House Bill 3629

Sponsored by Representative WITT; Representatives BARNHART, DEMBROW, HOLVEY, Senator PROZANSKI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Expands alcohol education and permit requirements to include employees of off-premises sales licensees. Revises terminology. Imposes permit fee waiver for alcohol servers for calendar year 2012. Increases alcohol education fee assessment on off-premises sales licenses for calendar year 2012. Changes name of Alcohol Server Education Advisory Committee.

Makes expanded permit requirement and other changes operative on January 1, 2012. Prohibits imposition of fines, penalties or sanctions against permittee or employer for violation of expanded permit requirement occurring prior to January 1, 2013.

Declares emergency, effective on passage.

A	BILL	FOR	AN	ACT

2 Relating to alcohol; creating new provisions; amending ORS 471.190, 471.322, 471.360, 471.365,

3 471.370, 471.375, 471.385, 471.390, 471.410, 471.541, 471.542, 471.547 and 471.549; repealing ORS

4 471.341 and 471.380; and declaring an emergency.

5 Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 471.

<u>SECTION 2.</u> (1) The Oregon Liquor Control Commission may refuse to grant an alcohol permit if the applicant has not completed the alcohol education course and examination required under ORS 471.542.

(2) Notwithstanding ORS 183.435, an applicant who seeks review of a refusal to grant an alcohol permit must request a hearing within 15 days after notification of the refusal.

<u>SECTION 3.</u> Notwithstanding ORS 471.542, for the period beginning January 1, 2012, and ending December 31, 2012:

- (1) The Oregon Liquor Control Commission shall waive the \$13 alcohol permit application fee described in ORS 471.542 (6); and
- (2) For off-premises sales licenses, the yearly fee imposed on licenses under ORS 471.542 (6) is increased from a maximum of \$2.60 to be a fee of \$20.60. This subsection does not increase the maximum yearly fee of \$2.60 for licenses other than off-premises sales licenses.

SECTION 4. ORS 471.190 is amended to read:

471.190. (1) The holder of a temporary sales license may sell at retail by the drink wine, malt beverages, cider and distilled liquor. Distilled liquor served by the holder of a temporary sales license must be purchased from a retail sales agent of the Oregon Liquor Control Commission. The holder of a temporary sales license must provide food service as required by commission rule.

- (2) A temporary sales license may be issued only to:
- (a) Nonprofit or charitable organizations that are registered with the state.
- 26 (b) A political committee that has filed a statement of organization under ORS 260.039 or 260.042.
 - (c) State agencies.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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(d) Local governments, and agencies and departments of local governments.

- (e) Persons not otherwise described in this subsection, as long as the applicant submits a plan that is approved by the commission detailing how minors will be prevented from gaining access to alcoholic beverages and how minors will be prevented from gaining access to any portion of the licensed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.
- (3) The holder of a temporary sales license may sell wine, malt beverages or cider in factory-sealed containers for consumption off the licensed premises.
- (4) The commission may by rule establish additional eligibility requirements for temporary sales licenses.
- (5) Subject to such qualifications as the commission may establish by rule, persons who hold a full or limited on-premises sales license are eligible for temporary sales licenses.
- (6) A person holding a temporary sales license is not required to obtain a temporary restaurant license or mobile unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service containers are served and only nonperishable food items that are exempted from licensure by the Oregon Health Authority are served.
- (7) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organization licensed under this section are not required to have [server permits nor] alcohol permits or to complete an alcohol [server] education program and examination under ORS 471.542. The commission by rule may establish education requirements for servers described in this subsection.
- (8) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a nonprofit trade association that has a membership primarily comprised of persons that hold winery licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

SECTION 5. ORS 471.322 is amended to read:

- 471.322. (1) If a license issued under this chapter or [a service] an alcohol permit issued under ORS 471.360 is suspended for a period of 30 days or less, the Oregon Liquor Control Commission may impose against the affected licensee or permittee in lieu of or in addition to the suspension a civil penalty fixed by the commission in accordance with subsection (2) of this section if the commission is satisfied that such a penalty in lieu of or in addition to suspension is consistent with the purposes of the Liquor Control Act [and the Oregon Distilled Liquor Control Act]. Upon payment of the penalty in lieu of suspension, the commission shall cancel the suspension.
- (2) Except as provided in ORS 471.327, the penalty which the commission may impose pursuant to subsection (1) of this section against a licensee shall not be less than \$100 nor more than \$5,000. The penalty which the commission may impose pursuant to subsection (1) of this section against a [service] permittee shall not be less than \$25 nor more than \$500.
 - (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

SECTION 6. ORS 471.360 is amended to read:

- 471.360. (1) Except as otherwise provided in ORS 471.375:
- [(a) Any person employed by a licensee of the Oregon Liquor Control Commission who participates in any manner in the mixing, selling or service of alcoholic liquor for consumption on the premises where served or sold shall have a valid service permit issued by the commission.]
- [(b) No licensee of the commission shall permit any person to mix, sell or serve any alcoholic liquor for consumption on licensed premises unless such person has a valid service permit issued by the commission.]
- (a) A person who is employed by a licensee of the Oregon Liquor Control Commission and who participates in or manages the mixing, selling or service of alcoholic liquor must have

a valid alcohol permit issued by the commission.

- (b) A licensee of the commission may not allow a person to mix, sell or serve alcoholic liquor or to manage the mixing, selling or service of alcoholic liquor unless the person has a valid alcohol permit issued by the commission.
- (c) A permittee shall make the [service] **alcohol** permit available at any time while on duty for immediate inspection by any inspector or investigator employed by the commission or by any other peace officer.
- (2) The commission may waive the **alcohol permit** requirement for [a service permit for] an employee of a licensee [whose] **if the** primary function [is not] **of the licensee is other than** the sale of alcoholic liquor or food, including but not limited to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

SECTION 7. ORS 471.365 is amended to read:

471.365. (1) [A service permit shall be] An alcohol permit is a purely personal privilege, valid only upon licensed premises, for the period of time stated [thereon, and may be suspended or revoked] on the permit. The Oregon Liquor Control Commission may suspend or revoke an alcohol permit for any reason set forth in ORS 471.360 to 471.390.

(2) [No service permit shall be used by any person other than the person to whom it is issued.] A person may not use an alcohol permit that was issued to another person. Except as provided in ORS 471.375, the licensee shall verify the identification of the permittee and determine that the permittee has in possession [a service] an alcohol permit before allowing the permittee to mix, sell or serve alcoholic liquor [for consumption on the licensed premises].

SECTION 8. ORS 471.370 is amended to read:

471.370. Unless sooner suspended or revoked, [a service] an alcohol permit expires five years after the date on which the permittee completed the approved alcohol [server] education course under ORS 471.542 that qualified the permittee for the permit.

SECTION 9. ORS 471.375 is amended to read:

471.375. [(1) Any person who has not had a permit refused or revoked or whose permit is not under suspension may mix, sell or serve alcoholic beverages for consumption on licensed premises if the person prepares in duplicate an application for a service permit prior to mixing, selling or serving any alcoholic beverage for consumption on licensed premises and the application is indorsed as required under subsection (2) of this section. A copy of the indorsed application must be kept on the licensed premises by any licensee for whom the person mixes, sells or serves alcoholic beverages and must be made available for immediate inspection by any inspector or investigator employed by the Oregon Liquor Control Commission or by any other peace officer until the applicant receives the service permit.]

- (1)(a) A person may mix, sell or serve alcoholic beverages or manage the mixing, selling or service of alcoholic beverages if:
- (A) The person has not been refused an alcohol permit or had a permit revoked and does not have a permit that is under suspension; and
- (B) Prior to mixing, selling or serving the alcoholic beverages or managing the mixing, selling or service of the alcoholic beverages:
 - (i) The person prepares in duplicate an application for an alcohol permit; and
 - (ii) The application is indorsed as required under subsection (2) of this section.
- (b) A copy of the indorsed application described in paragraph (a) of this subsection must be kept on the licensed premises by any licensee for whom the person mixes, sells or serves alcoholic beverages or manages the mixing, selling or service of alcoholic beverages. The

licensee shall make the indorsed permit application available for immediate inspection by any inspector or investigator employed by the Oregon Liquor Control Commission or by any other peace officer until the applicant receives the alcohol permit.

- (2) An application for [a service] **an alcohol** permit under subsection (1) of this section must be indorsed by one of the following persons:
- (a) The licensee under whose license the applicant will mix, sell or serve alcoholic beverages or manage the mixing, selling or service of alcoholic beverages. If a licensee indorses an application, the licensee must immediately transmit the application to the commission with the fee required by subsection (3) of this section.
- (b) An officer or employee of a company that provides servers to licensees on a temporary basis. The commission must give a company written approval to indorse [service] alcohol permit applications before an application may be indorsed under this paragraph.
- (c) An employee of the commission designated by the commission to accept and indorse applications under this section. The applicant must personally appear before the employee of the commission and provide identification as may be required by commission rule.
- (d) An employee of an alcohol [server] education course provider that has been certified by the commission under ORS 471.542 (8). The employee must be specifically designated by the **course** provider to indorse applications under this section.
- (3) An applicant for [a service] an alcohol permit must be 18 years of age or over. Application for [a service permit shall] an alcohol permit must be made on a form supplied by the commission. The applicant shall truly answer all questions, provide any further information required, and pay a fee not to exceed \$10. The commission shall either set the fee to cover only the administrative costs of the [service] alcohol permit program, or apply any excess to the Alcohol Education Program established under ORS 471.541.

SECTION 10. ORS 471.385 is amended to read:

471.385. (1) The Oregon Liquor Control Commission may revoke or suspend [a service] **an alcohol** permit, or impose a civil penalty in lieu of or in addition to suspension as provided by ORS 471.322, if [it] **the commission** finds or has reasonable grounds to believe any of the following to be true:

- (a) That the permittee has made false statements to the commission.
- (b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the state, general or local, or any misdemeanor or violation of any municipal ordinance committed on the licensed premises.
- (c) That the permittee has performed or permitted any act which would constitute a violation of any provision of this chapter or any rule of the commission, if the act were performed or permitted by any licensee of the commission.
- (2) The issuance, suspension or revocation of a permit under ORS 471.360 to 471.390 does not relieve a licensee from responsibility for any act of an employee on the licensee's premises.
- (3) When there has been a violation of this chapter or any rule adopted [thereunder upon] under this chapter on any premises licensed by the commission, the commission may revoke or suspend either the [service] alcohol permit of the employee who violated the law or rule or the license of the licensee upon whose premises the violation occurred, or both the permit and the license.
- (4) The commission may revoke or suspend any license issued by the commission if the licensee knowingly indorses a person's application for a permit when the person has been refused a permit or has had a permit suspended or revoked, or when the licensee fails to comply with any provision

- to be performed by the licensee under ORS 471.360 to 471.390.
- 2 (5) Civil penalties under this section shall be imposed as provided in ORS 183.745.
 - **SECTION 11.** ORS 471.390 is amended to read:

- 471.390. (1) If [a service] **an alcohol** permit issued under ORS 471.360 to 471.390 is lost, mutilated or destroyed, the permittee shall apply immediately for a duplicate permit on a form to be supplied by the Oregon Liquor Control Commission and submit a fee of \$5.
 - (2) If a permittee changes name by marriage or otherwise, the permittee shall apply immediately for a new [service] **alcohol** permit by forwarding the permit and evidence of the change of name to the commission with an application and a fee of \$5.

SECTION 12. ORS 471.410 is amended to read:

- 471.410. (1) A person may not sell, give or otherwise make available any alcoholic liquor to any person who is visibly intoxicated.
- (2) No one other than the person's parent or guardian may sell, give or otherwise make available any alcoholic liquor to a person under the age of 21 years. A parent or guardian may give or otherwise make alcoholic liquor available to a person under the age of 21 years only if the person is in a private residence and is accompanied by the parent or guardian. A person violates this subsection who sells, gives or otherwise makes available alcoholic liquor to a person with the knowledge that the person to whom the liquor is made available will violate this subsection.
- (3)(a) A person who exercises control over private real property may not knowingly allow any other person under the age of 21 years who is not a child or minor ward of the person to consume alcoholic liquor on the property, or allow any other person under the age of 21 years who is not a child or minor ward of the person to remain on the property if the person under the age of 21 years consumes alcoholic liquor on the property.
 - (b) This subsection:
- (A) Applies only to a person who is present and in control of the location at the time the consumption occurs;
- (B) Does not apply to the owner of rental property, or the agent of an owner of rental property, unless the consumption occurs in the individual unit in which the owner or agent resides; and
- (C) Does not apply to a person who exercises control over a private residence if the liquor consumed by the person under the age of 21 years is supplied only by an accompanying parent or guardian.
- (4) This section does not apply to sacramental wine given or provided as part of a religious rite or service.
- (5) Except as provided in subsection (6) of this section, a person who violates subsection (1) or (2) of this section commits a Class A misdemeanor. Upon violation of subsection (2) of this section, the court shall impose at least a mandatory minimum sentence as follows:
 - (a) Upon a first conviction, a fine of at least \$500.
 - (b) Upon a second conviction, a fine of at least \$1,000.
- 39 (c) Upon a third or subsequent conviction, a fine of at least \$1,500 and not less than 30 days 40 of imprisonment.
 - (6)(a) A person who violates subsection (2) of this section is subject to a mandatory minimum penalty under this subsection if the person does not act knowingly or intentionally and:
 - (A) Is licensed or appointed under this chapter; or
 - (B) Is an employee of a person licensed or appointed under this chapter and holds a valid [service] alcohol permit [or has attended a program approved by the Oregon Liquor Control Commission

1 that provides training to avoid violations of this section].

- (b) For a person described in paragraph (a) of this subsection:
- 3 (A) A first conviction is a Class A violation. The court shall impose a mandatory fine of not less 4 than \$350.
 - (B) A second conviction is a Class A violation. The court shall impose a mandatory fine of not less than \$720.
 - (C) A third conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than \$1,000.
 - (D) A fourth or subsequent conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than \$1,000 and a mandatory sentence of not less than 30 days of imprisonment.
 - (7) The court may waive an amount that is at least \$200 but not more than one-third of the fine imposed under subsection (5) of this section, if the violator performs at least 30 hours of community service.
 - (8) Except as provided in subsection (7) of this section, the court may not waive or suspend imposition or execution of the mandatory minimum sentence required by subsection (5) or (6) of this section. In addition to the mandatory sentence, the court may require the violator to make restitution for any damages to property where the alcoholic liquor was illegally consumed or may require participation in volunteer service to a community service agency.
 - (9) A person who violates subsection (3) of this section commits a violation. Upon violation of subsection (3) of this section, the court shall impose at least a mandatory minimum fine as follows:
 - (a) Upon a first conviction, a fine of \$350.
 - (b) Upon a second or subsequent conviction, a fine of \$1,000.
 - (10) Nothing in this section prohibits any licensee under this chapter from allowing a person who is visibly intoxicated from remaining on the licensed premises [so] **as** long as the person is not sold or served any alcoholic liquor.

SECTION 13. ORS 471.541 is amended to read:

471.541. The Oregon Liquor Control Commission shall establish an Alcohol Education Program. The Alcohol Education Program shall consist of all the duties of the commission in administering [clerk training courses under ORS 471.341 and alcohol server] alcohol education courses under ORS 471.542.

SECTION 14. ORS 471.542 is amended to read:

- 471.542. (1) Except as provided in subsection (2) of this section, the Oregon Liquor Control Commission shall require a person applying for issuance or renewal of [a server] an alcohol permit or any license [that authorizes the] of a type that includes authorization for the retail sale or service of alcoholic beverages [for consumption on the premises] to complete an approved alcohol [server] education course and examination as a condition of the issuance or renewal of the permit or license.
- (2) A person applying for issuance or renewal of a license [that authorizes the] of a type that includes authorization for the retail sale or service of alcoholic beverages [for consumption on the premises need not] is not required to complete an approved alcohol [server] education course and examination as a condition of the issuance or renewal of the license if:
- (a) The license has been restricted by the commission to prohibit **retail** sale or service of alcoholic beverages [for consumption on the premises]; or
 - (b) The person applying for issuance or renewal of the license submits a sworn statement to the

commission stating that the person:

- (A) Will not engage in **the retail** sale or service of alcoholic beverages [for consumption on the premises,];
- **(B)** Will not directly supervise or manage persons who sell or serve alcoholic beverages [on the premises, and]; and
- (C) Will not participate in establishing policies governing the sale or service of alcoholic beverages [on the premises].
- (3) The commission by rule shall establish requirements that licensees and permittees must comply with as a condition of requalifying for a license or permit. The licensee or permittee must comply with those requirements once every five years after completing the initial alcohol [server] education course and examination. The requirements established by the commission to requalify for a license may include retaking the alcohol [server] education course and examination. The requirements established by the commission to requalify for [a service] an alcohol permit shall include retaking the alcohol [server] education course and examination.
- (4) The commission may extend the time periods established by this section upon a showing of hardship. The commission by rule may exempt a licensee from the requirements of this section if the licensee does not participate in the management of the business.
- (5) The standards and curriculum of alcohol [server] education courses shall include but not be limited to the following:
 - (a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.
- (b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription, drugs and illegal drugs.
 - (c) Recognizing the problem drinker and community treatment programs and agencies.
- (d) State alcohol beverage laws such as prohibition of sale to minors and sale to **visibly** intoxicated persons, sale for on-premises or off-premises consumption, hours of operation and penalties for violation of the laws.
 - (e) Drunk driving laws and liquor liability statutes.
- [(f) Intervention with the problem customer including ways to cut off service, ways to deal with the belligerent customer and alternative means of transportation to get the customer safely home.]
- (f) Intervention techniques for dealing with problem or belligerent customers, minors attempting to purchase alcohol and visibly intoxicated persons, including but not limited to, ways to refuse or cut off service to visibly intoxicated persons and alternative means of transportation to get a visibly intoxicated person safely home.
- (g) Advertising and marketing for safe and responsible drinking patterns and standard operating procedures for dealing with customers.
- (6) The commission shall impose a fee not to exceed \$2.60 a year for each license subject to the alcohol [server] education requirement, and a fee not to exceed \$13 for each [service] alcohol permit application. These fees shall be used for administrative costs of the Alcohol Education Program established under ORS 471.541 and shall be in addition to any other license or permit fees required by law or rule.
- (7) The commission shall adopt rules to impose reasonable fees for administrative costs on alcohol [server] education course instructors and providers.
- (8) The commission shall provide alcohol [server] education courses and examinations through independent contractors, private persons or private or public schools certified by the commission. The commission shall adopt rules governing the manner in which alcohol [server] education courses

and examinations are made available to persons required to take the course. In adopting rules under this subsection, the commission shall consider alternative means of providing courses, including but not limited to providing courses through audiotapes, videotapes, the Internet and other electronic media.

SECTION 15. ORS 471.547 is amended to read:

471.547. The Oregon Liquor Control Commission shall establish an Alcohol [Server] Education Advisory Committee consisting of persons representing the commission, the Oregon State Police, the Oregon District Attorneys Association, the Oregon Health Authority, the Department of Transportation, at least one person who is [a service] an alcohol permittee under ORS 471.360, at least one person representing an alcohol education course provider certified under ORS 471.542, one person having expertise in principles of education with an emphasis on adult education, one person having expertise in public health policies, a nonprofit organization the purpose of which is to reduce the incidence of drunk driving, and not more than three associations representing retail licensees and two associations representing insurance companies to assist in:

- (1) The development of the standards, curriculum and materials for the alcohol [server] education courses required under ORS 471.542;
- (2) The examination required by ORS 471.542, and procedures for administering that examination;
- (3) The certification procedures, enforcement policies and penalties for alcohol [server] education course instructors and providers; and
- (4) The development of time requirements for completion of an alcohol [server] education course and examination and conditions for probationary extension.

SECTION 16. ORS 471.549 is amended to read:

471.549. In addition to such other sanctions as may be authorized by law, the Oregon Liquor Control Commission may impose a civil penalty not to exceed \$1,000 against any alcohol [server] education course instructor or provider who violates a rule promulgated by the commission pursuant to ORS 471.542. The civil penalty may be in addition to or in lieu of any suspension, revocation or cancellation of the certification of an alcohol [server] education course instructor or provider.

SECTION 17. (1) The amendments to ORS 471.547 by section 15 of this 2011 Act are intended to change the name of the "Alcohol Server Education Advisory Committee" to the "Alcohol Education Advisory Committee."

(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Alcohol Server Education Advisory Committee," wherever they occur in statutory law, other words designating the "Alcohol Education Advisory Committee."

SECTION 18. ORS 471.341 and 471.380 are repealed.

<u>SECTION 19.</u> (1) Sections 2 and 3 of this 2011 Act, the amendments to ORS 471.190, 471.322, 471.360, 471.365, 471.370, 471.375, 471.385, 471.390, 471.410, 471.541, 471.542, 471.547 and 471.549 by sections 4 to 16 of this 2011 Act and the repeal of ORS 471.341 and 471.380 by section 18 of this 2011 Act become operative on January 1, 2012.

(2) Notwithstanding subsection (1) of this section, section 2 of this 2011 Act and the amendments to ORS 471.322, 471.360, 471.385 and 471.542 by sections 5, 6, 10 and 14 of this 2011 Act, if an employee of a licensee was not required prior to January 1, 2012, to have a server permit, the Oregon Liquor Control Commission may not impose any fine, penalty, licensing or permit sanction or other sanction against the employee or licensee because of a failure

of the employee prior to January 1, 2013, to have an alcohol permit.

(3) For purposes of section 2 of this 2011 Act and the amendments to ORS 471.190, 471.322, 471.360, 471.365, 471.370, 471.375, 471.385, 471.390, 471.410, 471.541, 471.542, 471.547 and 471.549 by sections 4 to 16 of this 2011 Act, a valid server permit issued by the commission prior to January 1, 2012, is equivalent to an alcohol permit. On and after January 1, 2012, if the commission grants an application for renewal of a server permit or issuance of a new server permit due to a name change, the commission shall issue the applicant or permittee an alcohol permit instead of a server permit.

SECTION 20. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.