

Oregon's Retail Liquor Stores

There are 242 retail liquor stores to serve the people of Oregon. Each one is operated by a private-sector business person who has a contract with OLCC to serve as the liquor agent for that store.

We describe most of our liquor stores as exclusive, meaning they sell distilled spirits supplemented by a number of OLCC-approved related items, such as tobacco, olives, ice, mixers and glassware. There are also 86 non-exclusive stores that sell distilled spirits in conjunction with another business. Non-exclusive stores are usually found in rural areas, where customer demand would not support a retailer relying only on distilled spirits for income.

The last state-operated stores were converted to agencies in the 1980s. The number of stores remained stable until 1987 when the Legislature directed the OLCC to open another non-exclusive store that year. No more stores were added until 2000, when three new stores were opened in the Portland metro area in accordance with OLCC's retail business plan. This plan balances the control of access to alcohol with the need to modernize retail liquor stores and provide quality customer service.

Another six stores have been opened in the past four years. Three of the newest stores are located inside Oregon grocery stores in an OLCC pilot project designed to meet customer demand for more convenient retail liquor outlets while continuing strong compliance with liquor laws. Up to three more pilot stores are planned.

Agents store operating expense fund

Each biennium, the Legislature approves a dollar limitation for the fund that the OLCC distributes as agents' compensation. These payments are agents' take-home pay and also cover store operating costs. In recent years, the Legislature has calculated agents' compensation as a percentage of statewide liquor sales.

In addition to sales of distilled spirits, liquor agents earn revenue from lottery proceeds and by selling related items. These sales are not included in the formula used to arrive at agents' compensation.

8.88% of sales

Liquor agents are compensated an average 8.88 percent of distilled spirits sales. The rate was increased from 8.54 percent by the 2003 Legislature. Based on this 8.88 percent figure, the Legislature also set compensation to liquor agents at \$49,832,458 for the 2003-05 biennium.

Over the past two decades, the annual payout to compensate liquor agents has nearly tripled, from \$9.7 million in 1985 to \$25.4 million at the end of fiscal year 2004. For several years statewide liquor sales – and agents compensation – have been above projections. When sales exceed projections, OLCC requests an increase in the limitation from the Legislature to cover additional compensation to liquor agents.

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Promoting Responsible Alcohol Sales and Service

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Agent compensation schedule

Agents sell distilled spirits directly to consumers and to liquor-licensed businesses such as restaurants, bars and taverns, known as “dispensers.”

All agents are paid monthly and receive base compensation, plus around 7.15 percent of monthly consumer sales and 5.58 percent of monthly dispenser sales. These percentages are adjusted every six months.

Exclusive agents are paid a larger base compensation depending on the classification of their store, which is dependent on annual sales figures as follows:

Class	Annual sales	Base compensation
1	up to \$210,000	13% of the first \$10,000 of monthly sales
2	\$210,000 - \$450,000	\$1,560
3	\$450,000 - \$750,000	\$1,820
4	\$750,000 - \$1,050,000	\$2,248
5	\$1,050,000 - \$1,650,000	\$2,340
6	\$1,650,000 and up	\$2,600

Each exclusive liquor agent is eligible for up to \$150, and each non-exclusive agent up to \$118, in additional monthly compensation that is deposited into deferred compensation if the agent also deposits a like amount into the fund.

For more information contact:

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