

AT-A-GLANCE

OAR 845-007-0020(2) Restrictions (Happy Hour)

Final Action

(To amend an existing rule)

April 2010

This rule restricts the type of alcohol advertising that liquor licensees may use. Section (2) specifically regulates advertising outside a licensed premises of alcoholic beverages for on-premises consumption.

Due to recent case history, staff is recommending amendment of section (2) of this rule in order to make it more enforceable and clearer to licensees.

Staff recommends new language clarifying that for promotions that encourage excessive consumption, such as unlimited drinks for a fixed price and drinking contests, not only is the activity itself prohibited under our prohibited conduct rule (OAR 845-006-0345(10)), but the advertising of those practices is prohibited as well.

The proposal also includes eliminating the prohibition against certain temporary price reduction terms such as “happy hour” and instead replacing it with a prohibition against **both** 1) a specified limited time period **and** 2) a price or discount, together in the same advertisement. This should help to prevent price wars on alcoholic beverages to be consumed on a licensed premises.

Also recommended is new language prohibiting advertising where a consumer must purchase multiple drinks to receive a reduced price, such as “two for one”.

Staff believes that the proposed amendments will both allow licensees to advertise activities that are otherwise lawful, such as reasonable promotions meant to generate more business at their establishments, while also prohibiting advertising practices that are likely to create a public safety risk by encouraging over-consumption.

The public comment we received is in my attached report.

SUGGESTED MOTION:

*I move to amend OAR 845-007-0020,
effective May 1, 2010.*