

House Committee On Business and Labor

**Fiscal:** Fiscal impact issued

**Revenue:** No Revenue Impact

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**Action Date:** 02/23/15

**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.

**Meeting Dates:** 02/04, 02/23

**House**

Yeas: 9 - Barreto, Barton, Doherty, Evans, Weidner, Heard, Holvey, Nosse, Fagan

Exc: 2 - Esquivel, Kennemer

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**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Authorizes off-premises sales licensee to deliver malt beverages to retail customers. Authorizes holder of direct shipper permit to ship malt beverages directly to Oregon customers. Allows brewer licensed in Oregon or another state to hold direct shipper permit. Specifies out-of-state holder of a direct shipper permit issued by Oregon Liquor Control Commission (OLCC) may deliver malt beverages to Oregon residents only if the other state makes direct shipper permits available for malt beverage deliveries to OLCC licensees.

**ISSUES DISCUSSED:**

- Parity with wine and cider for direct shipment
- Opening door for Internet sales of beer
- Wine industry's success with direct shipment
- Projected growth of breweries across the country
- Reciprocity originally required for direct shipment of wine
- Low volume of shipments anticipated

**EFFECT OF COMMITTEE AMENDMENT:**

Adds reciprocity clause by specifying out-of-state holder of an OLCC direct shipper permit may deliver malt beverages to Oregon residents only if the other state makes direct shipper permits available for malt beverage deliveries to Oregon Liquor Control Commission licensees.

**BACKGROUND:**

Under existing statutes, an off-premises licensee (e.g., a grocery store) can deliver wine and cider to retail customers, subject to rules adopted by the Oregon Liquor Control Commission (OLCC). House Bill 2731-A allows these licensees to also deliver malt beverages in similar fashion. The measure also permits the sale of malt beverages through direct shipments to Oregon residents from within Oregon and from out of state. Currently, only wine and cider can be sold and shipped directly to Oregon customers. Any person directly shipping to Oregon consumers would need to obtain a direct shipper permit from the OLCC. By allowing direct shipment of beer to Oregon residents, Oregon brewers hope to encourage other states to open their borders to allow Oregon products to be direct shipped to their residents. The measure includes a reciprocity clause so that malt beverages can be direct shipped to consumers from out of state only if that state allows Oregon to direct ship to its consumers.