



# News Release

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

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For more information:

Mark Pettinger, Director, Communications & Education

[Mark.Pettinger@oregon.gov](mailto:Mark.Pettinger@oregon.gov) 971-235-7561 (mobile)

Bryant Haley, Alcohol & Bottle Bill Program Spokesperson

[bryant.haley@oregon.gov](mailto:bryant.haley@oregon.gov) 971-990-3254 (mobile)

## Commission restricts employee access to rare liquor products

### Public health and alcohol industries testify on proposed liquor surcharge increase

May 18, 2023

**PORTLAND, Ore.** – The Board of Commissioners of the Oregon Liquor and Cannabis Commission (OLCC) today approved a policy restricting agency employee access to rare and hard-to-find liquor products. During its regularly scheduled monthly meeting on **Thursday, May 18, 2023**, the Board also heard more public testimony on a proposal to increase the per-bottle cost of liquor.

In addition, the Commissioners took action on two administrative violation cases, provided beer, wine and cider manufacturers a break on privilege tax penalties, selected a new small business operator for a liquor store on the central coast, and approved stipulated settlements affecting alcohol and recreational marijuana licensees.

In the wake of the disclosure over former OLCC employees gaining preferred access to manufacturer allocated distilled spirits (e.g. Pappy Van Winkle's), the agency is creating a series of new policies that clearly spell out how rare and hard-to-find products will be distributed.

The first policy applies to OLCC employees and specifies that employees are **not** allowed to set aside liquor for their own purchase. Additional policies are being developed to address how manufacturer allocated products could be provided to non-profits and charities, and how rare and hard-to-find products should be sold to consumers once they reach retailers.

In considering an increase to the price of individual bottles of liquor, Commissioners said they must strike a balance between fostering responsible access to and consumption of alcohol through the controlled sale of liquor, and supporting Oregon businesses that produce and serve distilled spirits to consumers.

Both the public health and hospitality industries weighed in on the 50-cent surcharge proposed for bottles of liquor sold at Oregon retailers. The feedback comes ahead of a vote on the proposal, slated for the board's meeting next month. If approved the surcharge is

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projected to raise an additional \$45 million during the 2023-2025 biennium (or about \$22.5 million per fiscal year), that will go to the state's general fund.

"We are a very [substance] abusive state," said OLCC Chair Marvin Révoal. "As we move forward your comments will be well received and accepted. We are not trying to convince one another as to what to do. We're going to continue this [public] process because it's very important."

In other matters, the Board voted to waive privilege tax interest and penalties that some beer, wine and cider producers and importers accumulated during the agency's transition from a paper to online tax reporting system. The OLCC had earlier acknowledged to those taxpayers that the transition had not been smooth and that the agency bore responsibility not to penalize them for the agency's actions.

Commissioners appointed Johnathan Meier as the new independent agent operating the Florence liquor store on Highway 126. Meier, who has 23 years of retail grocery experience, replaces long-time retail agent Jaine Tipple, who is retiring.

The Commission also ratified stipulated settlement agreements for both alcohol and marijuana licensees. Detailed information on the specific cases below can be found [on the OLCC website](#):

### **Alcohol Stipulated Settlement Agreements**

**PROSPECT PIZZA COMPANY (L)** in Prospect, will pay a \$6,045 fine OR serve a 32-day license suspension for two violations.

**GENERAL DUFFY'S WATER HOLE (L)** in Redmond, will pay a \$2,250 fine OR serve a nine-day license suspension for one violation.

**THE OLD BARN TAVERN (F-COM)** in Grants Pass, surrendered its license on April 6, 2022 due to a history of serious and persistent problems.

**HOP VALLEY BREWING COMPANY (BP)** in Springfield, will pay a \$1,750 fine OR serve a seven-day license suspension for one violation.

**PAPI CHULO'S (F-COM & O)** in Portland, accepts eight license restrictions.

### **Marijuana Stipulated Settlement Agreements**

**THE CANNABIS SHOP (RETAILER)** in Coquille, will either pay \$9,750.00 and serve a 14-day license suspension OR serve a 53-day license suspension for two violations.

**GOLDEN JASMINE (PRODUCER)** will either pay \$11,900 OR serve a 68-day license suspension for three violations.

**76 FARMS (PRODUCER)** accepts three license restrictions.

**THE WICKED FLOWER SHOPPE (RETAILER)** accepts three license restrictions.