

Ore. Liquor Prices Not Expected to Change if Privatized

SALEM, Ore. (AP) — Oregon state officials say liquor prices are not likely to change if the system is privatized, as has been proposed in a ballot initiative.

Oregon consumers would likely pay the same prices for alcohol because the fees are not going to change, [The Statesman Journal](#) [1] reported in Sunday's newspaper.

That money collected by the state of Oregon goes to cities, counties and the state general fund, bringing in \$396.7 million during the 2011-2013 biennium. Liquor sales are the third biggest revenue generator for Oregon.

If a ballot initiative qualifies for the November election, the only impact to consumers would be alcohol sales in grocery stores. Grocers would likely profit but the state would be forced out of the business.

"I think the biggest misconception about the (Oregon Liquor Control Commission) is that prices are high because the liquor stores are agents of the state," OLCC Board Chairman Rob Patridge said. "Oregon has chosen ... lottery, liquor and tobacco as major state revenue sources that other states like California and Nevada have not chosen."

The state sent \$70.1 million in monthly checks to incorporated Oregon cities during the 2011-2013 biennium and \$49.1 million in quarterly checks to all cities — including unincorporated cities — using a formula based on population and statewide liquor sales.

"Unfortunately, people don't realize how much money is coming into their city," Patridge said. "The money is really critically important to keeping the light on at the local city council and putting officers on the street."

That's why the political group Oregonians for Competition included a sales tax and fees in each of the five privatization initiatives it filed with the Secretary of State's Office on behalf of the Northwest Grocers' Association.

"The intention is to yield the same revenue," spokesman Pat McCormick said.

McCormick has said competition from grocery store could lower prices, but Washington liquor prices spiked after voters approved privatization in 2011. Prices have since dropped and hover slightly above where they were before privatization.

The 248 liquor stores in Oregon are privately owned, but the state owns the alcohol on their shelves and pays a percentage of each sale to the owner.

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