Memo

TO: To Whom It May Concern
FROM: Bryant Haley, Administrative Policy & Process Division
DATE: June 30, 2017
RE: Commission Action on Rules, June 2017 Commission Meeting

On June 29, 2017, the Oregon Liquor Control Commission took the following rulemaking action(s):

INITIAL ACTION

- **Noisy, Disorderly or Unlawful Activity and Drinking Alcohol Outside the Premises (amend 845-006-0347)**
  - This rulemaking looks to clarify two issues staff has become aware of: social gaming and eviction of persons. Staff has been monitoring issues around gambling and social gaming within OLCC licensed establishments. Municipalities may pass local ordinances allowing social gaming. Staff has added pertinent statutory definitions for gambling and social gaming and subsequent clarifying language. Further, the Commission has become aware of issues within establishments not evicting their own staff or contractors when they are involved in unlawful acts. In response, staff is proposing to remove the word patrons and replace it with persons. This change would require the licensee to remove all persons engaged in unlawful activity from the licensed premises for 24 hours.
    - **ACTION**
      - The Commissioners initiated rulemaking to amend 845-006-0347.

- **Outdoor Areas Package (amend 845-005-0329, 845-005-0331 & 845-006-0309)**
  - The amendments within this package are technical updates. Specifically, staff has revised rule citations, added the Special Event Brewery license to the list of special licenses to which these rules do not apply, and removed the provision that licenses and applicants must provide written proof that a property owner expressly allows the sale, service, and consumption of alcohol in the proposed outdoor area.
    - **ACTION**
      - The Commissioners initiated rulemaking to amend 845-005-0329, 845-005-0331 & 845-006-0309.
• **Division 25: Bill & Technical Amendments Package** *(amend Division 25)*  
  o This package addresses both the changes made this legislative session and technical issues that have arisen during the implementation of the marijuana program.  
  o **ACTION**  
    ▪ The Commissioners initiated rulemaking to amend Division 25.

• **1044 Bill Package**  
  o Senate Bill 1044B makes a number of changes to laws governing alcohol in Oregon. For example, it clarifies that the OLCC's authority to investigate or discipline a license or permit holder does not end with the lapse, suspension or revocation of that license or permit, and expands the definition of acceptable identification. Further, the bill makes several changes to service permit requirements in order to allow for an online service permit application process.  
  o **ACTION**  
    ▪ The Commissioners initiated rulemaking.

**INITIAL & TEMPORARY ACTION**

• **Marijuana Promotional Events** *(adopt 845-025-1335)*  
  o Oregon Senate Bill 1057 (2017) was recently passed by the Oregon Legislature. This bill contains an emergency clause which means the bill is effective May 30th when the Governor signed the bill into law. Specifically, Section 17 of SB 1057 allows businesses licensed by the Oregon Liquor Control Commission (OLCC) under ORS 475B.010 to 475B.395 to transport marijuana items to and exhibit marijuana items at a trade show or similar event if: the marijuana items are tracked using the Cannabis Tracking System, the marijuana items are returned to the licensed premises immediately following the conclusion of the event, and the licensee complies with any other requirements imposed by the OLCC by rule or order.  
  o **ACTION**  

**FINAL ACTION**

• **Alternating Proprietors Package** *(adopt 845-025-3255 & amend 845-025-3250)*  
  o Staff has discovered that many processors do not own a commercial kitchen to produce their products. Instead, as is common in the catering industry, many edible/concentrate makers rent commercial kitchen space or share space with another processor to save on costs. The new rule and amendments allow processors who operate under this rule to also produce certain concentrates for use in their edible or topical products.  
  o **ACTION**

• Pesticides, Fertilizers and Agricultural Chemicals (amend 845-025-2070)
  o The amendments permanently remove the March 1, 2017 limitation on the Oregon Department of Agriculture Marijuana Compliance Assistance Program. This program allows marijuana producers to accept responsibility for an illegal pesticide application. A licensee that accepts responsibility will receive a notice of warning for their first violation instead of a Category I violation.
  o **ACTION**

• Tap Labeling (repeal 845-006-0443)
  o 845-006-0443 requires licensees selling malt beverages, via a draft system, to affix a label to each tap handle. As the brewing industry has evolved in Oregon, tap houses, breweries and other use multiple methods to list the current malt beverages on tap. This includes the use of spreadsheets, chalk boards and even LED monitors that track how much malt beverage is left in each keg.
  o **ACTION**
    ▪ The Commissioners repealed 845-006-0443 effective July 1, 2017.

• Advertising Restrictions (amend 845-007-0020)
  o Previously, the Commission has restricted licensees from advertising price reductions for alcohol sold for on-premises consumption, often referred to as happy hour. This restriction has proven difficult to enforce, as non-licensees can freely publish this information via multiple platforms (e.g. print & social media). The amendments remove price reduction prohibitions while maintaining prohibitions on advertising that could encourage excessive or rapid consumption.
  o **ACTION**

Attached please find copies of the related rulemaking documents. For your convenience, all attachments are in PDF format.