

STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 06/05/15

Action: Do Pass As Amended And Be Printed Engrossed.

Meeting Dates: 05/11, 06/05

Vote:

Yeas: 7 - Barton, Doherty, Evans, Fagan, Holvey, Nosse, Weidner

Exc: 4 - Barreto, Esquivel, Heard, Kennemer

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Authorizes holder of off-premises sales license issued by Oregon Liquor Control Commission to deliver malt beverages. Authorizes holder of direct shipper permit to ship malt beverages directly to Oregon customers. Specifies out-of-state holder of a direct shipper permit issued by Commission may deliver malt beverages to Oregon residents only if the other state makes direct shipper permits available for malt beverage deliveries to Commission licensees. Requires direct shipper permit holder to report to the Commission quarterly instead of monthly. Allows off-premises sales licensee to deliver malt beverage without a direct shipper permit. Allows brewery licensee holder to sell at retail malt beverage produced on premises for consumption on or off the premises.

ISSUES DISCUSSED:

- Original measure introduced at request of Joint Interim Task Force on Oregon Liquor Control Commission
- Review of privileges under each type of license during upcoming interim

EFFECT OF COMMITTEE AMENDMENT:

Replaces A-engrossed measure.

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). Senate Bill 583-B 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.

Under current law, the holder of a brewery license can sell the malt beverages that it brews on site for consumption on the licensed premises, typically in on-site restaurant. Senate Bill 583-B extends the privilege to sell for off-premises consumption, as long as the beverage was brewed on site. This will allow the sale of growlers and bottles, the same privilege enjoyed by brewery-public house licensees.