



News Release

Oregon Liquor Control Commission
9079 SE McLoughlin Blvd., Portland, OR 97222-7355
1-800-452-6522

For more information:

Bryant Haley, Alcohol Program Spokesperson
Bryant.haley@oregon.gov 971-990-3254 (mobile)
www.oregon.gov/olcc

August 21, 2020

Commissioners hear testimony on 50 cent Distilled Spirits Bottle Surcharge Implementation of Online Alcohol Privilege Tax payment system outlined

PORTLAND, OR. – The Commission opened its regular monthly meeting on August 20, 2020, by taking testimony on the proposed continuation of the 50 cent surcharge per bottle of distilled spirits. The current 50-cent per bottle (25 cents per mini bottle) surcharge is scheduled to expire June 30, 2021.

The proposed continuation of the surcharge was first applied in 2009, and later extended through the end of the state's 2019-2021 biennium. If the surcharge remains in place, it is expected to generate \$41.1 million for the State General fund during the 2021-2023 biennium.

Stakeholders representing the distilled spirits industry testified against the proposed surcharge, raising a concern that the surcharge is applied to bottles larger than the mini size regardless of the volume or alcohol percentage contained in a bottle. The Commission asked the distilling industry to return with proposals to address that inequity for the Commission to consider.

The Commission is expected to vote on the surcharge proposal at either a special commission meeting in late September or at the regularly scheduled October Commission Meeting on October 15, 2020. The Commission is required to consider any written or verbal comments before implementing such a price increase (per [OAR 845-015-0138](#).)

The Commissioners received an update on the implementation of an online privilege tax system. During the 2017 legislative session, the legislature directed the OLCC ([HB 2150](#)) to collect payment of [alcohol privilege taxes](#) using an online payment system. OLCC plans to begin phasing in the new payment system as early as January 2021 based on the license type and licensee filing frequency; the OLCC plans to have all licensees using the new system by the end of 2022.

Individual Privilege Tax filers will be notified as phasing begins for their license type and/or filing frequency. For more information, please see: https://www.oregon.gov/olcc/Pages/privilege_tax.aspx

The Commissioners were updated on distilled spirit sales and warehouse capacity. Specifically, the warehouse currently has reached 92% of its storage capacity and will outgrow its physical space by the end of 2022.

In response to this capacity issue, OLCC's leadership have begun meeting with stakeholders to discuss the relocating OLCC warehouse to a larger building that can meet immediate and long-term growth.

-More-

August 21, 2020
OLCC Commission Meeting - Alcohol

The Commissioners approved 25 reappointments of Retail Sales Agents (Liquor Stores). These reappointments are based upon detailed assessment of the stores' operations. Eleven of the stores received satisfactory scores and 14 received outstanding scores.

The Commission also approved one alcohol stipulated settlement licensing agreement.

HUB City Bar & Grill (F-COM) in Redmond, Licensee's record (two alcohol misdemeanor convictions within two years) demonstrates a habit of using alcohol to excess and provides a basis for nonrenewal of the license. Licensee has agreed to a restriction to abstain from alcoholic beverages at all times.

Licensee is GAM Consulting, Inc.; Leda Mudge, President, Secretary, Director and Stockholder.

Detailed information on specific cases can be found [here](#) on the [OLCC website](#)

###

Written Comments on Distilled Spirits Bottle Surcharge: Interested parties may send written comments will be accepted through September 19, 2020 at 5:00 PM. In order to submit comments: Laura Paul, Executive Assistant 9079 SE McLoughlin Blvd. Portland, OR 97222 laura.paul@oregon.gov For more information, please see the formal notice.

A copy of the Stipulated Settlement Agreements for Alcohol Violation Cases can be found on the [OLCC website](#), on the Laws & Rules page under the [Final Orders](#) section.