Alcohol Delivery in Oregon: Major Historical Milestones



- **1933-1937** | THE ORIGINS: The Oregon legislature contemplated and allowed for alcohol delivery to consumers in the 1933 Oregon Liquor Control Act, and expanded on the concept some in the years shortly thereafter.
 - L. 1933 2d. S.S. Section 42: "...and provided further that this last section shall not be construed so as to prevent any
 person residing in such county or city from ordering and having delivered to the home of the person, for the
 personal use of self and family, alcoholic liquors purchased from the commission or from persons duly licensed to
 sell them under this act."
 - This concept is included and the language is substantially the same in the current version of ORS 471.510.1
 - L. 1937 Section 24-117: "....The sale of alcoholic liquors under any license issued by the commission shall be restricted to the premises described in the license, but deliveries may be made by the licensee to customers pursuant to bona fide orders received in advance by the licensee at said premises."
 - This concept is included in the current version of ORS 471.305.
- 1949 | CLARIFYING LANGUAGE: the legislature added some clarifying language to Section 24-117 in 1949:
 - L. 1949 Section 24-117: "....The sale of alcoholic liquors under any license issued by the commission [authorizing retail sales by a licensee] shall be restricted to the premises described in the license, but deliveries may be made by the licensee to customers pursuant to bona fide orders received on the licensed premises prior to delivery."
 - It is this version of the language that remains in effect today as a part of ORS 471.305.
- 1988 | FIRST DELIVERY RULES: OLCC adopted the first rule² directly addressing delivery of alcohol to consumers. OAR 845-06-029 was effective on July 1, 1988 and it allowed for retail delivery of wine and malt beverages to Oregon consumers. ORS 471.305 is cited as the statutory basis for the rule. Licensees' employees or common carriers could complete the deliveries to Oregon consumers.
- 1989 | INTERSTATE SHIPPING OF WINE: ORS 471.229 was enacted to allow for interstate shipment of wine by off-premises retailers or wineries to consumers if sending/receiving state allowed Oregon wine to be shipped to consumers (reciprocal requirement). OLCC adopted a new rule in response to the statute: OAR 845-05-080, effective November 1, 1989, which addressed the Out of State Wine Shipper license. It allowed the out of state parties to accept orders by phone or in writing in addition to in-person. In addition, the legislature added language to ORS 471.223 (Winery license statute) that expressly allowed intrastate shipment of wine to consumers, but required orders to be made in-person on the licensed premises.
- 1990 | SAME-DAY AND NEXT-DAY DELIVERIES: The OLCC amended OAR 845-06-029 (rule now addressed next-day deliveries) and adopted a new rule, OAR 845-06-028 (addressing same-day deliveries, effective November 1, 1990). The rules allowed for orders to be received in-person, by phone, mail, facsimile, telegraph, or other similar means. For same-day delivery, alcohol could account for no more than 25% of the cost of the order. Deliveries needed to occur by 9:00 pm. No volume limit. No parameters related to time of order placement. In the case of next-day deliveries, no limitations were included with respect to alcohol vs. non-alcohol items, time of order, or time for delivery.
- 1991 COMMON CARRIER (FOR-HIRE CARRIER) PLAN REQUIRED: Effective November 1, 1991, OAR 845-05-080 and OAR 845-06-029 were amended to require that if eligible licensees and permit holders used a third-party to conduct deliveries, they may only use a common carrier and the common carrier was required to have a plan approved by the Commission for carrying out deliveries.

¹ NOTE: Oregon Revised Statute numbering and use of Chapters 471-474 for Liquor Control Act began in 1953.

² NOTE: Regulation 1 addressed legal hours for sale in Oregon (pre Oregon Administrative Rules structure). In 1951, the regulation was amended to add "delivering or permitting removal of alcohol liquor to, on, or from any licensed premises..." to the license activities that were prohibited between the hours of 1 am and 7 am. This regulation was later renumbered under the OAR structure as 10-005 and in 1974 was amended to state "no package stores licensee (Off-Premises Sales licensee today) shall sell, dispense, deliver, or permit the removal of any alcoholic liquor from the licensed premises between the hours of 1:00 am – 7:00 am", but 1988 is the first time when deliveries of alcohol to consumers were truly addressed in rule.

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- 1996-1997 | TWO-CASE LIMIT/DISTILLED SPIRITS: ORS 471.223 and ORS 471.229 were amended to limit wineries and out-of-state shippers to shipping no more than two 9 Liter cases of wine to a consumer per month. ORS 471.223 was also amended to eliminate the in-person purchase requirement. OLCC amended OAR 845-05-080 to put the limit in rule. OLCC also adopted a new rule in 1997, OAR 845-06-027, that defined terms related to shipment and delivery of alcohol to Oregon consumers and to identify all the actors eligible to ship alcohol to consumers in one rule. Importantly, the rule noted that distilled spirits could not be shipped to Oregon consumers, except that Retail Sales Agents could ship to Oregon consumers after an in-person sale was completed.
- 2000 REFINEMENT IN RULE: OLCC completed a restructuring and supplementation of the rules related to deliveries of alcohol. OAR 845-005-0420 and OAR 845-006-0395 addressed same-day deliveries. No substantial changes made, other than modifying the list of eligible licensees (limited to Off-Premises Sales licensees who also held a Full or Limited On-Premises Sales license and Brewery Public House licensees). OAR 845-005-0422 and OAR 845-006-0398 addressed next-day deliveries. As before, any licensee whose license privileges included off-premises sales was eligible to conduct next-day deliveries. OAR 845-005-0424 was adopted to set the plan requirements for common (for-hire) carriers in a separate rule. Out of state wine shipper requirements were now addressed in OAR 845-005-0423 (requirements remained the same). OAR 845-006-0395 was adopted and included almost everything in what was previously numbered as OAR 845-06-027.
- 2007 | DIRECT SHIPPER PERMIT STRUCTURE: In response to the 2005 U.S.S.C. <u>Granholm</u> case, ORS 471.229 was renumbered to ORS 471.282 and the Direct Shipper permit concept was introduced and restructured the way alcohol delivery to consumers was allowed in Oregon. As a result of this restructuring, the Direct Shipper permit replaced the Out of State Wine Shipper permit to allow out of state shippers of wine (wineries or retail licensees with off-premises privileges) to ship wine to Oregon consumers. The reciprocal requirement was eliminated. Oregon Wineries, Breweries, Brewery Public Houses, Grower Sales Privilege licensees, and Off-Premises Sales licensees received a Direct Shipper permit automatically with license, which allowed wine to be shipped/delivered to consumers in Oregon.
- 2008 OLCC IMPLEMENTATION OF DIRECT SHIPPER PERMIT STRUCTURE: Legislature removed Off-Premises Sales license from the Direct Shipper permit category and instead just provided Off-Premises Sales licensees with shipping/delivery privileges directly in the license statute (ORS 471.186). The change allowed Off-Premises Sales licensees to ship an unlimited amount of wine to Oregon consumers each month. OLCC updated and renumbered alcohol delivery and shipment rules to respond to statutory amendments from the 2007 and 2008 sessions. The 2008 rule package included almost all the same rules that are included in the 2020 alcohol delivery package (including OAR 845-005-0417, OAR 845-005-0424, OAR 845-006-0392, OAR 845-006-0396, and OAR 845-015-0141). The structure developed through this 2008 alcohol delivery package is essentially what the OLCC had in place, pre-COVID.
- **2013** | EXPANDED DELIVERY HOURS: OLCC amended delivery rules to allow for later ordering and delivery of alcohol (latest ordering time was previously 7 pm, now moved to 7:01 pm 9 pm and latest delivery time was previously 9 pm and moved to 10 pm, with volume limited).
- 2015 | MALT BEVERAGES IN STATUTE: Legislature amended ORS 471.186 and ORS 471.282 to address delivery of malt beverages in statute. Amendments to ORS 471.282 limited out of state parties' ability to ship malt beverage to Oregon consumers based on reciprocity. Justification was that *Granholm* only applied to wine. OLCC rules already contemplated delivery of malt beverages to Oregon consumers. Minor modifications to rules.
- **2020** COVID-19: In March and April of 2020, the OLCC temporarily amended all rules included in the package for discussion in this permanent rulemaking effort in response to the COVID-19 pandemic.