

## For your information

The Oregon Liquor Control Commission has:

Amended  
 Adopted  
 Repealed

**OAR 845-015-0118**

Effective Date: April 1, 2012

**Note:** **Bold and underlined** = new text; ~~*strikethrough and italics*~~ = deleted text

### **845-015-0118**

#### **Retail Sales Agent Prohibited Interests, ORS 471.710(3)**

(1) Definitions: As used in ORS 471.710(3) and this rule:

~~(a) "Alcoholic beverage licensee" means the holder of a Distillery license, a Full On-Premises Sales license, or a distillery whose products are sold in Oregon.~~

~~(b)~~ **(a)** "Liquor Store Agent" has the same meaning as a retail sales agent, as defined in OAR 845-015-0101~~(6)~~ **(5)**;

~~(c)~~ **(b)** "Financial Interest" means knowingly having an ownership interest, as a sole proprietor, partner, limited partner or stockholder or any direct or indirect ownership interest through a device such as a holding company, in a business licensed with a Distillery or Full On-Premises Sales license or any distillery whose products are sold in Oregon;

~~(d)~~ **(c)** "Business Connections" include, but are not limited to:

(A) Knowingly providing anything of value to a person or business licensed with a Distillery or Full On-Premises Sales license or to any distillery whose products are sold in Oregon, in return for something of value. This rule does not, however, prohibit persons and licensees from providing commodities and services to each other that they routinely provide to the general public under the same terms;

(B) Partnerships with a person or business licensed with a Distillery or Full On-Premises Sales license, or to any distillery whose products are sold in Oregon, and similar ventures formed for the purpose of making profit,

~~(e)~~ **(d)** "Knowingly" means a person actually knew or reasonably should have known;

~~(f)~~ **(e)** "Household" means all persons living as a family unit in the same dwelling;

~~(g)~~ **(f)** "Immediate Family" means spouse or Domestic Partner, and *juvenile minor* dependent children.

~~(h)~~ **(g)** "Domestic Partner" means an individual who, along with another individual of the same sex, has received a Certificate of Registered Domestic Partnership pursuant to the Oregon Family Fairness Act.

**(h) "Company Principal" means a person who holds any of the following interests in a legal entity that is a retail sales agent or an applicant for appointment as a retail sales agent:**

**(A) An officer;**

**(B) A director;**

**(C) A person who owns or controls 10% or more stock in the entity or holds 10% or more of the total membership interests in the entity or whose investment interest is 10% or more of the total investment interests in the entity;**

**(D) A manager of a limited liability corporation or limited liability partnership or the general partner of a limited partnership.**

**(2) Prohibited Interests. No retail sales agent, company principal, or member of the agent's household or immediate family may hold a Financial Interest or Business Connection as those terms are defined in section (1) of this rule.**

~~(2)~~ **(3)** Additional Prohibitions:

(a) No retail sales agent, **company principal** or member of the agent's household or immediate family may be employed by a business that is licensed with a Distillery or Full On-Premises Sales license unless:

(A) The person's job duties do not include involvement with that portion of the business that requires an alcoholic beverage license to operate; or

(B) The person exercises no management control over that portion of the business that requires an alcoholic beverage license to operate.

(b) No retail sales agent, **company principal** or member of the agent's household or immediate family may be employed by any distillery whose products are sold in Oregon.

~~(3)~~ **(4)** Reporting Requirements:

(a) All retail sales agent applicants must complete and sign a form describing any financial interest or business connection the applicant, **company principal** or any person in the applicant's household or immediate family has, that the applicant would reasonably know of, with a Distillery or Full On-Premises Sales licensee, or with a distillery whose products are sold in Oregon. The Commission will determine whether any prohibited interest or connection exists. An applicant, **company principal** or person in the applicant's household or immediate family who has a prohibited interest or connection must divest the interest or connection before the Commission appoints the applicant;

(b) A retail sales agent must report, to the agent's district manager, any prohibited interest or connection with a Distillery, Full On-Premises Sales licensee or a distillery whose products are sold in Oregon as soon as the agent would reasonably know of the interest or connection. If ORS 471.710(3) or this rule prohibits the interest or connection, the Commission will set a reasonable time period for divestiture. If the retail sales agent, **company principal**, household member or immediate family member fails to divest, the Commission will terminate the agent's contract.

~~(4)~~ **(5)** Gifts and Gratuities: No retail sales agent will accept any gift, gratuity or thing of value from any ~~alcoholic beverage~~ **Distillery or Full On-Premises Sales licensee or any distillery** or any person representing a distillery, except that a retail sales agent may accept:

(a) Items totaling \$25 or less per year per ~~alcoholic beverage~~ licensee **or distillery** offered to retail sales agents as customers of the licensee **or distillery** as long as the items are offered on an equal basis to all customers irrespective of any connection to the Commission;

(b) Food and beverages provided for immediate consumption at a convention or a business conference or meeting that are offered to all participants irrespective of any connection to the Commission;

(c) A non-alcoholic beverage for immediate consumption that a licensee offers at a business meeting;

(d) Items offered to all participants at a convention irrespective of any connection to the Commission.

~~(5)~~ **(6)** Disciplinary Actions: The Commission will appropriately discipline a retail sales agent who:

(a) Fails to report a prohibited interest or connection as section ~~(2)~~ **(4)** of this rule requires;

(b) Knowingly acquires an interest or establishes a connection that ORS 471.710 or this rule prohibits; and

(c) Accepts a gift or gratuity that section ~~(4)~~ **(5)** of this rule prohibits.

Stat. Auth.: ORS 471, including 471.030, 471.040, **471.710**, 471.730(1) & (5)  
Stats. Implemented: ORS 471.710~~(3)~~

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