



# **Oregon Liquor Control Commission**

**Government – to – Government  
Annual Report 2017**

## **Background**

The Oregon Liquor Control Commission (OLCC) administers Oregon's Liquor Control Act and the Adult and Medical Use of Cannabis Act. It promotes the public interest through the responsible sale and service of alcoholic beverages and recreational marijuana products. OLCC's mission is to support businesses, public safety, and community livability through education and the enforcement of liquor and marijuana laws. Functionally, the OLCC manages the business of making packaged distilled spirits and recreational marijuana products available to adults over the age of 21.

The OLCC has Memorandums of Understanding (MOUs) with all nine recognized tribes in Oregon. These MOUs establish how Oregon state law and OLCC licensing regulations apply to the sale and service of alcoholic beverages at tribal gaming facilities and other tribal enterprises. Currently eight tribes have properties that are licensed by OLCC to sell alcoholic beverages.

Throughout 2017, the Oregon Liquor Control Commission (OLCC) continued to work with its tribal partners to promote the public interest. The focus of that work has ensured that changes to licensed businesses and compliance activities performed by OLCC and tribes support the public interest and safety. Agency staff continued to provide information and technical support to the tribes regarding liquor regulatory issues at licensed tribal businesses and provided information to tribal representatives regarding recreational marijuana laws.

The OLCC has a Tribal Relations Policy, which was revised in July 2016 (attached).

## **Public Safety Program**

OLCC's Public Safety Program continues to connect with tribes and tribal entities through its programs. Although most of these interactions occur through licensed alcohol activity at tribal casinos, some tribes possess liquor licenses at other tribal enterprises including hotels, golf courses, travel centers and RV facilities.

This division of the OLCC operates 12 offices in five regions throughout Oregon and is responsible for supporting liquor law and recreational marijuana compliance and performing enforcement duties when needed. OLCC's focus is on graduated enforcement that begins with licensee education, but may include Notices of Warnings and Notices of Violations. When these efforts are performed on tribal properties and with tribal businesses, OLCC coordinates these activities with tribal law enforcement, gaming commissions, and casino and business management. Training is also available to tribal law enforcement and tribal license holders.

When a tribal business applies for a liquor license, license investigators review the applications and work with applicants to identify and determine the appropriate rules and laws that govern the operation of proposed businesses. In processing liquor license applications, the OLCC will make a determination to approve, deny, restrict or make

recommendation to agency Commissioners regarding the granting of a license. When applications are approved, the Licensing Division will collect the appropriate license fee and issue the license. If an application is denied or restricted, applicants are given the opportunity to contest the decision through the administrative hearing process.

License investigators work closely with tribal businesses when changes are made either to the management or operation of licensed businesses to ensure that these changes are consistent with liquor laws governing the sale and service of alcoholic beverages.

### **False Identification Training Course**

The Public Safety Program offers instruction to help licensees and their employees recognize false or altered identification. The course provides training that highlights steps that a licensee's employees can take to recognize false or altered identification, and what to do when a licensee's staff suspects that a patron may be using false identification. This includes how to safely confiscate identification and what facts law enforcement agencies need to follow up on the use of that identification.

### **Minor Sales Checks**

The minor decoy program is designed to reduce underage drinking, and encourages businesses to develop best practices to check identification. The OLCC's Public Safety Program uses volunteers who are between the ages of 17- 20 and who look their age to test businesses on their identification checking practices. All businesses that sell or serve alcohol are subject to a decoy visit. Typically, businesses are selected at random. This ensures, to the greatest extent possible, that each licensed business has an equal chance of being selected. Businesses may be targeted if there are documented issues with compliance with alcoholic beverage sale and service laws and rules. These issues include the failure to check, or properly check identification; allowing minors in prohibited areas; allowing minors to consume alcohol; and the sale of alcohol to minors.

When first licensed, businesses receive notice that they may be subject to minor decoy operations, and receive subsequent notices annually. Notifications include information about how to best prevent alcohol sales to minors and notifying licensees about the free ID checking course offered at all OLCC offices. OLCC also commends alcohol servers and sellers who use extra efforts to refuse to sell alcohol to minors.

The Public Safety Program cooperates with tribal governments and law enforcement in performing compliance checks on tribal land.

## **OLCC Administration Activity**

In addition to connecting with tribes on liquor regulatory issues, in 2017 the OLCC engaged with tribes in the following ways:

- The 2017 Oregon Legislature passed Senate Bill 1044 and Senate Bill 1057, which establish tribal identification as acceptable identification for alcohol and marijuana purchases. Commission staff is developing administrative rule language to clarify the legislative changes.
- In October 2017, Commission staff engaged in consultation with members of the Cow Creek band of Umpqua Tribe of Indians and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) regarding sales of distilled spirits by the bottle on tribal lands. In December 2017, Commission staff continued to consult with members of the Cow Creek Bank of Umpqua Tribe of Indians regarding sales of distilled spirits by the bottle on tribal lands.
- In November 2017, Commission staff participated in a meeting with state and tribal representatives to discuss implementation of legislation (House Bill 2197). This legislation allows the Oregon Department of Revenue to make rebate payments on the tax imposed in retail establishments outside of reservations on marijuana items produced or processed on tribal trust land, provided that the producer or processor is licensed by the governing body of a federally-recognized Indian tribe, and the tribe and the Governor have already entered into a legal compact regarding marijuana regulation.
- OLCC attended all Public Safety Cluster meetings in 2017 and provided updates on OLCC public safety activities.
- In November 2017, Commission staff attended the annual Government-to-Government Summit held in Lincoln City.

## **Public Safety Program Regional Office Activity**

### **Eugene Regional Office**

The Eugene Regional Office, which includes satellite offices in Corvallis, Newport, and Roseburg, is responsible for licensing and enforcement in Lane, Benton, Linn, Lincoln, and Douglas Counties. This area includes the following licensed tribal facilities:

- Chinook Winds Casino Resort and Hotel (Lincoln City)
- Chinook Winds Golf Resort (Lincoln City)
- Seven Feathers Hotel & Casino Resort (Canyonville)
- Seven Feathers RV Resort (Canyonville)
- Seven Feathers Truck/Travel Center (Canyonville)

The Eugene Regional Office issued several special event licenses for events at Seven Feathers Hotel & Casino Resort.

Eugene staff also issued several special event licenses for events held at Chinook Winds Casino Resort.

Staff conducted premises checks at both casinos at other times throughout the year and observed no issues.

Eugene staff conducted a premises visit at Three Rivers Casino Resort in Florence and provided education on preventing incidents of minors in possession of alcohol and visibly intoxicated patrons.

### **Bend Regional Office**

The Bend Regional Office, which includes a satellite office in Pendleton, is responsible for licensing and enforcement in Crook, Deschutes, Grant, Harney, Jefferson, Malheur, Sherman, Wheeler, Baker, Gilliam, Morrow, Umatilla, Wallowa and Wasco Counties. This area includes the following licensed tribal facilities:

- Cottonwood Resort at Indian Head Casino (Warm Springs)
- Kah Nee Ta Vacation Resort (Warm Springs)
- Wildhorse Resort & Casino (Pendleton)

The Bend Regional Office worked with the Confederated Tribes of Warm Springs to issue several temporary permits to conduct summer concerts at Indian Head Casino.

Bend staff also issued an Off-Premises Sales license at the golf course at Kah Nee Tah Vacation Resort.

In October 2017, staff in the Pendleton satellite office contacted all nine tribes to obtain sample identification for training purposes. Pendleton staff also met with CTUIR staff regarding acceptable identification and liquor laws

Bend Regional Office staff engaged in consultation with food and beverage managers at Indian Head Casino to discuss the future licensing of a truck stop in Madras.

### **Medford Regional Office**

The Medford Regional Office, which includes satellite offices in Coos Bay and Klamath Falls, is responsible for licensing and enforcement in Josephine, Jackson, Coos, Curry, Klamath and Lake Counties. This area includes the following licensed tribal facilities:

- Kla-Mo-Ya Casino (Chiloquin)
- The Mill Casino (North Bend)

- Three Rivers Casino (Florence)
- Three Rivers Casino Coos Bay (Coos Bay)

Staff in the Coos Bay satellite office approved several special event licenses for events held at Mill Casino in the summer of 2017. OLCC staff conducted a premises visit at the Mill Casino in September 2017 and observed no issues.

In October 2017, Coos Bay staff visited Three Rivers Casino in Florence and observed no issues.

### **Salem Regional Office**

The Salem Regional office, which includes a satellite office in Warrenton, is responsible for licensing and enforcement in Columbia, Marion, Polk, Yamhill, Tillamook, and Clatsop Counties. This area includes the following licensed tribal facilities:

- Spirit Mountain Casino (Grand Ronde)

In August 2017, Salem Regional Office staff approved an application for an Off-Premises Sales license at Spirit Mountain Casino.

### **Portland Regional office**

The Portland Regional office is located at OLCC Headquarters in Milwaukie and is responsible for licensing and enforcement in Clackamas, Hood River, Multnomah and Washington Counties. There are no licensed tribal facilities in this region.

### **Agency Contact Information**

#### OLCC Executive Director:

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## Policy and Procedures

**SUBJECT:** Tribal Relations Policy

**NUMBER:** PP 845-103-002

**APPLICATION:** Commission-Wide

**INTERPRETATION RESPONSIBILITY:** Administrative Policy & Process Director

**REVISED:** July 2016

**NEXT REVIEW:** July 2018

**EFFECTIVE DATE:** 15 days from date of signature

**APPROVED:** */s/ Steve Marks* **DATE:** *7/28/2016*  
Steve Marks, Executive Director

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### **CITATION OF AUTHORITY**

Executive Order #96-30, State/Tribal Government-Government Relations; ORS 182.164, State Agencies to Develop and Implement Policy on Relationship with Tribes; and ORS 182.166, Training of State Agency Managers and Employee Who Communicate with Tribes.

### **DEFINITION**

**"Tribe"** means a federally recognized Indian tribe of Oregon.

### **POLICY**

The Oregon Liquor Control Commission values its relationship with Oregon's tribes. The agency strives to establish and maintain positive government-to-government relations between the agency and the tribes. The purpose of this policy is to formalize the relationship that exists between Oregon tribes and the Oregon Liquor Control Commission.

## **GUIDELINES**

1. The Oregon Liquor Control Commission (OLCC) shall designate an executive or management employee, or designee, to manage and coordinate OLCC's agreements with Oregon tribes recognized by the US government, and to:
  - a. regulate tribal activities that require licensing by the agency;
  - b. contract for purchase and provision of alcoholic beverages with tribal entities;
  - c. provide other services and agreements that are, otherwise, within the scope of OLCC's agency authority in the state of Oregon.
2. Appoint an executive or management employee, or designee, to manage and coordinate OLCC's intergovernmental communications by:
  - a. identifying agency programs that affect Oregon tribes;
  - b. ensuring that relevant communication continues;
  - c. preparing an annual report as required by ORS 182.166 (3);
  - d. ensuring that all OLCC employees are aware of agency policy.
3. OLCC shall make reasonable efforts to ensure that agency action corresponds with mutual goals and missions.
4. OLCC designated employees must attend periodic training regarding tribal culture, relations, and law in order to ensure familiarity with tribal governments and an understanding of, and sensitivity to, issues relevant to tribes.
5. OLCC shall consider impacts on Oregon tribal governments when developing policies relevant to tribes, and discuss issues with tribal representatives as appropriate.