

Associated Liquor Stores of Oregon



Advocate

Educate

Innovate

Results of Liquor Store owners investing in their business

Modern Stores

One Stop Shopping Experience

Focused on higher end products

Creating added revenue for the state

Projected LIQUOR Sales \$1.7 billion

Why are we here???

WE NEED YOUR HELP!

Oregon's 290 liquor stores are proud to deliver the third highest revenue stream to state and local governments

We generate over **\$1.7 billion in sales biannually.**

Each store is operated by independent small business owner, many of whom are women and minorities

We focus on providing a secure retail environment, customer safety, convenience, and a high-quality shopping experience.

Our sales commissions 9.02% have to cover payroll, taxes, maintenance, theft charges, and various other business costs.

Only after we pay all these ongoing expenses - we pay ourselves.

The control state system works well, and we support the continuation of the system along with a little modernization!

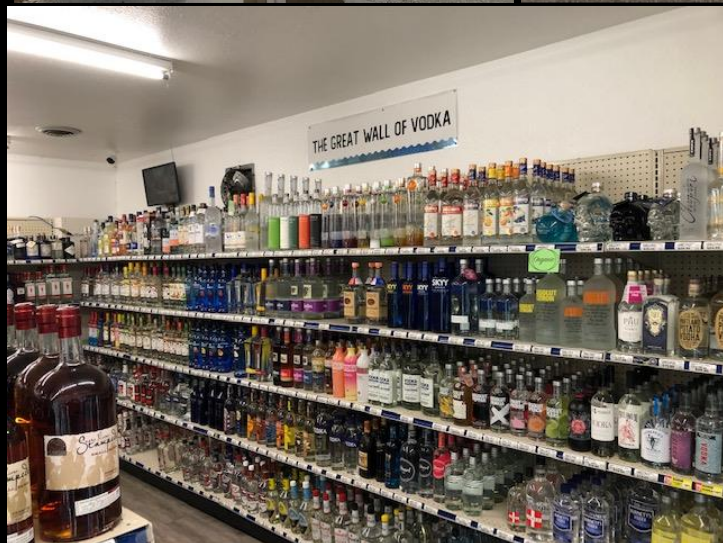
Occasionally we have issues that need change or updates to align with modern business practices

Before you are three bills that will go along way in protecting the system and the small mom & pop business owners.

Remodelled store



Vicki and her mother (first customer)



Vicki has delivered on her promises. Florence North is a great new addition to the Oregon coast

Florence North surpassed Vicki's initial sales estimate of \$20,000 per month. Currently averaging \$110,000 per month



1180
Tualatin
Liquor

BACK TO BACK

Agent Carl Goodspeed relocated and modernized the store in 2013

Agent Vance Burghard appointed in 2016 converting the store to Non-exclusive adding more selection



1976



2013



2017

NON-EXCLUSIVE CONVERSION

Committed to reset store entirely to add Beer/Wine for one stop bottle shop

Vance adds walk in cooler where the Vodka wall used to be in 2017



Before



After

Before Pictures



After Pictures



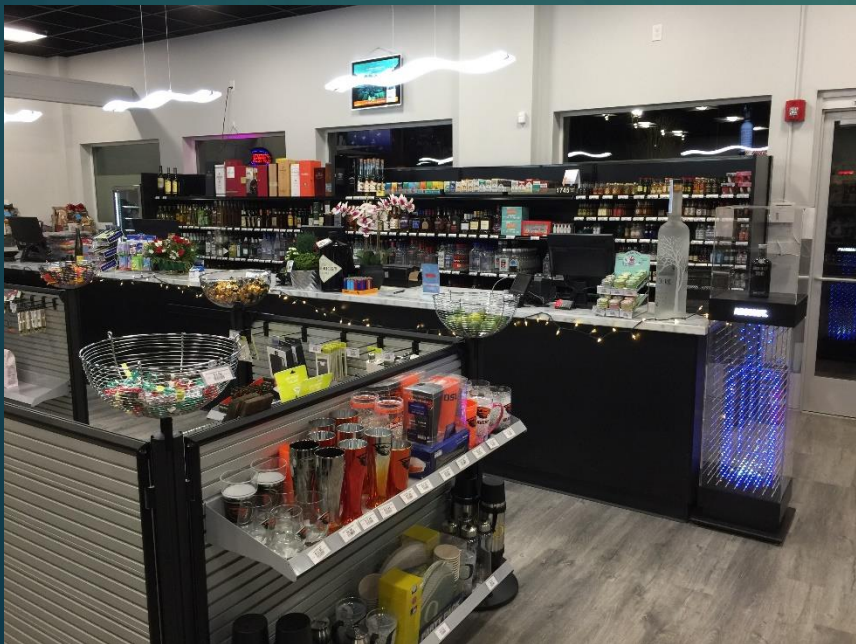


Bend store



Bend 3rd Street has quickly risen to the number two spot in Bend, with over 7 million in 2021 sales

Saleem's Albany store



Before Pictures


Saleem's Corvallis store






AFTER

Service Excellence
in Action
Experience it!



Complimentary Tastings

Liquor
Beer
Wine
Growler



Summer Growlers



Cerveza
TRADICIONAL
UNO DE CAJATE



Search

EXIT

go ahead



Before Picture

Oliver's Keizer store

After Picture

Oliver's Keizer store



LIQUOR STORE

*Southside
Liquor*
BEER & WINE



FIRE
LANE
NO
PARKING
OR STORAGE
ON THIS
PROPERTY



FIRE
LANE



Rum



Budweiser

Modelo



CRUX



Liqueurs

Tequila





LIQUOR AND TOBACCO



GIN
VODKA
WHISKEY
RUM

Vodka

Gin

Cognac



Liquor LIQUOR STORE

TEQUILA

GIN

SHOOTERS

SCHNAPPS

THANK YOU!
WE APPRECIATE
YOUR SUPPORT
\$10000 Plus TO BARS
WAITSTAFF

FINE SPIRITS

13

21

VODKA
AMERICAN WHISKEY
BOURBON

Liquor LIQUOR STORE

Liquor LIQUOR STORE

Liquor LIQUOR STORE

Blank sign in display case

HB 2120: Clarifies that liquor store sales data of distilled spirits that determines store classification is not adjusted by CPI adjustments.

Amends the store compensation system to clarify that the CPI increases do not apply to the store classification system instead of just to the base compensation and escalator as was intended in the 2021 legislation that updated liquor store compensation. Current law has negatively impacted individual store compensation and was not the intended outcome of the 2021 legislation that was the culmination of twenty years of work to modernize store compensation.

Average store dropping in class lost over \$11,000 annually.

19 (3) A store shall be classed based on the store's amount of annual sales of alcoholic beverages
20 rounded to the nearest whole dollar[, *adjusted annually by a percentage equal to any percentage in-*
21 *crease in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published*
22 *by the Bureau of Labor Statistics of the United States Department of Labor,*] as follows:

- 23 (a) Class 1: up to \$120,000;
24 (b) Class 2: at least \$120,001 and not more than \$450,000;
25 (c) Class 3: at least \$450,001 and not more than \$750,000;
26 (d) Class 4: at least \$750,001 and not more than \$1,650,000;
27 (e) Class 5: at least \$1,650,001 and not more than \$2,500,000;
28 (f) Class 6: at least \$2,500,001 and not more than \$3,700,000;
29 (g) Class 7: at least \$3,700,001 and not more than \$5,500,000;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

LC 1082

HB 2120

- 1 (h) Class 8: at least \$5,500,001 and not more than \$8,300,000;
2 (i) Class 9: at least \$8,300,001 and not more than \$12,500,000; and
3 (j) Class 10: at least \$12,500,001 and not more than \$18,750,000.
4 (4) The monthly base compensation for an agent, adjusted annually by a percentage equal to any
5 percentage increase in the Consumer Price Index for All Urban Consumers, West Region (All Items),

4 (4) The monthly base compensation for an agent, adjusted annually by a percentage equal to any
5 percentage increase in the Consumer Price Index for All Urban Consumers, West Region (All Items),
6 as published by the Bureau of Labor Statistics of the United States Department of Labor, is deter-
7 mined as follows according to the class of store operated by the agent:

8 (a) Class 1 store: 14.5 percent of the first \$10,000 in monthly sales of alcoholic beverages;

9 (b) Class 2 store: \$1,660;

10 (c) Class 3 store: \$1,920;

11 (d) Class 4 store: \$2,440;

12 (e) Class 5 store: \$2,700;

13 (f) Class 6 store: \$3,100;

14 (g) Class 7 store: \$3,600;

15 (h) Class 8 store: \$4,150;

16 (i) Class 9 store: \$4,800; and

17 (j) Class 10 store: \$5,500.

18 (5) The wage escalator amount is as follows:

19 (a) For an agent in a standard county, eight percent of the monthly base compensation; or

20 (b) For an agent in a Portland metropolitan area county, 18 percent of the monthly base com-
21 pensation.

22 (6) The monthly retail escalator amount is as follows:

23 (a) For a store located in a standard county, 50 percent of the monthly base compensation; or

24 (b) For a store located in a Portland metropolitan area county, 75 percent of the monthly base
25 compensation.

26 (7) The sales commission rates are as follows:

27 (a) For sales of alcoholic beverages to licensees, 6.54 percent of the amount of sales.


28 (b) For sales of alcoholic beverages to persons other than licensees, 8.38 percent of the amount
29 of sales.

CPI IMPACT ON BASE COMP

EXAMPLE			
CLASS 6 STORE SALES	\$2,500,001	TO	\$3,700,000
CPI INCREASE OF 4%	\$2,600,001	TO	\$3,848,000
REVENUE WITH CPI APPLIED ONLY TO BASE COMP			
STORE SELLS \$2,501,000			
BASE COMP FOR CLASS 6	\$3,100		
PDX STORE WITH ACCELERATORS APPLIED	\$5,983		
CPI APPLIED TO STORE CLASSIFICATION			
STORE DOING \$2.5+ MIL IN SALES DROPS TO CLASS 5			
BASE COMP FOR CLASS 5	\$2,700		
PDX STORE WITH ACCELERATORS APPLIED	\$5,211		
DIFFERENCE OF CPI APPLIED TO STORE CLASSIFICATION			
STORE LOST BASE COMP REVENUE	\$772		
ANNUALY \$ LOST	\$9,264		

Impact of applying CPI to store sales in 2023


	STORES WENT DOWN IN CLASSIFICATION				STORES WENT UP IN CLASSIFICATION				
	PDX METRO	LOST REV.	STANDARD	LOST REV	PDX METRO	STANDARD			
Class 4		-2	27,190	-4	44,518				1
Class 5		-2	13,618	-3	16,723			1	
Class 6		-4	41,873	-2	17,140				
Class 7		-7	91,436	-4	42,774				
Class 8		-5	71,912	-1	11,774				
Class 9				-1	13,917				
TOTALS		-20	246,029	-15	146,845			1	1
LOST REVENUE			392,874						
AVG STORE LOST REVENUE				11,225					



▶ **HB 2121: Includes a liquor store agent appointed by the Oregon Liquor and Cannabis Commission in the definition of "licensee" for purposes of alcoholic beverages laws.**

▶ Liquor stores are not treated the same as other liquor licensees in terms of OLCC rules compliance. We have had many instances where even OLCC regulatory inspectors are confused on the subject. There are over 14,000 licensees in Oregon. Regulatory and compliance rules are well defined. Adding liquor stores to the already defined regulatory compliance standards for licensees would reduce the complexity for store owners and regulators.

▶ It would give the liquor store owners a documented clear set of rules to follow.



HB 2123: Will amend current law to specify that business loss compensation will be paid to store owners **ONLY** if the current system is privatized in any manner. Current law is too specific on the type of privatization that would trigger the business loss compensation.

The OLCC shall pay a person qualifying under this section business loss compensation based upon rules to be adopted by the OLCC if the system is privatized in any form.

The rules will **change the valuation determination to a market-based value, rather than the current OLCC determined value, which does not consider all the non-liquor sales.**

The retiring store owner after decades of generating revenue for the state, is forced to subsidize the new Store owner, by giving away for FREE, all the upgrades and the value of the non-liquor side of the business

I ask you to ponder this question – IS IT FAIR FOR THE RETIRING OWNER TO SHOULDER THIS BURDEN?

We have over 50 small business owner, majority of them working 30+ years in their stores, Waiting to retire, based on the promises of the commission.

If the previous administration had been around another couple of months, we would not be sitting here discussing this particular issue.

We need your help in making these fair and deserved changes in considering the “Market Based Value” without additional delay.

We already have four years of work invested.

Stronger Together

OLCC & Liquor Agents
Partnering together

Better Together