Oregon Liquor Control Commission

Oregon's Three Tier System

Oregon is among the nation's 18 liquor control states and two control counties in Maryland. The OLCC provides efficient, consumer-oriented services while promoting economic growth of Oregon businesses.

The three tier system and "tied house" laws were introduced after the repeal of Prohibition in 1933. Tied house regulations require separation of manufacturers and distributors from retailers. The three tiers consist of manufacturer, wholesaler and retailer. The tied house statutes (ORS 471.392 to 471.402) prohibit manufacturers and wholesalers from having any financial or ownership interest in a retail establishment. In addition, manufacturers or wholesalers are prohibited from giving money, discounts or items of value to a retailer. Several exceptions exist as outlined in ORS 471.396, 471.400 and 471.401.

Manufacturers cannot be "tied" to the retailer through financial interests or create incentives that could also exert undue influence on the products retailers sell and ultimately, on consumers' selection. Many states as well as the federal government have some type of regulation that support and enforce tied house and financial assistance rules.

Oregon's three tier control system allows the economic vitality of private enterprise by enabling independent contractors to own and manage the liquor stores across the state.

Benefits of a three tier system include improved public safety and better distilled spirits product selection. Although the OLCC acts as the wholesaler for all distilled spirits sold in the state, the three tier system is still at work in the beer and wine industry where there are separate tiers for manufacturers, distributors and retailers.

In addition to distributing distilled spirits, the OLCC is responsible for ensuring public safety through enforcing liquor laws, providing server education, licensing and developing relationships with licensees and enforcement throughout the state.

OLCC's revenues benefit the state. While over half goes to the State General Fund, other revenue is distributed to incorporated cities, counties, mental health and drug treatment and the Oregon Wine Board.

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For more information contact:

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The mission of the OLCC is to promote the public interest through the responsible sale and service of alcoholic beverages.

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