

HB 2740 STAFF MEASURE SUMMARY

House Committee On General Government

Action Date: 03/11/21

Action: Do pass. Refer to Ways and Means.

Vote: 4-0-1-0

Yeas: 4 - Leif, Lively, Wilde, Zika

Exc: 1 - Smith Warner

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 1/26, 2/4, 3/11

WHAT THE MEASURE DOES:

Establishes a compensation schedule for retail sales agents of the Oregon Liquor Control Commission for compensation paid on or after July 1, 2021. Calculates compensation based on store proximity to the Portland metropolitan area, a classification system for retail stores by annual sales, a monthly base compensation, a wage escalator, a monthly retail escalator, and defined sales commission rates. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Labor costs to agents
- Impacts on current vs. future revenues to cities

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. Oregon operates a “control” system, which gives the state the exclusive right to sell packaged, distilled spirits through retail liquor stores operated by contracted agents. Agents work under contract and are not considered state employees. Total compensation to agents is set through the budget process by the Legislative Assembly; the formula for distributing compensation to agents is determined by the OLCC. The compensation formula includes both a fixed rate determined by the type of store and annual sales volume and a variable rate based on sales. Agents pay most operating expenses, including rent, staffing, and their own salaries and benefits. They do not purchase the inventory, as the OLCC owns the distilled spirits.

House Bill 2740 creates a compensation schedule for Oregon Liquor Control Commission retail sales agents, applicable to compensation earned on or after July 1, 2021, and calculates compensation through a classification of retail stores based on annual sales and location and through other defined wage increases.