

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Ways and Means

Vote: 5 - 2 - 0

Yeas: Burley, Cameron, Edwards C., Esquivel, Schauffer

Nays: Holvey, Rosenbaum

Exc.: 0

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 2/6, 2/11

WHAT THE MEASURE DOES: Clarifies that the holder of an off-premises sales license may deliver wine or cider to retail customers in Oregon without a direct shipper permit. Establishes that such deliveries are subject to rules adopted by the Oregon Liquor Control Commission in addition to the same requirements as direct shipper permit holders for restricting sales to only persons over the age of 21, restricting sales for personal use only, and following required procedures for restricting sales to minors. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Rationale behind establishing an incentive program
- Results from an incentive program, i.e. more liquor stores
- Background of HB 2171 (2007)
- Impact of the incentive program on the General Fund
- Impact of the amendment on access to alcohol, particularly for minors
- Codification of current direct delivery policies for grocers
- Whether amendment would be challenged under *Granholm v. Heald*

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: House Bill 3636A clarifies that Oregon Liquor Control Commission (OLCC) off-premises sales license holders can deliver wine or cider to Oregon residents without obtaining a direct shipper permit. Prior to the enactment of House Bill 2171 (2007), groceries were allowed to make wine and cider deliveries to customers as part of their home delivery services. The measure allows this practice to continue, and aligns procedures license holders must follow for ensuring that minors cannot order and receive deliveries to the same procedures used by direct shipper permit holders. Examples include requiring carriers to verify that the recipient is over 21 years of age via inspecting government-issued identification and requiring a signature upon delivery. Deliveries cannot be made to a recipient who is visibly intoxicated, and violations are established for those who knowingly or negligently deliver wine or cider to minors.

An off-premises sales license holder is allowed to sell factory-sealed containers of wine, malt beverages and cider for off-premises consumption only and provide sample tasting of alcoholic beverages on the licensed premises with OLCC approval. House Bill 2171 (2007) is a legislative response to the U.S. Supreme Court decision of *Granholm v. Heald*, in which a state cannot enact laws blocking out-of-state wineries from shipping directly to customers in that state, while simultaneously allowing wineries to ship within the state. The new law created under House Bill 2171 directs the OLCC to issue direct shipper permits only to persons who possess a valid license, either in Oregon or another state, to manufacture wine or cider; as well as a winery trade association.

2/13/2008 9:12:00 AM

This summary has not been adopted or officially endorsed by action of the committee.