

AT-A-GLANCE

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

Initial Action

(To amend an existing rule)

October 2009

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 temporary price reductions expressed as a specific price, in order to prevent price wars on alcoholic beverages to be consumed on a licensed premises.

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.

SUGGESTED MOTION:

I move to initiate rulemaking to amend OAR 845-007-0020, and to hold a rulemaking hearing at staff's discretion.