



News Release

Oregon Liquor Control Commission
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April 9, 2021

Commissioners address public health concerns, approve “floor pricing”

Industry and health experts split on outcomes and benefits

Oregon wine Industry outlines pandemic recovery plan

PORTLAND, OR. – On April 8th, after listening to spirited testimony, the Oregon Liquor Control Commission (OLCC) approved a floor pricing proposal for distilled spirits which increases the price of the lowest priced spirits sold in Oregon liquor stores. The wine industry also provided the Commission an overview of its plan to recover from the pandemic and to return the industry to the growth trajectory it was on in 2019. Additionally, the Commission approved one stipulated settlement agreement for an alcohol licensee that had violated social distancing requirements covered by Governor Brown’s COVID-19 executive orders.

Earlier this year, in response to public health concerns around alcohol addiction, the OLCC proposed implementing a “floor” for the lowest priced spirits sold by the OLCC. In the weeks leading up to today’s Commission meeting, the agency received approximately 500 written comments about the proposal. The Commission framed the issue as balancing business interests with public health concerns.

OLCC Executive Director Steven Marks outlined the reasoning behind the proposal. During the pandemic, the OLCC loosened alcohol regulations which have provided Oregonians with easier access to liquor. “We increased delivery and availability in the face of COVID,” said Marks. “We became intently aware of the State’s alcohol problem and the impact that alcohol was having on Oregon itself. We principally put this forward as an option because it’s what we could do on the public health front. We control the pricing policy.”

Public health advocates and addiction researchers testified in favor of proposed floor pricing citing research that shows increased prices drive down purchases. “Increasing the price of alcohol is an effective, evidence based strategy that we can now take to reduce excessive alcohol use,” said Dr. Reginald Richardson, Chair of the Oregon Alcohol Drug and Policy Commission.

Liquor store owners voiced their support by pointing out that low priced distilled spirits are “loss leaders” that are favored by customers who have addiction issues.

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However, the hospitality industry and business groups affiliated with alcohol licensees said floor pricing jeopardizes the hospitality industry's fragile recovery. Opponents testified that they believe it's the wrong time for increasing bar and restaurant operating costs. "Now is not the time to make it more difficult for bars and restaurants to do business and serve customers. Let's build on the good will of the accomplishments of the past year," said Greg Astley from the Oregon Restaurant and Lodging Association.

Commissioners raised concerns about other price hike proposals being discussed at the legislature and the impact on Oregon small businesses. "We're all concerned citizens on this Commission", said Commission Chair Paul Rosenbaum. "We are certainly aware of the terrible and difficult circumstances facing restaurant and bar owners in this state. We're also aware of the drug and alcohol addiction, as well in this state. So there's competing factors." The Commissioners ultimately voted to approve floor pricing, which will take effect July 1, 2021.

Oregon wine industry representatives provided Commissioners with their plan to recover from pandemic and wildfire impacts, which they estimate reduced wine businesses' revenues by about 20 percent. In fact, before the pandemic the industry was generating \$7.21 billion in economic impact for the state and Oregon wines were continuing their ascent in world-class stature. Fortunately, grape growers were able to partner with Oregon State University to swiftly test whether wine grapes had been impacted by smoke from the wildfires enabling growers to make informed business decisions about their harvest.

To recover from the pandemic, the industry is launching a marketing campaign called "True Character" to bring consumers back to Oregon wines and tourists back to Oregon wineries. The industry expects wine tourism will initially be limited to short-distance in-state travelers, and expects the overall recovery to be gradual in relation to the post pandemic comeback.

The Commission also ratified violation fines and suspensions based on stipulated settlements (***detailed information on specific cases can be found [here](#) on the [OLCC website](#)***).

Route 99 Roadhouse (F-COM license) in Canby engaged in activity that violated Executive Order 20-66 when they allowed indoor on-premises consumption and did not require patrons and/or staff to wear masks. Licensee also violated Phase II Guidance for Restaurants and Bars when at least six feet of physical distancing was not maintained between patrons, or between patrons and employees. Further, the licensee permitted disorderly activities on the licensed premises, when Licensee repeatedly blocked an undercover OLCC inspector's ability to exit while the inspector attempted to leave the premises and concealed evidence. Licensee accepts responsibility for the violations and will either pay a \$5,775.00 civil penalty **and** serve a 10-day suspension **OR** serve a 45-day suspension.

Licensee is: Route 99 Enterprises, LLC; Tyson Bafford, Managing Member; Rachelle George, Member.

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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.