News Release

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

For more information:
Mark Pettinger, OLCC Spokesperson
Mark.Pettinger@oregon.gov 971-235-7561 (mobile)

April 22, 2020

OLCC Providing Additional Economic Relief to Licensees

Liquor Liability Insurance Coverage Requirements Eased

Collection of Renewal Fees for Many Liquor Licenses Temporarily Suspended

License Renewal Late Fees Will Be Refunded

PORTLAND, OR. – Today the Oregon Liquor Control Commission took additional steps to help reduce the COVID-19 pandemic-created economic pressure faced by OLCC liquor licensees. The Commission is relaxing its enforcement of a rule that requires licensees to close for 90 days or more when suspending their Liquor Liability Insurance (LLI). The OLCC will also temporarily suspend collection of liquor license fees scheduled for renewal while the Executive Orders (20-07 & 20-14) that require social distancing are in effect.

Today's actions follow earlier moves made by the agency to soften the financial impact on licensees by creating a path allowing them to safely conduct business. Licensees are not required to utilize these options, but these are choices available to them as they consider their short-term business plans.

"Since the onset of the pandemic the Commission has made clear its intention to balance public health protection with economic support of the alcohol and hospitality industries we regulate," said Paul Rosenbaum, OLCC Chair. "Our Commission will continue to take precise action to help these industries survive by enabling Oregonians to safely patronize and continue to support this important sector of Oregon's economy."

Oregon law requires alcohol licensees to maintain LLI protection and in the wake of the pandemic the hospitality industry anticipated a measure of flexibility from the insurance industry. Reports to the OLCC indicate licensees are still struggling to get relief from their insurers, so as a last step measure the OLCC, after a legal review of statutes and administrative rules, determined that it can suspend enforcement of the 90-day closure period.

That means a bar or restaurant can choose to suspend its LLI coverage. Subsequently if a licensee restarts coverage before the 90-day closure period is over, the OLCC will **NOT** take compliance action against the licensee. Licensees should be aware that any lapses in coverage may result in an increase in premiums, reinstatement fees or a licensee may be required to undergo another underwriting process.

Licensees that want to utilize this option are required to notify the OLCC. The OLCC has created a COVID-19 Temporary Change LLI fact sheet and a submission form for licensees to notify the OLCC if they decide to suspend or terminate their LLI coverage. Licensees are also required to notify the OLCC when coverage is re-established. The businesses will ***not be able to provide any alcohol service without coverage*** and will be subject to serious violations if they do.

-More-

April 22, 2020
OLCC LLI & Postponed Fees

To provide further financial relief, the OLCC will temporarily suspend the payment for licenses scheduled for renewal while the Executive Orders affecting social distancing are in effect. The OLCC cannot waive license fees – that requires action by the legislature to change the law. The annual renewal of alcohol licenses takes place on a rolling quarterly basis in each of four geographic areas of the state as indicated in this map.

The OLCC will return license renewal payments to any licensee required to make a payment for a first quarter 2020 license renewal, if the licensee requests it. The agency is also automatically refunding any license renewal late fees paid by licensees. OLCC staff have created a fee postponement fact sheet that can be found on the OLCC COVID-19 Business Continuity web page.

The OLCC will still process license renewals for those licensees that want to proceed with their renewal. Providing the option for the renewal extension allows businesses to avoid immediate costs when making decisions affecting the re-opening of their businesses.

"From the start of this public health crisis, we've been doing everything we can to innovate and adapt to help our licensees stay economically viable," said Steve Marks, OLCC Executive Director. "As a regulator we provide oversight and create the rules for business activity; this is no different, other than we are innovating in real time to help our licensees adjust in this business environment."

The Governor's Office and state public health officials are in the process of defining the appropriate path for business activity to restart in Oregon. The OLCC COVID-19 Alcohol FAQs have been updated to reflect these temporary policy changes.

###