distilled spirits, which could create an incentive to obtain a temporary sales license in order to circumvent Oregon’s liquor control system. This conflict with existing law could present additional challenges to OLCC’s ability to control and regulate sales of packaged distilled spirits.