



OREGON LIQUOR CONTROL COMMISSION
The Commission proposes to repeal the following
Oregon Administrative Rule:

OAR 845-007-0025 Advertising Signs on Licensed Premises

PUBLIC HEARING:

Commission staff will hold a public hearing on this proposed action:

Date: June 2, 2009
Time: 10:00 am
Location: Oregon Liquor Control Commission
9079 SE McLoughlin Boulevard
Portland, OR 97222

Phone: (503) 872-5004 (toll free within Oregon 1-800-452-6522)

Fax: (503) 872-5110

Presiding Officer: Jennifer Huntsman

(Auxiliary aids for persons with disabilities are available upon advance request)

CAPTION: Repeal rule which restricts how many inside alcoholic beverage signs can be seen from outside

This rule limits each licensed premises to only four alcoholic beverage signs that are visible from the outside. The proposal to repeal this rule came from a Business Partners Joint Steering Committee workgroup and was subsequently supported by the entire Steering Committee. Industry and staff see the current rule as problematic in its application. Often signs can be seen from outside a licensed premises that are on the back wall of a business. Typically these signs are neon signs, banners, pendants or posters. The current rule prohibits pendants that can be seen from outside because each flag in the pendant is considered a separate sign. Staff is supportive of this repeal. It would remove overly restrictive and often illogical prohibitions on how a business may utilize advertising inside its premises. Because advertising alcoholic beverage specials outside of a licensed premises would still be prohibited (OAR 845-007-0020(2)), regulation of our core public safety concerns, such as over consumption, would be maintained.

You can obtain a copy of the proposed amendments by calling Laura Paul at 503-872-5105, or the toll-free number listed above. Rule drafts are also available on the OLCC web site: <http://oregon.gov/OLCC/> - go to the "Liquor Laws and Rules" button, then follow the link to "OLCC Proposed Rulemaking", then "Signs Rulemaking", and finally "Final Staff Rule Draft". If you wish to give your views, arguments, or information on this matter, you may do so at the public hearing, or you can submit comments by June 16, 2009. You can also email your comments to: jennifer.huntsman@state.or.us.

Documents faxed, mailed or emailed must be received by 5:00 pm on June 16, 2009.

ORS 183.335(2)(G) requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business. That comment must also be received by 5:00 pm on June 16, 2009.

The Commission reserves the right to request and receive additional comments at any time on or before the date the Commission takes final action on the proposed rule.

Statutory Authority: ORS 471, including ORS 471.030, 471.730

Other Authority: None

Statutes Implemented: ORS 471.730(7)

Need for the Rule(s): This rule limits each licensed premises to only four alcoholic beverage signs that are visible from the outside. The proposal to repeal this rule came from a Business Partners Joint Steering Committee workgroup and was subsequently supported by the entire Steering Committee. Industry and staff see the current rule as problematic in its application. Often signs can be seen from outside a licensed premises that are on the back wall of a business. Typically these signs are neon signs, banners, pendants or posters. The current rule prohibits pendants that can be seen from outside because each flag in the pendant is considered a separate sign. Staff is supportive of this repeal. It would remove overly restrictive and often illogical prohibitions on how a business may utilize advertising inside its premises. Because advertising alcoholic beverage specials outside of a licensed premises would still be prohibited (OAR 845-007-0020(2)), regulation of our core public safety concerns, such as over consumption, would be maintained.

Documents Relied Upon, and where they are available: Minutes of Advisory Committee meeting of March 4, 2009 available from the Commission's rules coordinator, Jennifer Huntsman, at 9079 SE McLoughlin Boulevard Portland, OR 97222.

Fiscal and Economic Impact, including Statement of Cost of Compliance: This statement takes into account the fiscal impact on **(a)** Alcohol Suppliers (manufacturers/wholesalers); **(b)** Retail Liquor Licensees; **(c)** local government; **(d)** state agencies; and **(e)** the public.

(a) Alcohol Suppliers (manufacturers/wholesalers). The Commission anticipates the potential for positive fiscal impact on suppliers because the proposed rule repeal would give them the ability to offer more signs to licensees to promote their products. Advisory Committee members saw only potential positive impacts arising from the repeal of this rule.

(b) Retail Liquor Licensees. A positive fiscal impact is also anticipated for retail licensees from the proposed rule repeal. They should benefit by being allowed to receive and use more signs inside their premises, promoting the sale of the distilled spirits, wine and beer products they carry. Advisory Committee members also saw potential benefit from the savings realized by retail licensees who might have otherwise been fined for violating this impractical rule.

(c) Local government. The Commission does not anticipate any fiscal impact on local government from the proposed rule repeal.

(d) State agencies. The Commission does not anticipate any fiscal impact on state agencies from the proposed rule repeal.

(e) The public. The Commission does not anticipate any significant fiscal impact on the public from the proposed rule repeal. However, some stakeholders representing both public safety and industry saw potential benefit to the public since the repeal of this rule would free up enforcement resources for the critical public safety mission of the agency, rather than policing the number of signs that can be seen from outside a licensed premises.

Cost of Compliance: There should be no costs for anyone to comply once this rule is repealed. There would be no new reporting or recordkeeping requirements required for compliance. There would be no new requirement for equipment, supplies, labor, or administration.

Because there is not adequate information available to accurately project the fiscal impact, the Commission is unable to calculate the potential fiscal impacts.

How were small businesses involved in the development of this rule? The Commission assumes the majority of its licensees are small businesses. We invited licensees, industry representatives, and public safety representatives, including moderation groups, to the Advisory Committee meeting where this matter was discussed.

Administrative Rule Advisory Committee consulted? Yes. An Advisory Committee met on March 4, 2009. Members included industry representatives, licensees, and members representing moderation and public safety concerns. The Committee assisted in writing this Fiscal Impact Statement.

(This notice mailed May 1, 2009)