

REASONS WE MAY DENY OR RESTRICT A LICENSE
ORS 471.313(1)(2), OAR 845-005-0320, 845-005-0321, 845-005-0322
845-005-0325, 845-005-0326(1)(2) or 845-005-0355

The following is a list of problems relating to the **APPLICANT** or **BUSINESS** that OLCC *can* consider to refuse or restrict a license:

1. Applicant has a habit of using alcohol or drugs to excess
2. Applicant makes a false statement to OLCC (must be related to a refusal basis)
3. Applicant has been convicted of local, state or federal laws that are substantially related to the fitness of holding a liquor license
4. Applicant has demonstrated poor moral character
5. Applicant has a poor record of compliance when previously licensed by OLCC
6. Applicant is not the legitimate owner of the business
7. The business has a history of serious and persistent problems at this location.

The problems can include:

- Obtrusive or excessive noise, music or sound vibrations
- Public drunkenness
- Fights or altercations
- Harassment
- Unlawful drug sales
- Alcohol or related litter

OLCC is *not* able to consider the following issues when deciding to renew a liquor license:

- Lack of parking
- Increase in traffic
- Too many licenses in a specific area (saturation)
- Entertainment type - nude dancing, gambling, live bands, etc.
- Increased noise
- Zoning issues

Visit www.oregon.gov/olcc/ to see the full text of ORS and OAR referenced above. In order for an unfavorable recommendation from a local government to be valid, the grounds must be found in the license refusal bases of ORS 471.313(1), 471.313(2), OAR 845-005-0320, 845-005-0321, 845-005-0322, 845-005-0325 or 845-005-0326(1)(2) or the license restriction bases of OAR 845-005-0355, and must be supported by reliable factual information.

471.313 Grounds for refusing to issue license, certificate or permit, or for issuing restricted license, certificate or permit. (1) The Oregon Liquor and Cannabis Commission may refuse to issue a license, or may issue a restricted license, to any applicant under the provisions of this chapter if the commission has reasonable ground to believe any of the following to be true:

(a) That there are sufficient licensed premises in the locality set out in the application, or that the granting of a license in the locality set out in the application is not demanded by public interest or convenience. In determining whether there are sufficient licensed premises in the locality, the commission shall consider seasonal fluctuations in the population of the locality and shall ensure that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

(b) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is not maintaining the insurance or bond required by ORS 471.168.

(c) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for consumption on the premises has been financed or furnished with money or property by, or has any connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

(d) That the applicant:

(A) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to excess.

(B) Has made false statements to the commission.

(C) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.

(D) Has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.

(E) Has maintained an insanitary establishment.

(F) Is not of good repute and moral character.

(G) Has failed to comply with ORS 459A.700 to 459A.754, 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or rules adopted by the commission pursuant to ORS 459A.700 to 459A.754, 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473.

(H) Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business which have not been disclosed.

(I) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

(J) Is unable to read or write the English language or to understand the laws of Oregon relating to alcoholic liquor or the rules of the commission.

(e) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises proposed to be licensed or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior that is grounds for refusal of a license under this section, where so related to the sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Histories from premises currently or previously operated by the applicant may be considered when reasonable inference may be made that similar activities will occur as to the premises proposed to be licensed. The applicant may overcome the history by showing that the problems are not serious or persistent or that the applicant demonstrates a willingness and ability to control adequately the premises proposed to be licensed and patrons' behavior in the immediate vicinity of the premises that is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

(f) If the application is for a license that authorizes the sale or service of alcoholic beverages for consumption on the premises and the applicant intends to offer the sale or service of alcoholic beverages for consumption on the premises, that the applicant does not hold a valid service permit or temporary service permit issued under ORS 471.375 and has not designated an individual who:

(A) Holds a valid service permit or temporary service permit issued under ORS 471.375; and

(B) Exercises, or is entitled to exercise, control or responsibility over setting, implementing and changing the applicant's practices for selling and serving alcoholic beverages at the premises.

(2) The commission may refuse to issue a certificate under ORS 471.244 or permit under ORS 471.274 or 471.282, or may issue a restricted certificate or permit, if the commission has reasonable grounds to believe that the applicant:

(a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to excess.

(b) Has made false statements to the commission.

(c) Has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities related to the certificate or permit.

(d) Has failed to comply with ORS 459A.700 to 459A.754, 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or rules adopted by the commission pursuant to ORS 459A.700 to 459A.754, 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473.

(e) Does not have a good record of compliance with the alcoholic liquor laws and rules of any other jurisdiction. [Formerly 471.295; 2001 c.785 §1; 2011 c.165 §1; 2013 c.149 §1; 2017 c.533 §11; 2021 c.351 §75; 2023 c.391 §13; 2024 c.40 §8]

845-005-0320

License Refusal Reasons that Can Not Be Overcome

The following criteria will preclude issuing or renewing a license. Intervening circumstances do not apply to these criteria.

- (1) The applicant has or would have an interest in another liquor business that ORS 471.313(1)(c), 471.394, or 471.396 prohibits and no exception applies.
- (2) The applicant seeks a license that requires food service and is unable to show in writing that the applicant will comply with the food service requirements set by the rules of the Commission for that license.
- (3) The applicant seeks a Full On-Premises Sales license as an "other public location" as allowed by ORS 471.175(2)(d) and will not allow public access to its premises.
- (4) The applicant is a retail sales agent of the Commission. Despite this requirement, a retail sales agent may obtain a license as allowed by Commission rules.
- (5) The applicant for a license that authorizes the sale or service of alcoholic beverages for consumption on the premises and intends to do so; and
 - (a) Does not hold a valid service permit or a valid temporary service permit under ORS 471.375; and
 - (b) Has not designated as part of their initial application an alcohol service permit designee, defined as an individual who holds a valid service permit or valid temporary service permit and is authorized by the applicant to exercise control or responsibility over setting, implementing and changing the applicant's practices for selling and serving alcoholic beverages at the premises.
- (6) The applicant has not paid an outstanding fine to the Commission.
- (7) The applicant who is subject to the bonding requirements of ORS 471.155(1) has failed to post a tax bond or the equivalent as required.
- (8) The applicant who is subject to the liquor liability insurance requirements of OAR 845-005-0400 has failed to obtain or maintain liquor liability insurance or bond as required.
- (9) The applicant for an initial license has not completed Commission-given law orientation or been granted a waiver by the Commission
- (10) An applicant or licensee has failed to define the boundaries of the licensed premises as required by ORS 471.159(1).
- (11) An applicant or licensee holds a full on-premises, caterer license issued under ORS 471.175(2)(e) and serves, or will serve, alcoholic beverages for consumption on the annually licensed premises.

Statutory/Other Authority: ORS 471.030, 471.040, 471.730 (1) & 471.730 (5)

Statutes/Other Implemented: ORS 471.168, 471.313, 2024 OL Ch. 40 Sec. 8 & 2024 OL Ch. 40 Sec. 9

History:

OLCC 13-2024, amend filed 12/20/2024, effective 03/31/2025
OLCC 8-2023, amend filed 12/18/2023, effective 01/02/2024
OLCC 203-2022, amend filed 12/19/2022, effective 02/01/2023
OLCC 6-2009, f. 6-22-09, cert. ef. 7-1-09
OLCC 12-2008, f. 10-13-08, cert. ef. 11-1-08
OLCC 14-2002, f. 10-25-02 cert. ef. 11-1-02
OLCC 19-2000, f. 12-6-00, cert. ef. 1-1-01

845-005-0321

Additional License Refusal Reasons for a Full On-Premises Sales License for a Nonprofit Private Club

- (1) ORS 471.175 allows the Commission to issue a full on-premises sales license to a nonprofit private club as described in 471.175. This rule sets criteria to refuse to issue or renew a Full On-Premises Sales License for a Nonprofit Private Club. These criteria are in addition to other refusal criteria set out in ORS Chapter 471 and OAR chapter 845 divisions 5 and 6.
- (2) Definitions. For this rule:
 - (a) "Auxiliary Member" means a living individual that has met the eligibility requirements as set out in the nonprofit corporation's bylaws to be an auxiliary member and has been designated as an auxiliary member with certain limited membership privileges by the nonprofit corporation.

(b) "Full Member" means a living individual that has met the eligibility requirements as set out in the nonprofit corporation's bylaws to be a full member and has been designated as a full member by the nonprofit corporation. A full member must pay dues to the club, have full-time membership privileges equal to all other full members of the club, and be entitled to vote in all elections for directors of the nonprofit corporation licensee of the club.

(c) "Nonmember" means an individual who is not a full member or auxiliary member and who is at the club for the purpose of benefiting from the club's services or facility.

(d) "Nonprofit Corporation" means a mutual benefit corporation, a public benefit corporation, or religious corporation as defined in ORS Chapter 65.

(3) The Commission may refuse to issue or renew a Full On-Premises Sales License for a Nonprofit Private Club when the applicant:

(a) Is not a nonprofit corporation currently registered as such with Oregon's Office of the Secretary of State; or

(b) At the time of initial application for licensure, has not been registered as a nonprofit corporation with Oregon's Office of the Secretary of State for a minimum of one year immediately prior to the date of the application; or

(c) Does not have a minimum of 100 full members.

Statutory/Other Authority: ORS 471.030, 471.040, ORS 471.175, 471.730(1) & 471.730(5)

Statutes/Other Implemented: ORS 471.175

History:

OLCC 203-2022, amend filed 12/19/2022, effective 02/01/2023

OLCC 13-2010, f. 10-18-10, cert. ef. 11-1-10

OLCC 6-2009, f. 6-22-09, cert. ef. 7-1-09

845-005-0322

Additional License Refusal Reasons for a Full On-Premises Sales License for a For-Profit Private Club

ORS 471.175 allows the Commission to issue a full on-premises sales license to a for-profit private club as described in the definition of a "commercial establishment" in ORS 471.001(2). This rule sets criteria to refuse to issue or renew a Full On-Premises Sales License for a For-Profit Private Club. These criteria are in addition to other refusal criteria set out in ORS Chapter 471 and OAR chapter 845, division 5.

(1) Definitions. For this rule and OAR 845-006-0495:

(a) "Member" means a living individual that has been accepted by the club as a member, pays dues to the club, and has full-time membership privileges.

(b) "Nonmember" means an individual who is not a member and who is at the club for the purpose of benefiting from the club's services or facility.

(2) The Commission may refuse to issue or renew a Full On-Premises Sales License for a For-Profit Private Club when the applicant does not have a minimum of 100 members.

Statutory/Other Authority: ORS 471, 471.001, 471.030, 471.040, 471.175, 471.730(1) & (5)

Statutes/Other Implemented: ORS 471.001 & 471.175

History:

OLCC 13-2010, f. 10-18-10, cert. ef. 11-1-10

845-005-0325

License Refusal Reasons: Applicant Qualifications

The Commission may refuse to license an applicant if any of the criteria in this rule apply. Upon a finding that a license should be refused, the Commission will consider intervening circumstances to determine whether the refusal basis is supported or overcome. The intervening circumstances may have occurred before or after the incident or incidents that are relevant to the specific criterion. The intervening circumstances may be weighed in favor of the applicant, weighed against the applicant, or weighed neither for nor against the applicant. The criteria are as follows:

(1) The applicant has a recent history or record of using alcohol or controlled substances to excess. Some of the records the Commission may use to evaluate this criterion include: court documents; Department of Motor Vehicles reports; police records; or medical records. Some of the intervening circumstances the Commission considers in determining whether the refusal basis is supported or overcome include: successful participation in treatment program(s); severity of the applicant's

record; passage of time since last relevant incident; and the applicant's previous record of compliance with the laws and rules of the Commission.

(2) The applicant has been convicted of violating any general or local law of this state, or any other state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license. In determining whether the applicant presents an acceptable future risk of compliance, the Commission will consider applicable intervening circumstances that have occurred before or after the relevant incident or incidents.

(a) Definitions. For this subsection:

(A) "Compliance risk factors" means factors related to the individual's moral character or that show the individual's tendency to disobey laws, rules, and regulations; such as probation and parole violations and non-relevant convictions.

(B) "Relevant conviction" means a conviction that involved violence or the threat of violence; dishonesty or deception; drugs, alcohol, or other regulated substances; or a conviction as a felon in possession of a weapon.

(C) "Successful treatment" means:

(i) The Commission receives written confirmation from the individual's licensed treatment provider that the individual completed treatment that is related to a relevant conviction and the Commission has determined that the individual has not had another conviction for a similar incident since the completion of the treatment; or

(ii) The individual is still in a treatment program that is related to a relevant conviction; however, the Commission receives written confirmation from the individual's licensed treatment provider that the individual has demonstrated sufficient success towards stopping the behavior that led to the conviction and the Commission has determined that the individual has not had another conviction for a similar incident since the date the provider determined that the individual demonstrated sufficient success towards stopping the behavior that led to the conviction.

(b) Upon the Commission's determination that a basis to refuse the application has been established under this criterion, the Commission may consider the following intervening circumstances and may consider other intervening circumstances, depending on the facts of the case:

(A) Passage of time from the date of the most recent incident that led to a relevant conviction or from the date of the most recent compliance risk factor, whichever date is later. In calculating the passage of time, the Commission does not count time spent incarcerated after the date of the most recent incident that led to a relevant conviction or after the date of the most recent compliance risk factor, whichever date is later.

(B) Compliance risk factors.

(C) Successful treatment.

(D) The severity of the individual's relevant conviction record as shown by both the number of convictions and whether a conviction was a felony or non-felony.

(E) The individual's record of compliance with the Commission.

(3) The applicant provides material false or misleading information to the Commission or omits material information that should have been provided to the Commission. Upon the Commission's determination that a basis to refuse the application has been established under this criterion, the Commission may consider the following intervening circumstances and may consider other intervening circumstances, depending on the facts of the case:

(a) The number of false statements or omissions.

(b) Whether or not false statements or omission were repeated.

(c) The applicant's provision of conflicting reasons for a false statement or omission.

(d) If there are language or other communication issues between the applicant and the Commission.

(e) If the applicant has been warned or cautioned about the need for truthfulness.

(4) The applicant is under 21 years of age. The applicant may establish a basis to overcome this criterion by demonstrating that the applicant will not participate in the management or control of any alcohol-related business decisions or any employees responsible for the sale or service of alcoholic beverages.

(5) The applicant does not have a good record of compliance with ORS Chapter 471, 473, 474, 475C, or any rules adopted thereunder. Upon the Commission's determination that a basis to refuse the application has been established under this

criterion, the Commission may consider the following intervening circumstances and may consider other intervening circumstances, depending on the facts of the case:

- (a) The passage of time since the most recent violation.
- (b) The seriousness of the applicant's violation record.
- (c) The personal involvement in a violation by the applicant.
- (d) Whether the applicant immediately implemented control measures that effectively prevented future violations.
- (e) Whether a violation was aggravated or mitigated.
- (f) The applicant's acceptance of any relevant license restriction.

Statutory/Other Authority: ORS 471.030, 471.040, 471.730 (1) & 471.730 (5)

Statutes/Other Implemented: ORS 471.313

History:

OLCC 13-2024, amend filed 12/20/2024, effective 03/31/2025
OLCC 203-2022, amend filed 12/19/2022, effective 02/01/2023
OLCC 4-2022, minor correction filed 02/25/2022, effective 02/25/2022
OLCC 11-2019, amend filed 07/22/2019, effective 09/01/2019
OLCC 7-2014, f. & cert. ef. 8-15-14
OLCC 8-2012, f. 10-30-12, cert. ef. 11-1-12
OLCC 19-2000, f. 12-6-00, cert. ef. 1-1-01

845-005-0326

License Not Demanded by Public Interest or Convenience

ORS 471.313(1) allows the Commission to deny a license that public interest or convenience does not demand. The following are some of the public interest or convenience reasons for which the Commission may deny a license unless intervening circumstances exist to overcome the criteria:

(1) Proximity to Facilities:

(a) The licensed premises:

(A) Will be located within 500 feet within a city's limits or within 1,500 feet outside a city's limits of the boundary (measured property line to property line) of a licensed child care facility, elementary or secondary school, a church, a hospital, nursing care facility or convalescent care facility, a park or children-oriented recreational facility, or alcohol and other drug treatment or rehabilitation facility; and

(B) The facility shows the exercise of the license privileges at the licensed premises will interfere or conflict with the specialized activities of the facility.

(b) Some of the intervening circumstances the Commission considers in determining whether the refusal basis is supported or overcome is the applicant's control plan addressing its willingness and ability to control the proposed premises and patrons' behavior in the immediate vicinity of the premises.

(c) This criterion does not apply to renewal applications or to changes of ownership with no change in license privileges or operation.

(2) Problem Areas:

(a) The licensed premises will be located in an area that, within 500 feet of the premises and in the past 12 months, has at least 50 documented incidents of public drunkenness, fights, altercations, harassment, unlawful drug sales, alcohol-related litter, trespassing on private property, or public urination. These problems need not be alcohol-related;

(b) Some of the intervening circumstances the Commission considers in determining whether the refusal basis is supported or overcome are:

(A) The applicant's control plan showing that alcoholic beverage sale or service at the premises will not contribute to the problems, and

(B) The applicant's control plan addressing its willingness and ability to control the proposed premises and patrons' behavior in the immediate vicinity of the premises.

(c) This criterion does not apply to renewal applications or to changes of ownership with no change in license privileges or operation.

Statutory/Other Authority: ORS 471.030, 471.040, 471.730(1) & 471.730(5)

Statutes/Other Implemented: ORS 471.313

History:

OLCC 203-2022, amend filed 12/19/2022, effective 02/01/2023

OLCC 2-2007, f. 2-20-07, cert. ef. 3-1-07

OLCC 12-2004, f. 10-15-04 cert. ef. 11-1-04

OLCC 12-2001, f. 12-18-01, cert. ef. 1-1-02

OLCC 19-2000, f. 12-6-00, cert. ef. 1-1-01

845-005-0355

Restricting License Privileges and Conduct of Operations

(1) The Commission may restrict a license, service permit, or temporary service permit when:

(a) In the absence of a restriction, the Commission has a basis to cancel, suspend/fine or deny the license, service permit, or temporary service permit;

(b) In addition to all or part of a suspension or fine, a restriction may prevent the recurrence of the problem(s) that caused the violation(s);

(c) The Commission determines that a restriction is in the public interest or convenience; or

(d) The Commission has a basis to refuse the license and the applicant or licensee has submitted a qualifying control or operating plan as good cause to overcome the refusal basis. In these circumstances the Commission shall impose as restrictions those elements of the control or operating plan that the Commission determines are essential to overcoming the refusal basis.

(2) In determining public interest or convenience reasons to restrict a license or permit, the Commission considers factors that include but are not limited to:

(a) The character or environment of the neighborhood in which the licensed premises operate;

(b) The need to eliminate or prevent conditions that have contributed to or that the Commission reasonably believes will contribute to liquor or criminal law violations by the licensee, patrons of the licensed premises or the public, including conditions that have or are likely to contribute to noise, music or sound vibrations from inside or outside the premises that a reasonable person would consider excessive or obtrusive; or

(c) The need to limit the availability of alcohol to minors, visibly intoxicated persons or street drinkers.

(3) The Commission has determined that it is not in the public interest or convenience to issue or renew:

(a) A license that allows off-premises sales in an area frequented by street drinkers, unless the Commission restricts the sales of the alcoholic beverages associated with street drinkers;

(b) A license to a relative or associate of a person whose license was cancelled, surrendered or not renewed because of problems at the premises that involved the person, unless the Commission restricts the relative or associate from permitting the person from being on the premises;

(c) A license or permit to a person who has a recent history or record of alcohol or drug problems, unless the Commission requires the person to complete an alcohol/drug treatment program and follow the program's recommendations regarding alcohol/drug use or to abstain from alcohol/drug use.

(4) When the Commission restricts a license, service permit, or temporary service permit, it notifies the licensee or permittee. If the licensee or permittee disagrees with the license or permit restriction, the licensee or permittee has the right to a hearing under the procedures in ORS Chapter 183; OAR chapter 137, division 3; and chapter 845, division 3.

(5) A licensee or permittee who has a restricted license or permit must exercise license or permit privileges only in compliance with the restriction(s). Failure to comply with the restriction(s) is a Category I violation.

(6) A restriction remains in effect until the Commission removes it. The licensee or permittee may ask the Commission to remove or modify a restriction. The written request must explain why the licensee or permittee believes the Commission should remove or modify the restriction. The Commission will notify the licensee or permittee, in writing, of its decision to approve or deny the request and the basis for its decision. If the Commission denies the request, the licensee or permittee has the right to a hearing under the procedures in ORS Chapter 183; OAR chapter 137, division 003; and chapter 845, division 003.

(7) As used in subsections (2)(c) and (3)(a) of this rule, "street drinkers" means people who drink unlawfully in streets, alleys, parks and other similar public places.

(8) As used in subsection (2)(b) of this rule, "conditions" means conditions in the immediate vicinity of the premises that are related to the exercise of the license privileges and conditions in the premises or in the areas around the premises that the applicant/licensee controls.

Statutory/Other Authority: ORS 471.030, 471.040, 471.730 (1), 471.730 (5), 471.385 & 2024 OL Ch.40 Sec. 13

Statutes/Other Implemented: ORS 471.313 & 471.405 (1)

History:

OLCC 13-2024, amend filed 12/20/2024, effective 03/31/2025

OLCC 2-2011, f. 2-23-11, cert. ef. 3-1-11

OLCC 13-2006, f. 10-19-06, cert. ef. 12-12-06

OLCC 7-2006(Temp), f. & cert. ef. 6-15-06 thru 12-11-06

OLCC 6-2001, f. 8-15-01, cert. ef. 9-1-01

OLCC 19-2000, f. 12-6-00, cert. ef. 1-1-01