

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	4 - 0 - 1
Yeas:	Atkinson, Brown, Ferrioli, Devlin
Nays:	0
Exc.:	Avakian
Prepared By:	Marjorie Taylor, Administrator
Meeting Dates:	2/19

WHAT THE MEASURE DOES: Allows holder of off-premises sales license to deliver wine or cider to retail customers in Oregon without direct shipper permit. Specifies requirements for deliveries by licensee. Prohibits holder of off-premises sales license from making deliveries of wine or cider under conditions of the measure after entry of a final judgment. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Overview of House Bill 2171 (2007)
- Overview of U.S. Supreme Court decision of *Granholm v. Heald*
- Effect of the amendment on possible future litigation regarding in-state and out-of-state retailers

EFFECT OF COMMITTEE AMENDMENT: Prohibits holder of off-premises sales license from making deliveries of wine or cider under conditions of the measure after entry of a final judgment.

BACKGROUND: House Bill 3636B 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.

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