

# Alcohol Policy & Bottle Bill: the Oregon Way

**Presented by Craig Prins, Executive Director  
Oregon Liquor & Cannabis Commission**



January 27, 2025



# A well-regulated system to benefit all Oregonians: our mission and vision

---

## Mission

OLCC oversees access to alcohol and cannabis products in Oregon through education, regulation, and distilled spirits distribution. Our aim is to protect public health and safety while supporting responsible businesses and providing funding for local and state agencies.

## Vision

To be recognized as a model in management and regulation of alcohol and cannabis, with measurable success in reducing harm, fostering responsible business practices, and supporting economic development.



# **The Origins of the Oregon Way**

# Two Options After Prohibition

---



Two forms of alcohol regulation in the U.S.

## CONTROL SYSTEM

State owns part of the alcohol business; usually the wholesale or retail operation

## LICENSE SYSTEM

Private owners sell alcohol at both retail and wholesale levels

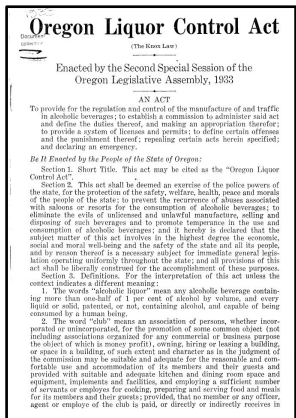
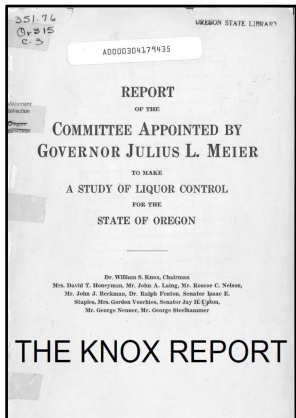
# OLCC's and Oregon's Model

OLCC was founded in **1933**, four days after the repeal of national prohibition.

Oregon implemented **a new regulatory system for alcohol**, based on the experiences of other countries and lessons learned during and before Prohibition.

## Main objectives

- Abolish lawlessness
- Develop moderation via regulation & education
- Limit the profit-motive, especially for high-ABV alcohol beverages (distilled spirits)



# Oregon's Three Tier System for Alcohol

## General Rule Across the US

No one entity can be involved in more than one tier



1. Manufacturer, Brewery, Winery



2. Distributor



3. Retailer, Bar, Restaurant

## Additional Measure in Oregon as a Control State

OLCC centrally purchases, warehouses  
and distributes all distilled spirits



OLCC Warehouse

# **The Benefits of the Oregon Way: Revenue for What Oregonians Care About**

# Funding What Oregonians Care About

## Unrestricted (ORS 471.810)

---

General Fund (excluding surcharge), 56%

Cities (by population), 20%

Cities (city revenue sharing), 14%

Counties (by population), 10%

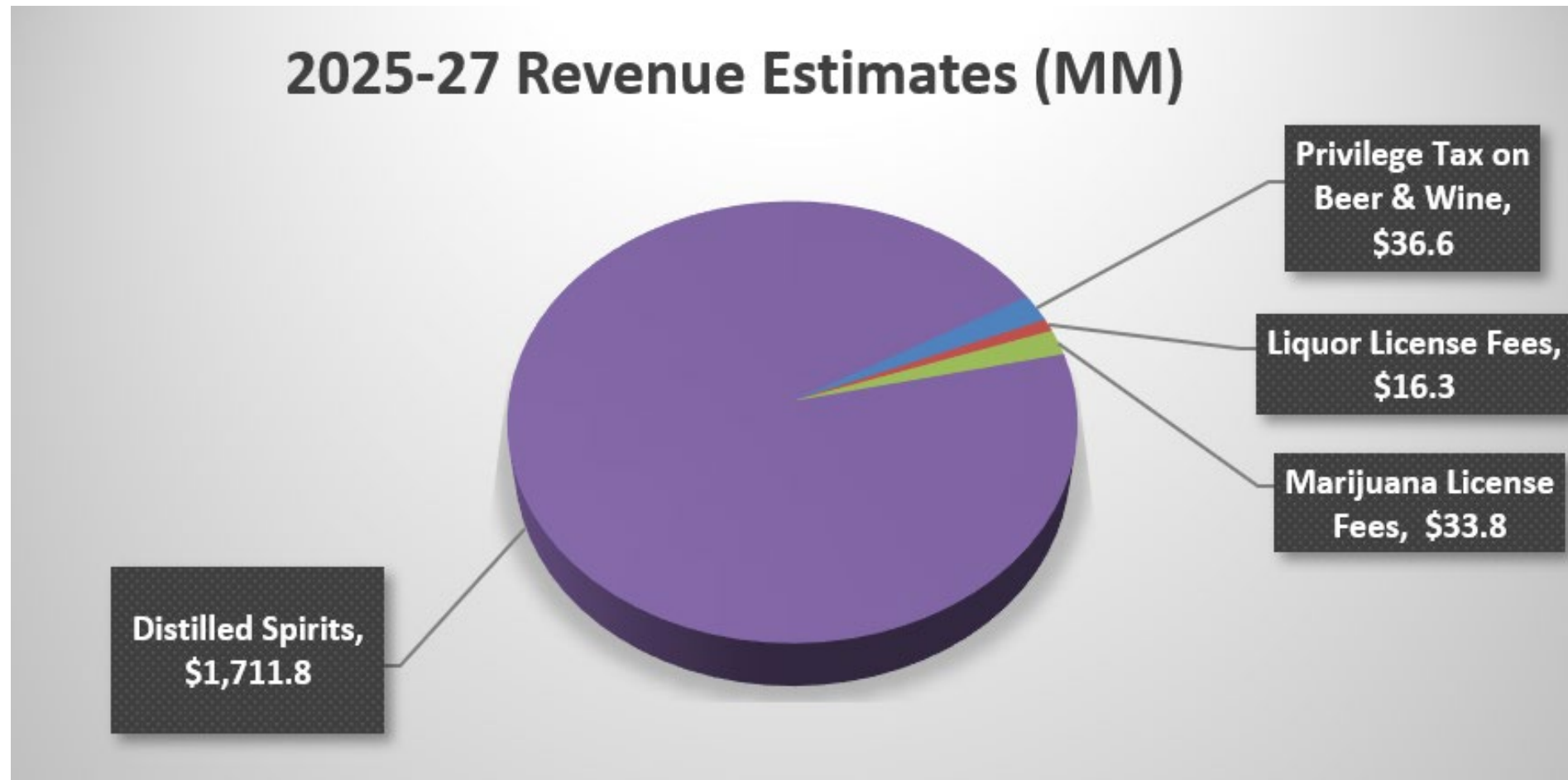
All Unrestricted

---

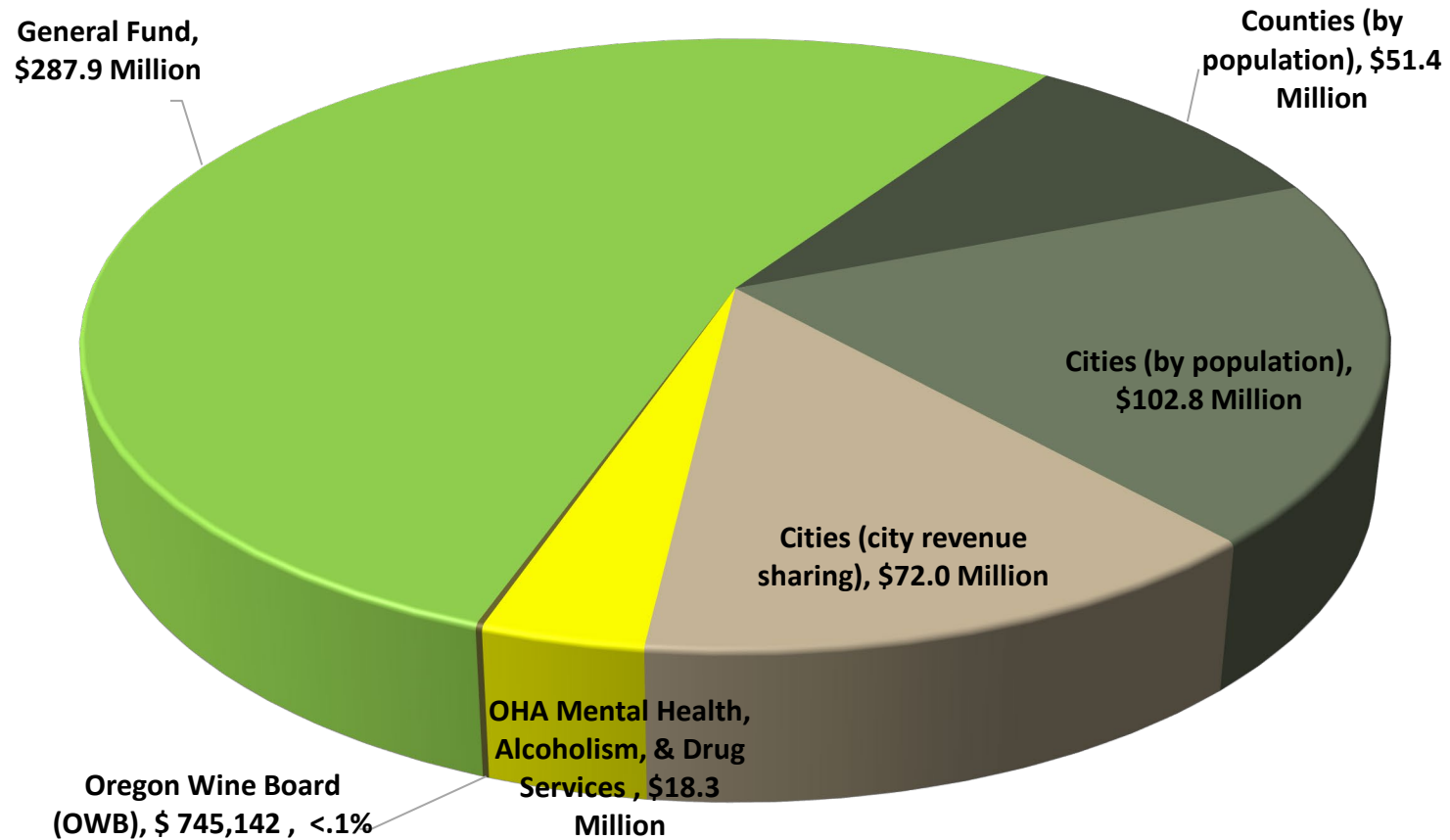


# PROJECTED GROSS REVENUE SOURCES

2025-27 Governor's Budget (Main Revenue Sources)



# PROJECTED 2025-27 Governor's Budget Distribution, \$533.2 million



# Funding What Oregonians Care About

## Restricted Funds

---

### 50% of Privilege Tax Revenues

- Transferred to Mental Health, Alcoholism, & Drug Services Account
- Biennially, about \$18 million of malt, wine, & cider (Privilege Tax) revenues are transferred to OHA

### 100% of Oregon Wine Board (OWB) Related Revenues

- Revenue is collected as part of a \$.02 tax for every gallon of wine manufactured or sold in, or imported to, the state of Oregon.
- Biennially, about \$750,000 of wine revenues are transferred to the OWB

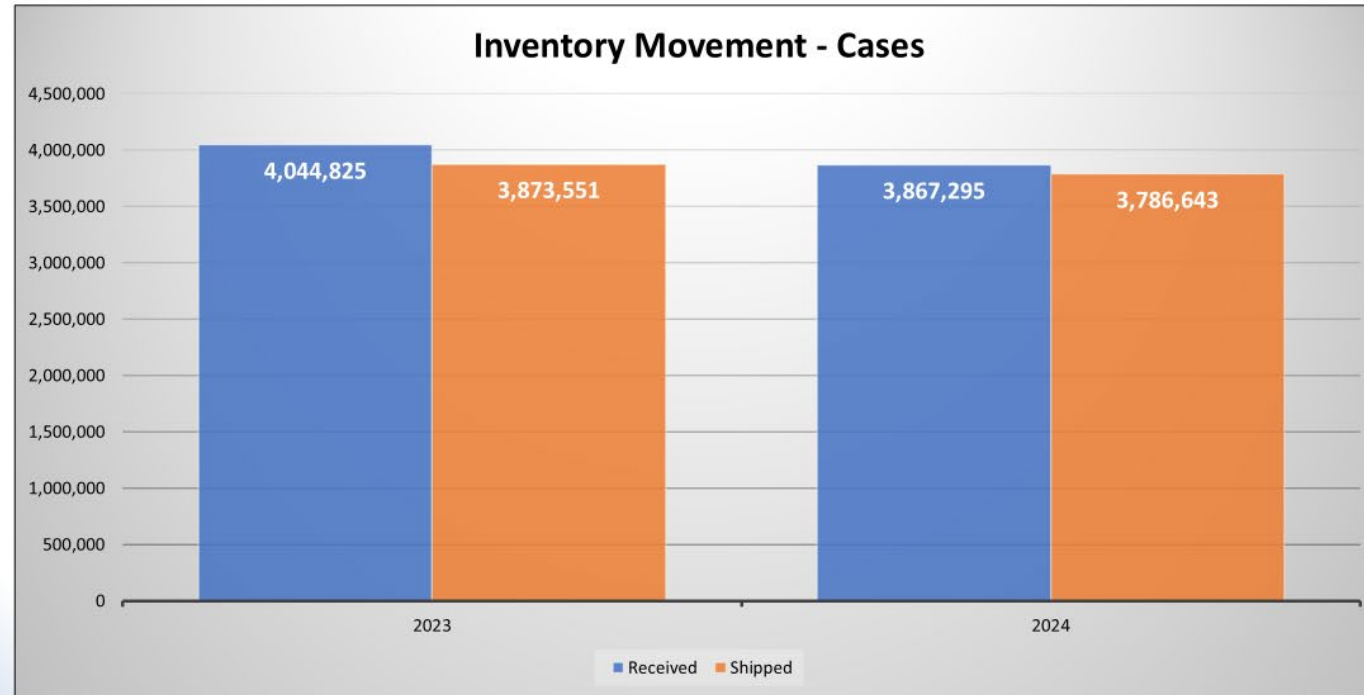
# Privilege Taxes by Type (Malt/Cider and Wine):

## Fiscal Year Average Over Last Five & Ten Years

---

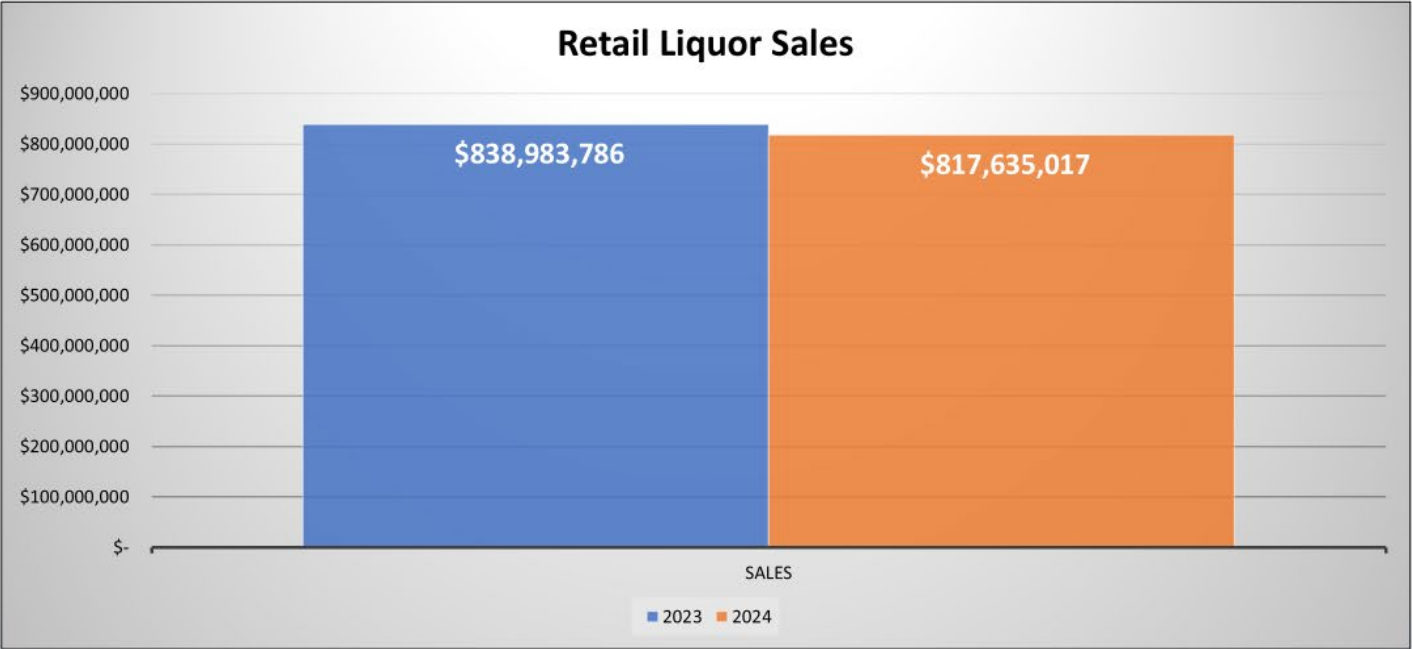
Priv. Tax Item	Last 5 Year Average (FY '19 - FY '23)	Last 10 Year Average (FY '14 - FY '23)
Malt/Cider	\$7,462,479	\$7,580,495
Table Wine	\$9,892,657	\$9,718,897
Dessert Wine	\$1,016,358	\$923,304
Penalties & Interest	\$92,145	\$69,209
<b>Fiscal Year Average</b>	<b>\$18,463,639</b>	<b>\$18,291,905</b>

# Production



	2023	2024	var	%
Received	4,044,825	3,867,295	-177,530	-4.39%
Shipped	3,873,551	3,786,643	-86,908	-2.24%

# Retail Sales



	2023	2024	var	%
Sales	\$ 838,983,786	\$ 817,635,017	\$ (21,348,769)	-2.54%

# **Benefits of the Oregon Way: A Clear Focus on Health and Safety**

---

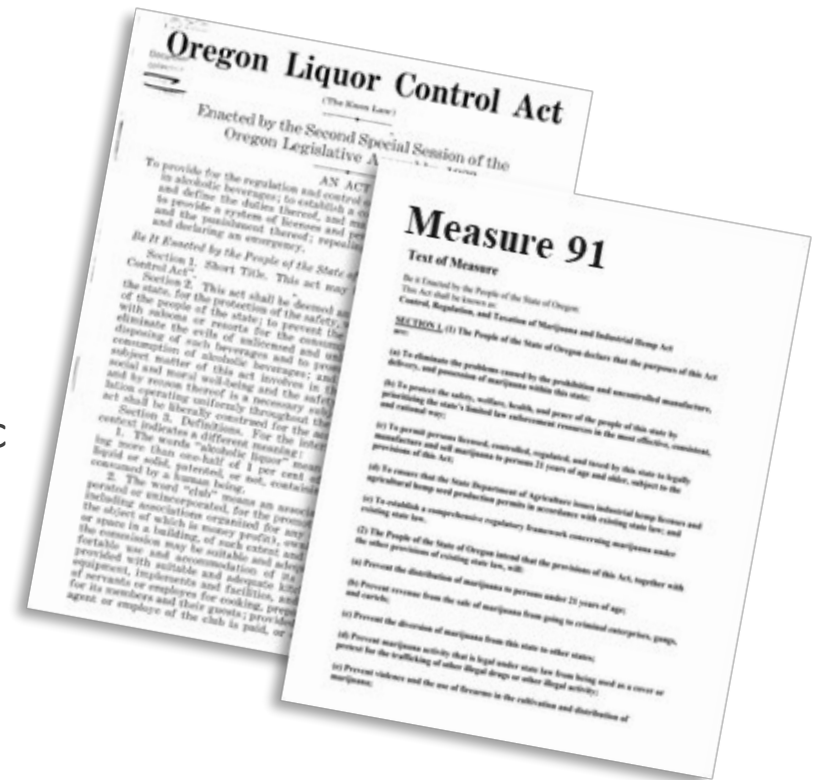
# OLCC's Public Health and Safety Mandate

The statutory purpose of the **Liquor Control Act and Recreational Cannabis Laws** is to protect the safety, welfare, and health of the people of Oregon.

- ORS 471.030 & ORS 475C.001

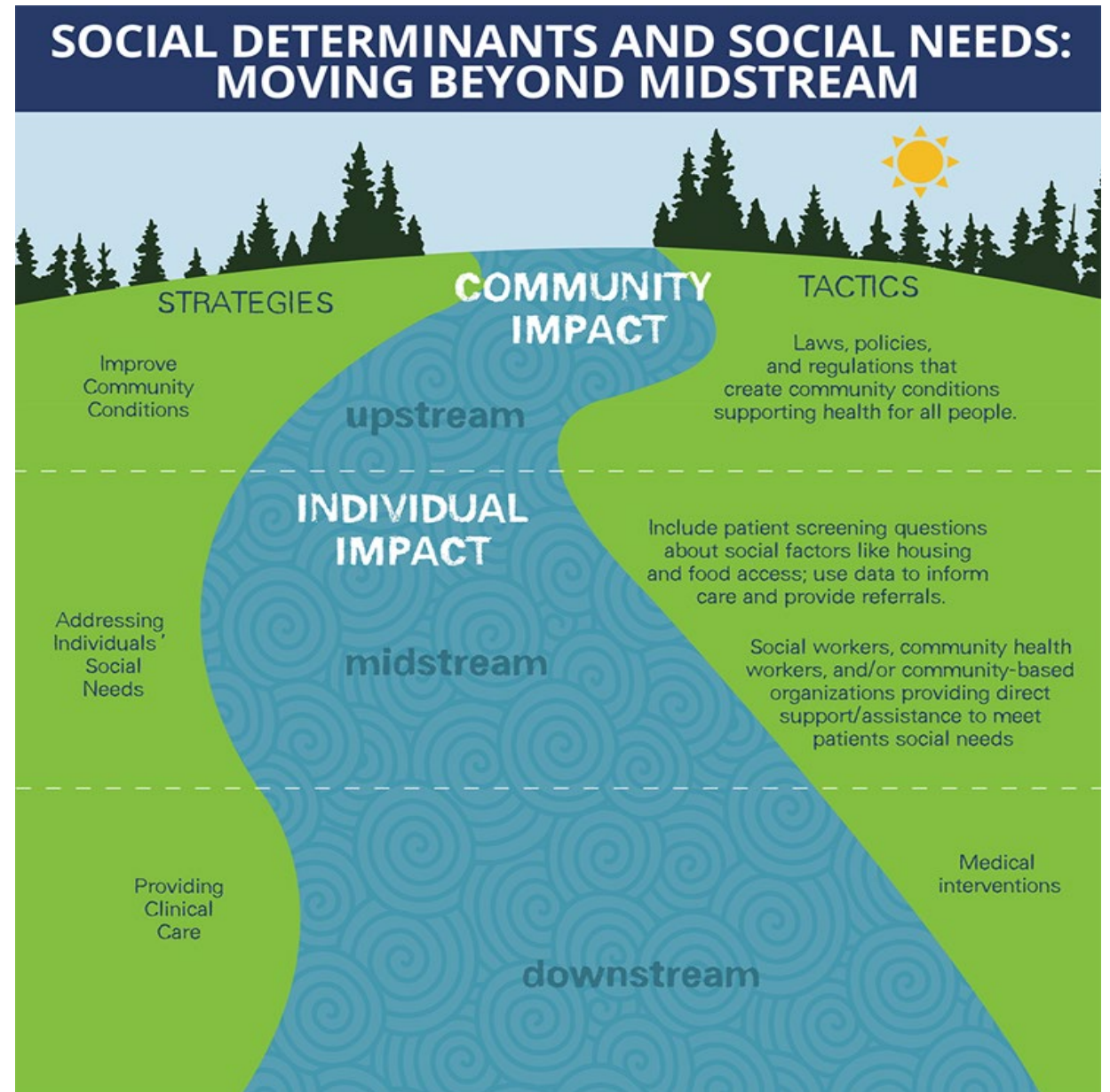
The **Oregon Constitution** mandates safeguards to carry out the original intent of the Oregon Liquor Control Act.

- “The promotion of temperance in the use and consumption of alcoholic beverages,”
- “Encourage the consumption of lighter beverages, and”
- “Aid in the establishment of Oregon industry.”
  - [Section 39](#) (1953)





# Supporting Positive Community Impacts



# Excessive alcohol use and alcohol use disorder (AUD)

---

## Risk Factor

Excessive alcohol use is a **primary risk factor** for alcohol use disorder (AUD). Most who drink excessively do not have an AUD.

## Public Health Harms

The health harms, safety risks, and economic costs associated with excessive alcohol use are substantial, even for those without AUD.



# Evidence Based Policies to Prevent Excessive Alcohol Use

---



## **Pricing**

OLCC, for distilled spirits, and the legislature for wine, beer, and cider, use pricing strategies such as minimum unit pricing and inflation-adjusted taxes to reduce consumption.

## **Sales to Minors**

OLCC educates and enforces regulations to prevent sales to minors, including the Minor Decoy Program.

## **Limits on Sales**

OLCC sets limits on days and hours of alcohol sales.

## **Outlet Density**

OLCC controls the location of liquor stores to regulate outlet density.

## **Dram Shop Liability**

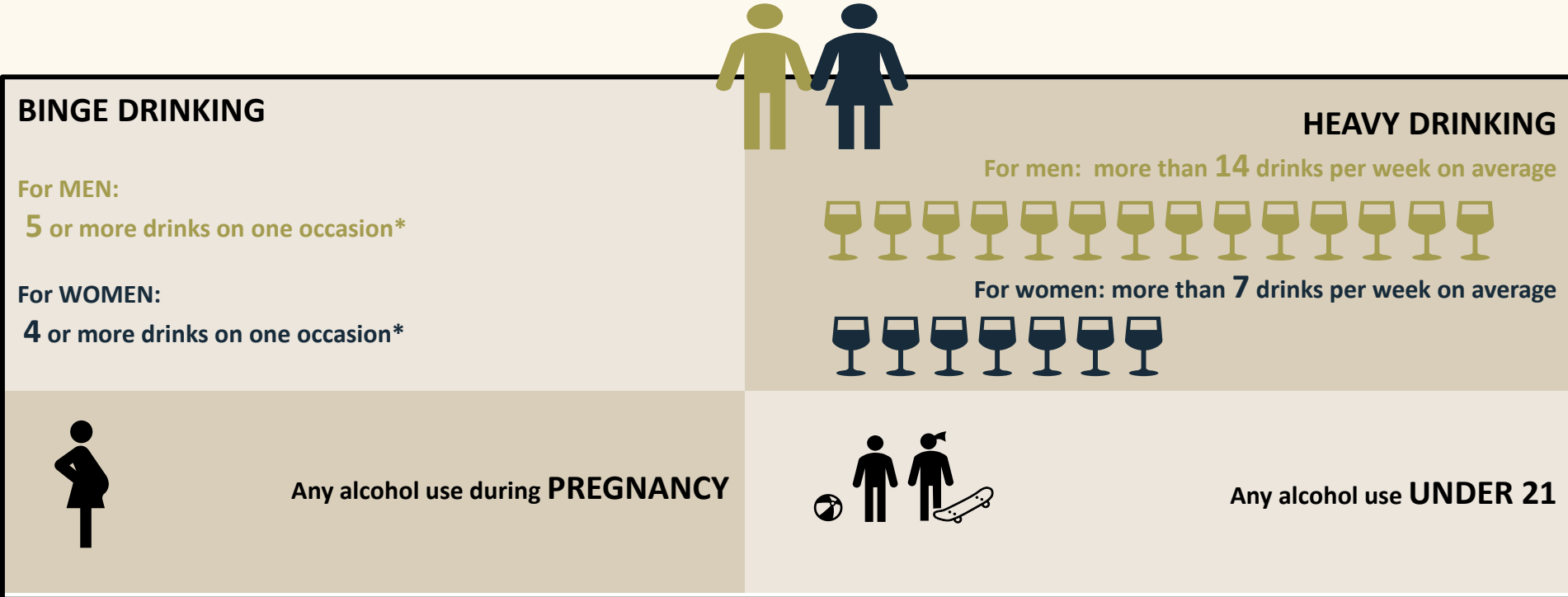
OLCC provides education, training, and compliance monitoring in relation to dram shop (commercial host) liability and DUII investigations.

## ***No Further Privatization of Alcohol Sales***

*References: CPSTF - CDC - SAMHSA 2022*

# Excessive drinking includes:

(per the current 2020-2025 guidelines)



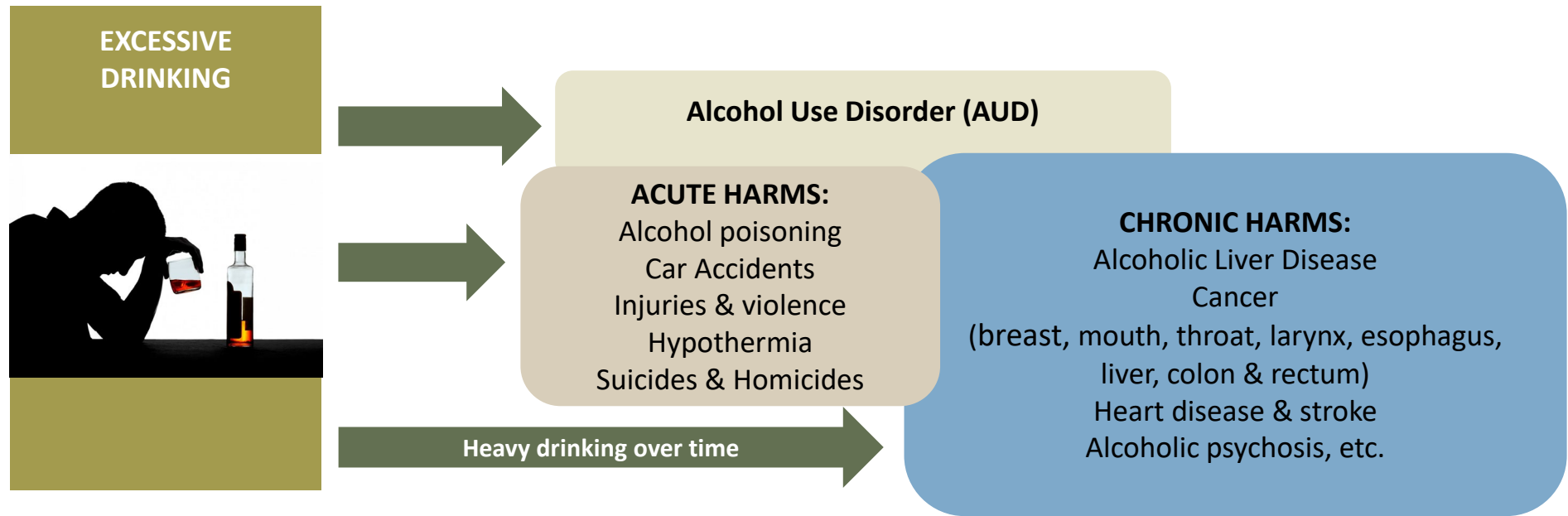
► *Even drinking within the recommended limits may increase the risk of death from various causes (including cancers & heart diseases)*

► **Drinking less is better for health than drinking more.**

Guidance from the Dietary Guidelines for Americans  
(to be revised in 2025)

See also [CDC guidance on moderate drinking](#) - \*One occasion = within 2 to 3 hours.

# The Broad Range of Alcohol Harms



## A major driver of health inequity:

One liter of alcohol causes more harm to the poor than to the rich.

A third of U.S. adults are harmed from someone else's drinking.

(family difficulties, traffic accidents, vandalism, physical harm, and financial difficulties)

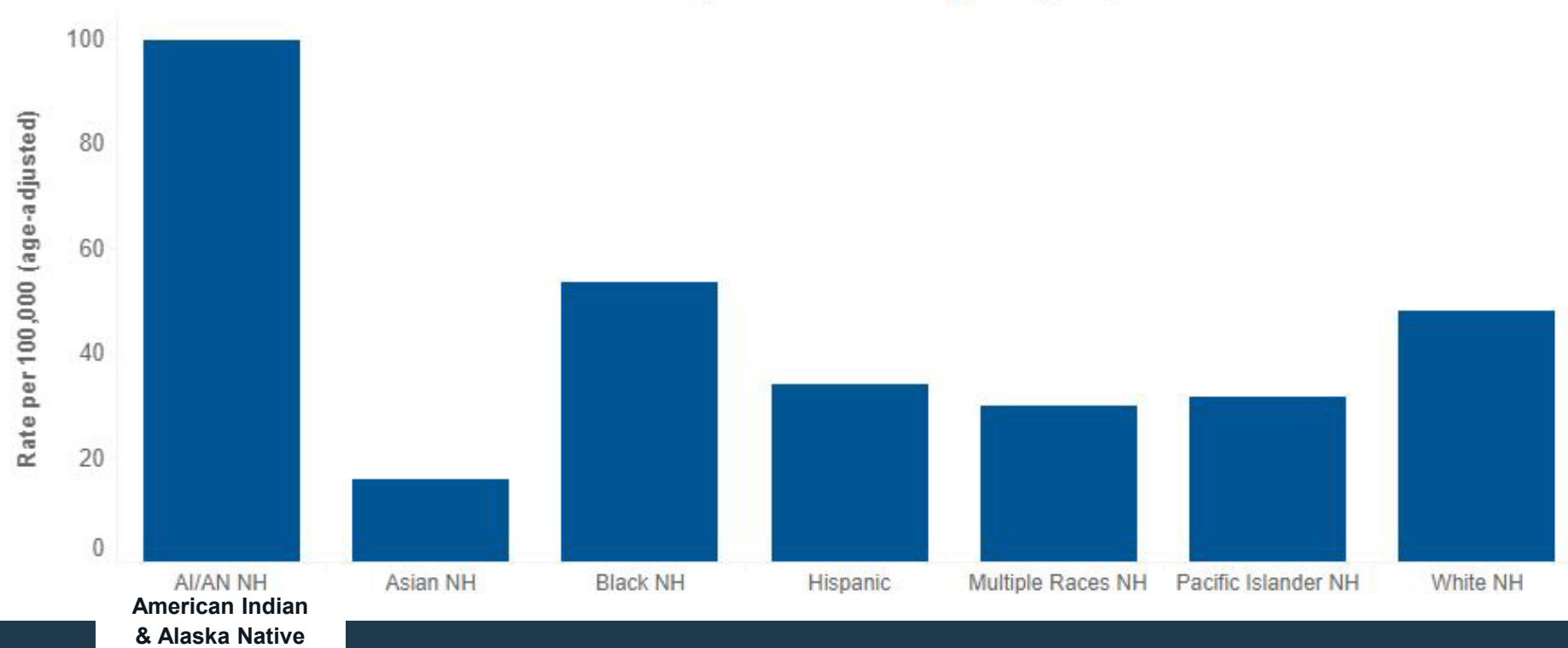
**178000 alcohol-related deaths per year in the US**

► 29% increase between 2016-17 & 2021-22

**More than 2500 deaths per year in Oregon**

[Collins \(2016\)](#) [Katikireddi \(2017\)](#) [Boyd J \(2021\)](#) [SAHMSA \(2022\)](#)  
[ARG \(2024\)](#) [CDC \(2024\)](#) [OHA Alcohol-Related Death Dashboard](#)

### Alcohol Related Deaths by Race/Ethnicity, Oregon, 2017-2020

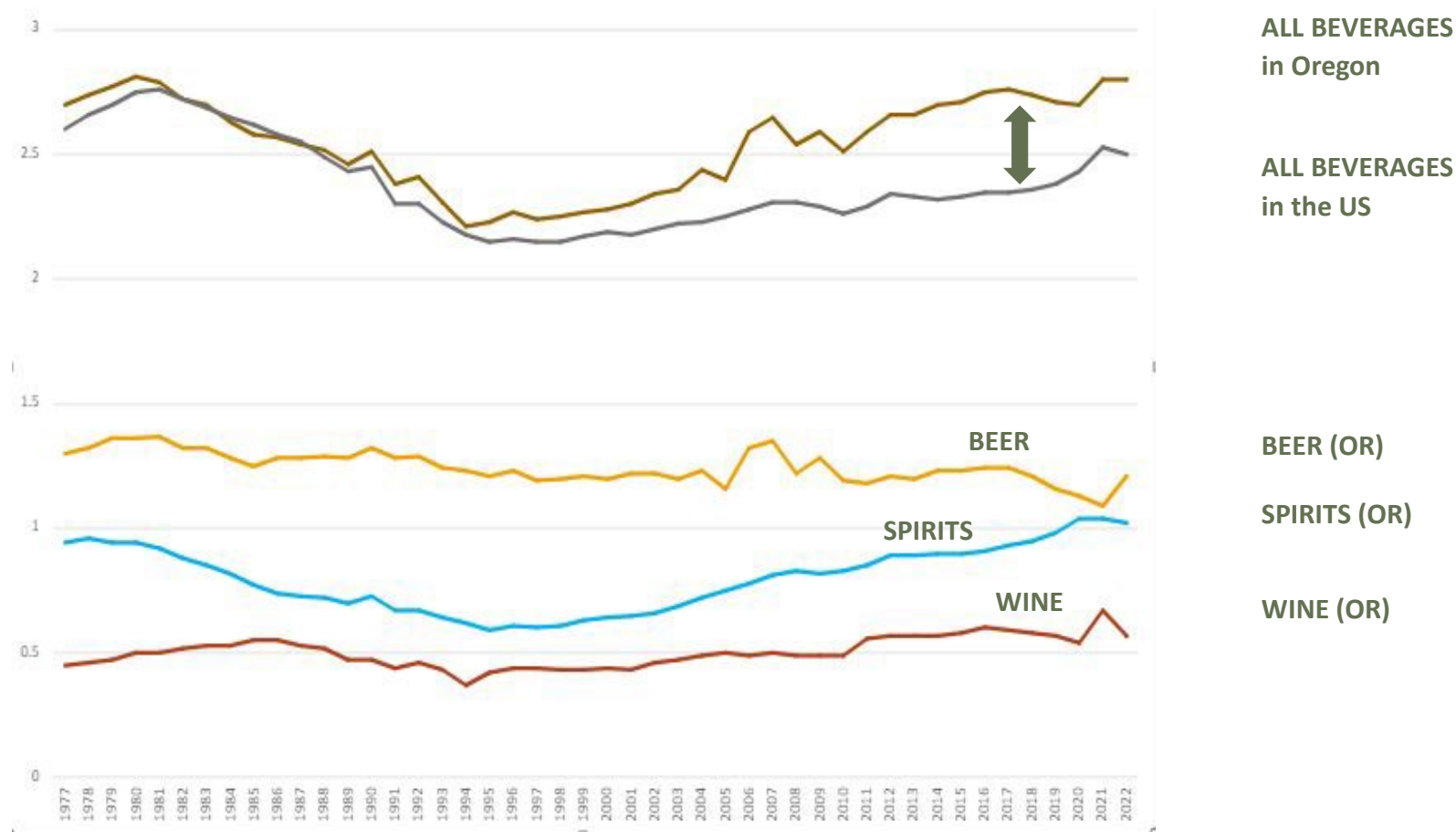


Source: [OHA Alcohol Related Death data page](#).

# Estimated alcohol consumption per person

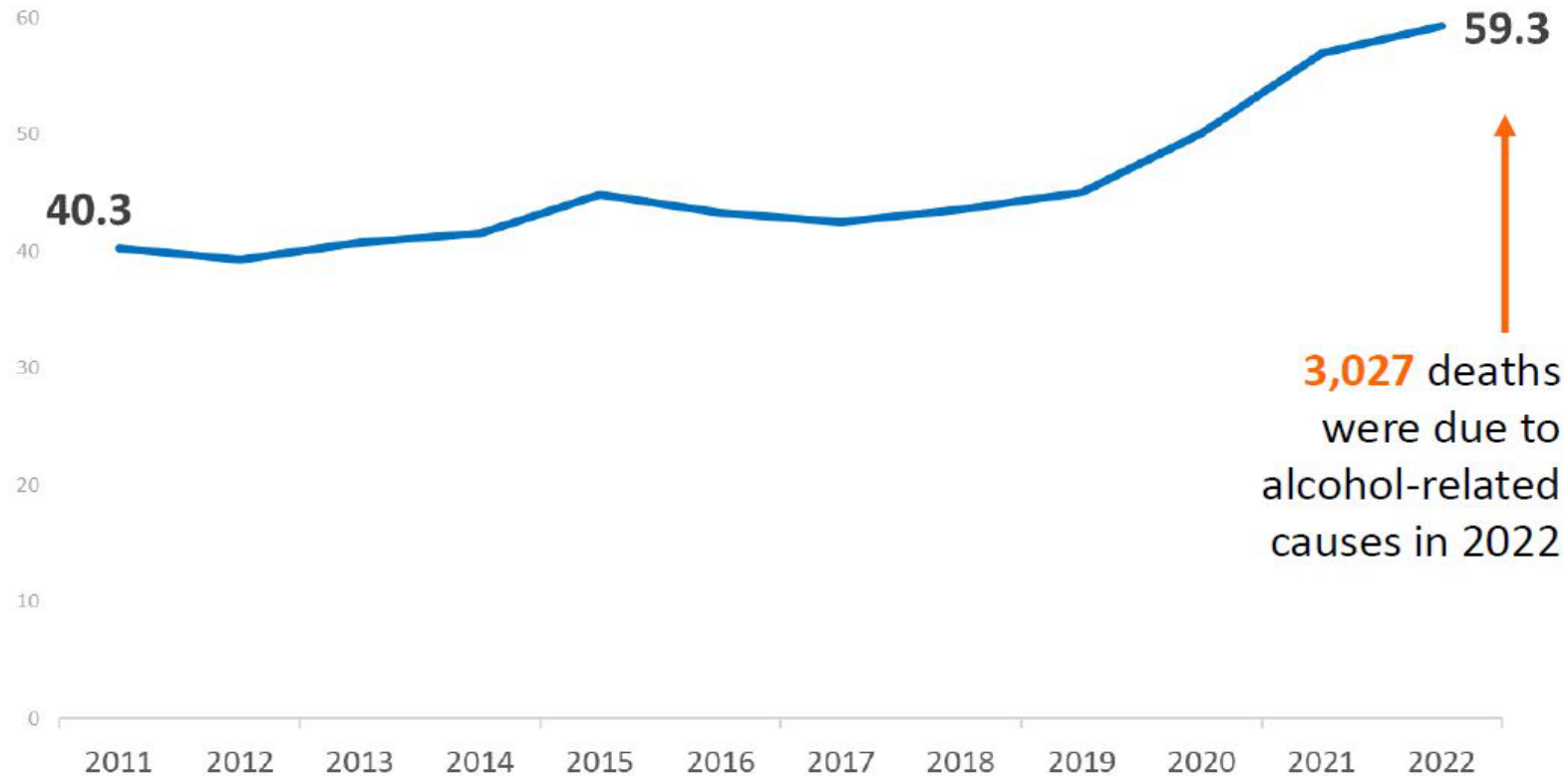
## Oregon & the US – 1977-2022

Based on sales data - [NIAAA report #121 \(released April 2024\)](#)



## Alcohol-related death rate, Oregon, 2011-2022

Age-adjusted rate per 100,000 population



Source: Oregon Death Certificates

Source: OHA  
Presentation  
8/20/2024  
See also: [OHA  
Alcohol Related  
Death data page.](#)



# **Ensuring Our Future: Major Projects**

# Modernization: OLCC's New Liquor Distribution Warehouse

---



More capacity

Modern facilities

State-of-the-art logistics

Location: Canby, Oregon

Opening in 2026

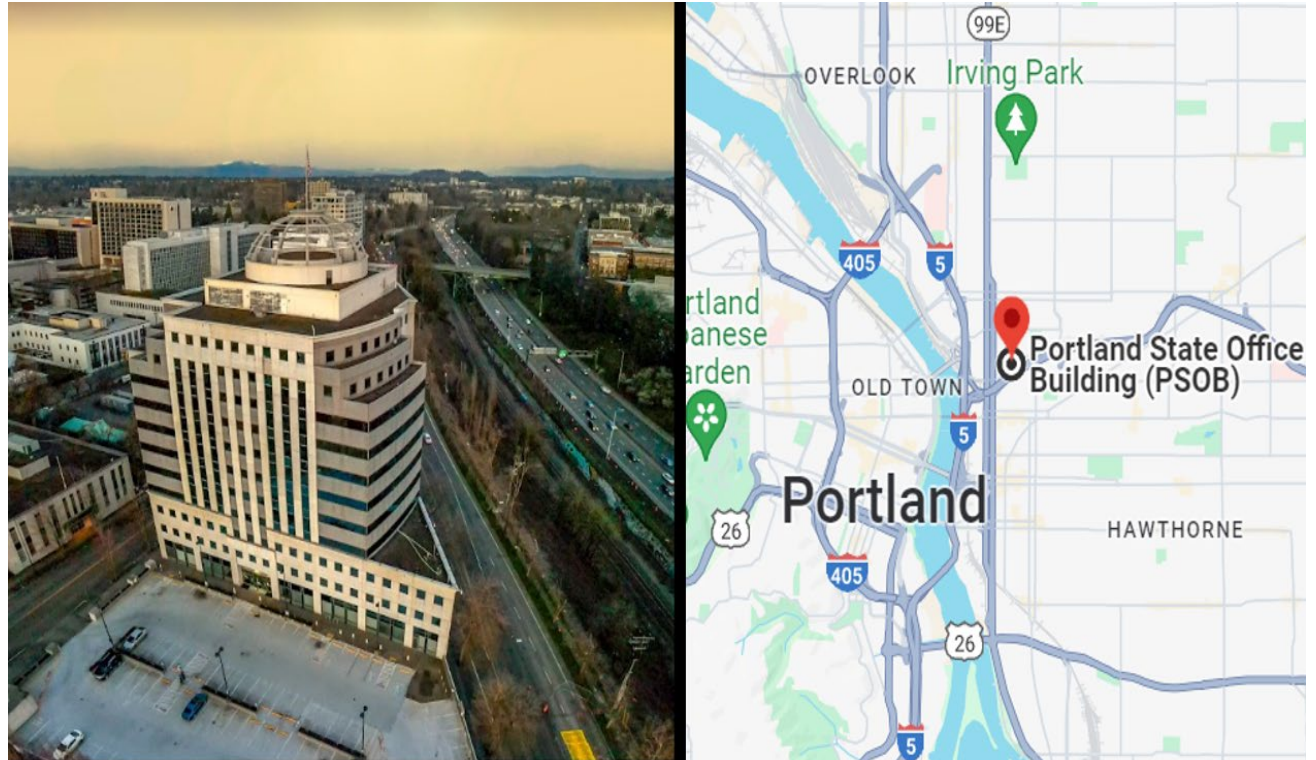
# OLCC Headquarters Relocation

---

Relocate to Portland State Office Building.

Location = catalyst for revitalization

Co-location = increased opportunity for interagency cooperation



# The Legal Landscape

---

# Oregon Law in Brief

---

## *Agencies are products of statute*

Oregon Revised Statutes (“ORS”) are the collection of Oregon laws enacted by the State Legislature, and are the controlling laws of the state, subject only to the Oregon Constitution and the Constitution of the United States.

Oregon Administrative Rules (“OAR”) are rules and regulations issued by Oregon State agencies to allow them to carry out their duties, and are subject to the authority granted by the ORS.



# Oregon Alcohol Defined

---

Federal: Ingredients and manufacturing method

Oregon: Ingredients, manufacturing method, ABV





# Malt Beverage Defined

---

Brewed from malt or malt-substitute like rice, grain, bran, sugar or molasses.

ABV: more than .5% but less than 16%

Key distinction: Does not include cider, mead, sake, or wine.



# Wine Defined

---

Beverage fermented from vinous liquor or fruit juice that is not a malt beverage.

ABV: .5% to 21%

Key fact: Does not include fortified wine or cider.





# Cider Defined

---

Beverage fermented from apple or pear juice.

ABV: Not more than 8.5%

Key fact: Includes but not limited to flavored, sparkling, carbonated, and/or fortified ciders.



# Distilled Liquor Defined

---

Any alcoholic beverage other than wine, cider, or malt beverage.  
Includes distilled spirits.

ABV: Most above the 21%  
threshold for wine.



Product category	ABV Limits	Creation Method	Ingredient Requirements	Tax Rate
MALT BEVERAGES	<.5% to 16%	“...fermented beverage... brewed or produced...”	Malt, rice, grain, bran, glucose, or molasses	\$.08 per gallon
WINE	<.05% to 21%	“...fermented vinous liquor or fruit juice, or other fermented beverage fit for beverage purposes...including fortified wine.”	Vinous liquor, fruit juice other than apples or pears, etc.	\$.67 per gallon, \$.77 per gallon for wines over 16% ABV
CIDER	<.05% to 8.5%	“...fermentation of juice...”	Apple or pear juice	\$.08 per gallon, \$.67 per gallon for ciders over 8.5% ABV
DISTILLED LIQUOR	No ABV limit	“Any alcoholic beverage other than wine, cider, or malt beverage, including distilled spirits.”	No ingredient requirements so long as beverage does not fall into prohibited categories.	\$22.86 per gallon

# Blurred Categories

---

In recent years, products have emerged that do not cleanly fit individual alcohol definitions.

## Example:

Smirnoff Ice

Four Loko

## Contrasting Example:

Jack Daniels Ginger Ale



# A New Frontier: Ready-to-Drink Cocktails (RTDs)

---

Beverages with an alcohol base mixed with flavors. Base can be spirits, malt beverages, or wine.

ABV: Varies with base

Key fact: Different manufacturing methods and Ingredients mean different regulatory approaches.



# **Tax and Pricing Comparisons**



# State Beer Excise Tax Rates

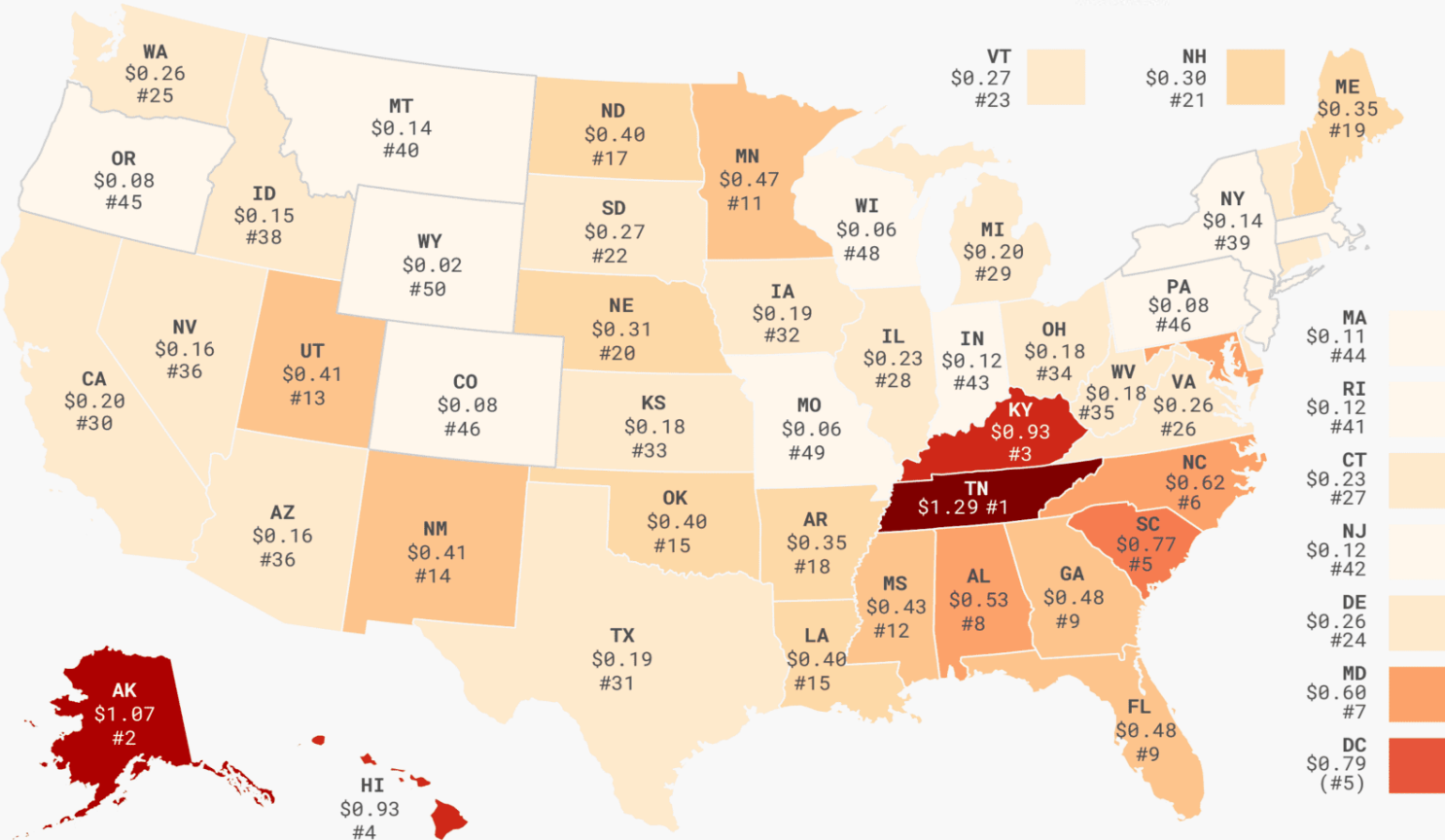
*Dollars per Gallon, 2023*

State Beer Excise Tax Rates  
(Dollars per Gallon)



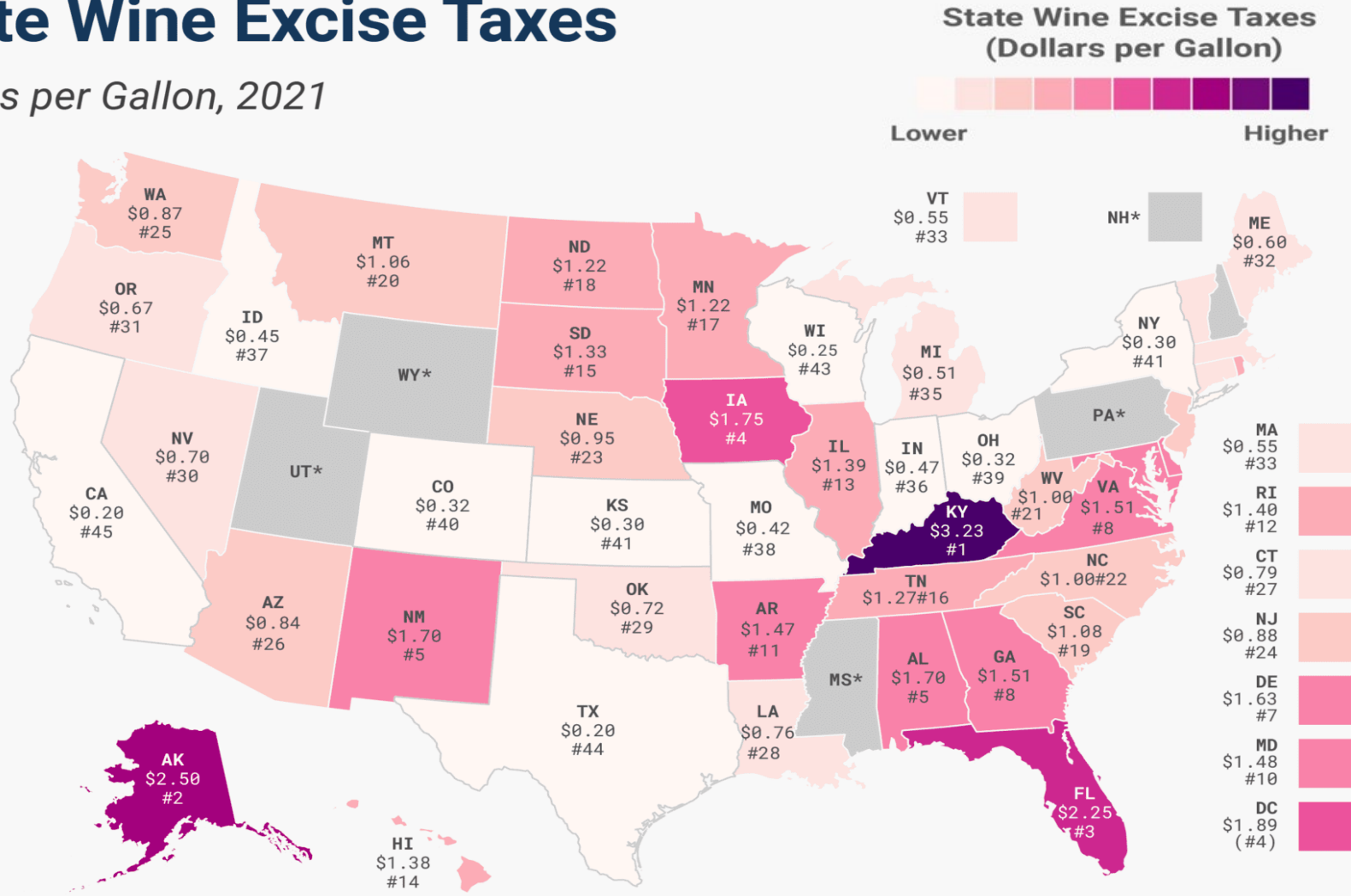
Lower

Higher



# State Wine Excise Taxes

*Dollars per Gallon, 2021*

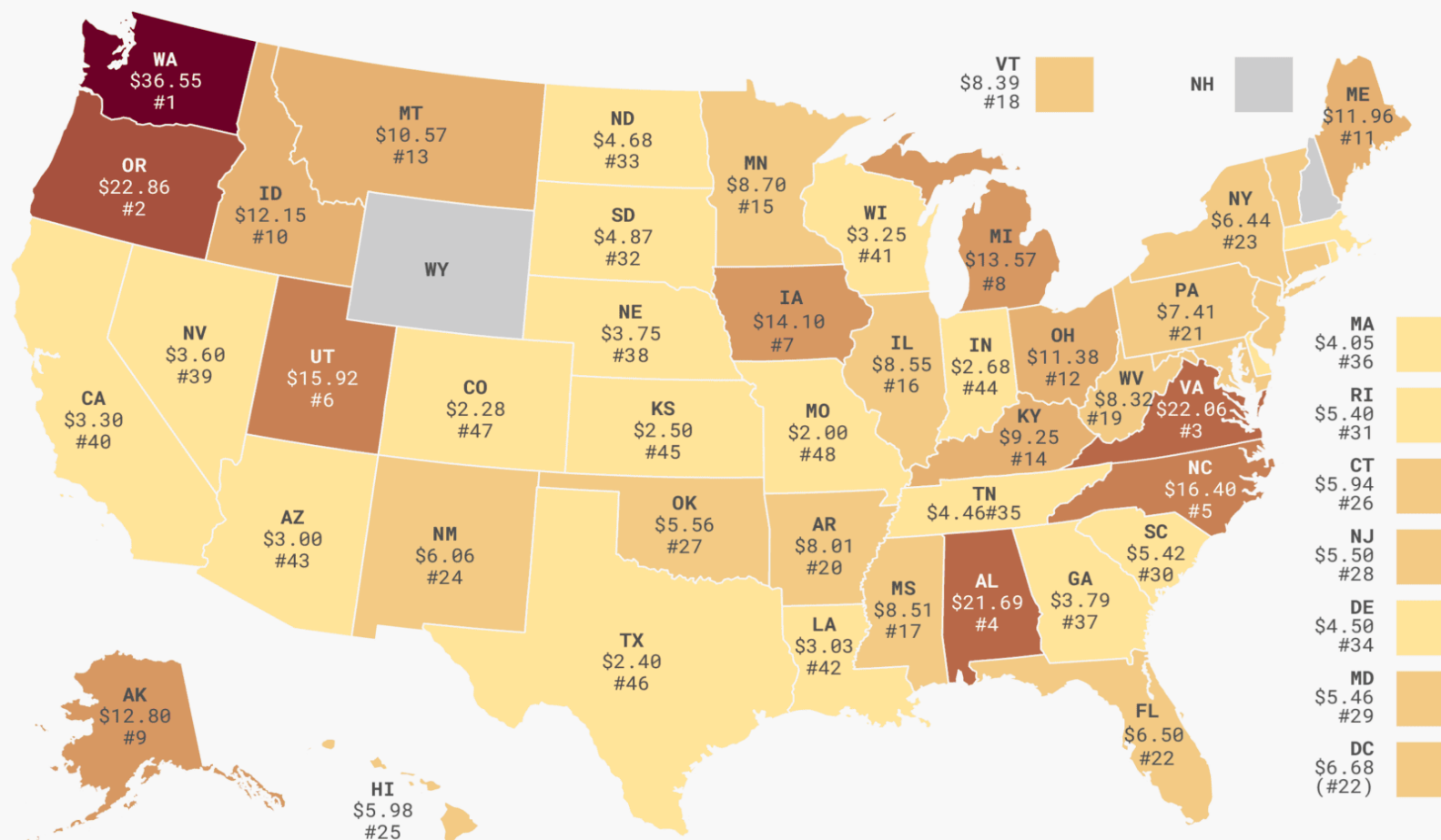
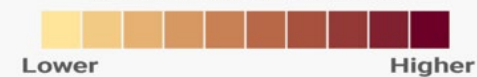




# State Distilled Spirits Excise Tax Rates

*Dollars per Gallon, 2023*

State Distilled Spirits Excise  
Tax Rates  
(Dollars per Gallon)



# **Our Bottle Bill**

---

# Oregon's Bottle Bill

## History & Overview of the Program

### 1971 - Oregon Leads by Enacting the Nation's First Bottle Bill

- Goal: Reduce litter and clean up Oregon's beaches, highways, rivers and other public areas
- OLCC administers the laws set by the legislature in ORS 459A.700-744
- Distributors and dealers (retailers) have stewardship obligations for their packaging
- OLCC ensures that manufacturers, distributors, and retailers comply with the requirements of the Bottle Bill and approves the establishment of Redemption Centers
- Training, education, and partnership approach
- Civil penalties may be issued by OLCC for non-compliance
- Bottle Bill touches nearly every Oregonian



# By the numbers

---

More than **2 Billion** containers redeemed in 2023

Highest redemption rate nationally **87.3%** - 2023

A cooperative approach with industry stewards

**27** OBRC Full-Service Redemption Centers

**2,000** retail redemption locations

**100** OBRC Green/Blue Bag drop sites



# Adapting to Growth: Program Evolution



1

Initial Products: Beer, malt beverages, mineral water, soda water, and soft drinks were included in the Bottle Bill, with a 5-cent deposit.

2

2009 Expansion: Water and flavored water were added, with a 5-cent deposit, expanding the program's scope.

3

BottleDrop Redemption Centers: Launched in 2010, BottleDrop became a new avenue for consumers to return containers.

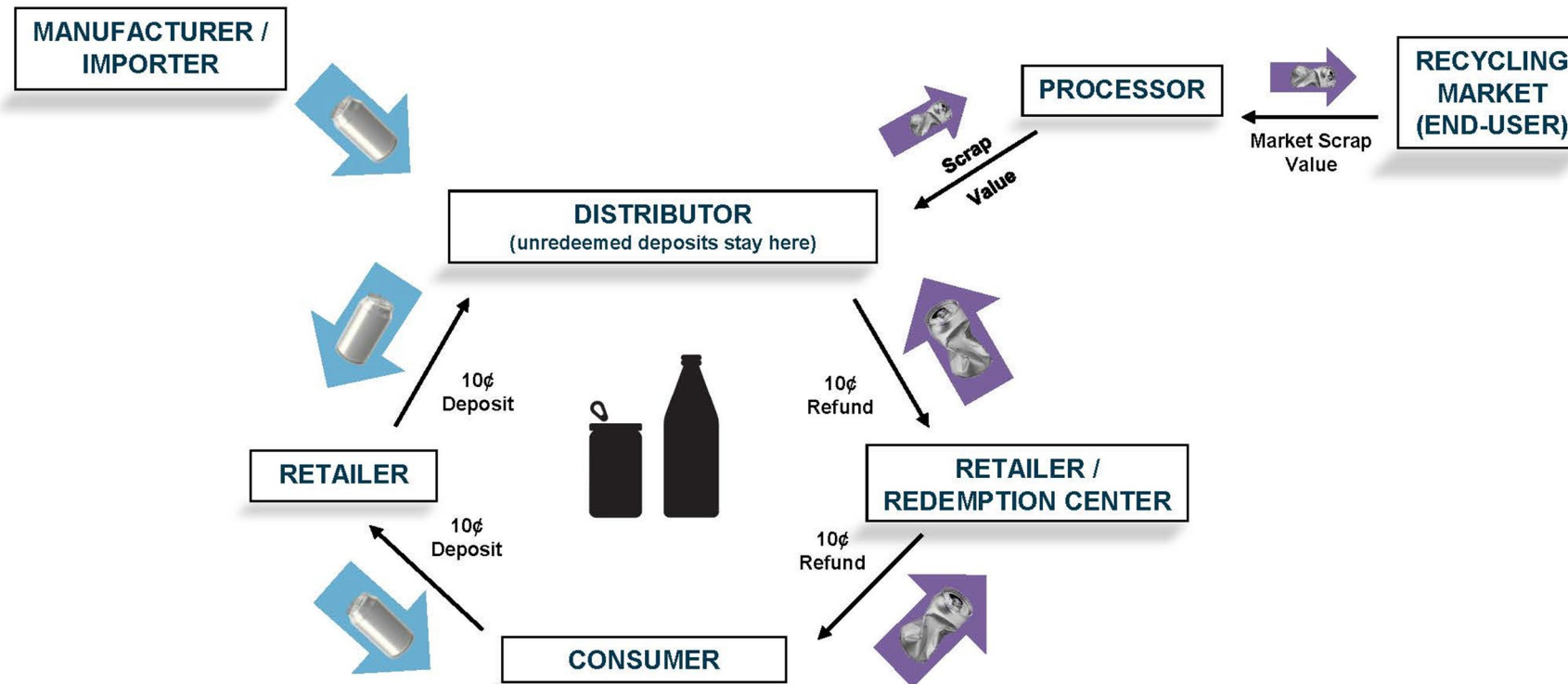
4

Increased Redemption Value: The redemption value for containers was increased to 10 cents in 2017.

5

2018 Expansion: The Bottle Bill expanded to include most beverage containers, further promoting recycling.

# How the System Works



# **Oregon Beverage Recycling Cooperative**

---

**A private not-for-profit distributor cooperative that handles the day-to-day operations alongside retailers**

- Full-service Redemption Centers**
  - Dealer Redemption Centers**
  - Bottle Drop Express**
-



# **Full-Service Redemption Centers**

## **Application**

---

### **Contents of Application ORS 459A.735 & OAR 845-020-0020/25**

- Must identify the convenience zone(s)
- List the dealers that will be served by the center
- Located in commercial zoning or an area that will provide more convenient service
- Shall include such additional information as the Commission may require

# **Full-Service Redemption Centers**

## **Order Approving Redemption Center**

---

### **Contents of Approval Order ORS 459A.735 (3)**

- Shall state the location of the convenience zones
- The dealers participating/not participating
- The services provided by the Redemption Center
- Whether the center will be located in an area zoned for commercial use under state statute or local ordinance, or in a more convenient area
- Such other provisions the Commission may determine

# Retailer Requirements

---

Businesses that sell redeemable containers (outside of zone 1) must accept back and pay the refund value of redeemable containers.

The requirements vary based on the square footage of the location and its proximity to a Redemption Center.



# Distributor Requirements

---

Businesses selling redeemable beverages to retailers of consumers are required:

- Pick up empties wherever they are redeemed
- Pay store or redemption center 10 cents per container
- Pay annual fee unless member of OBRC
- Annually register containers.

Patrons of the Oregon Beverage Recycling Cooperative have these obligations met through their membership agreement

# Further Requirements

---

## **ORS 459A.718 (7)(b)**

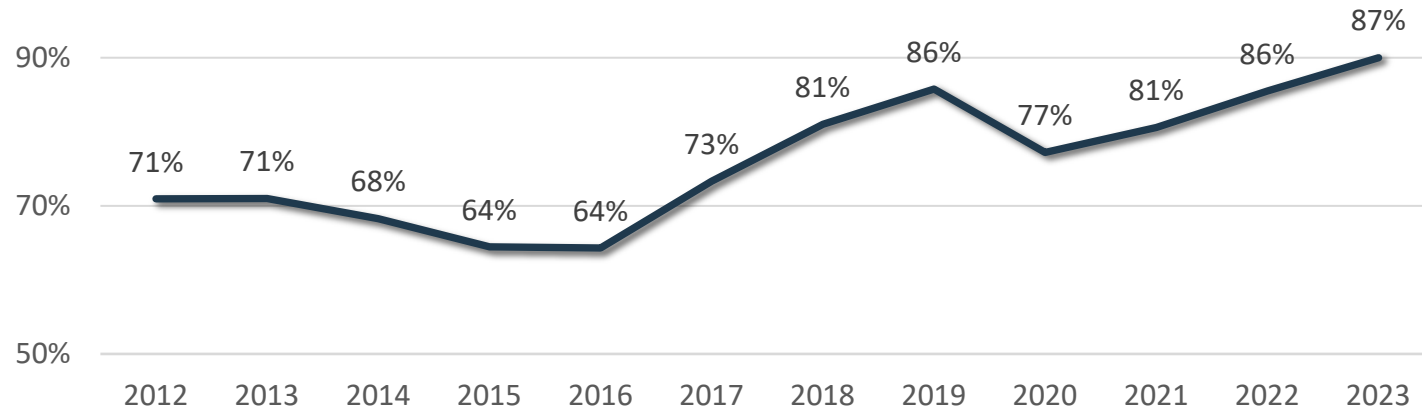
Businesses must annually report their sales and return data of redeemable beverage containers sold in the previous calendar year. Any business that manufactures or distributes beverages must complete the report.

## **ORS 459A.718 (8)(a)**

OLCC must compile the beverage container return data and post the annual redemption rate by material type to its website by August 1.

# Increased Participation Adapting to Growth

## Increased Redemption Oregon's Annual Beverage Container Redemption Rates



Final redemption rate is released annually in August

# **Tri-Government Emergency Response to Fentanyl**

---

**Two downtown Portland locations**

**Initiated: March 2024**

**Concluded: May 2024**



# Out-of-State Container Returns

---

On-going concern

Loss of revenue

Target large-scale fraud

# **Recent Legislation - Adapting to Change**

---

## **SB 1520 (2022)**

Requires distributors to join OBRC or pay an annual fee to OLCC.

## **SB 582 (2021)**

Plastic Pollution and Recycling Modernization Act (RMA)

# **Recent Legislation - Adapting to Change**

---

## **SB 869 (2025 Session)**

Specifies hours during which dealers must accept returns of beverage containers

**Thank you.**