

OLCC COVID RESPONSE PIVOTING IN 2020

House Economic Development Committee

December 17, 2020



OLCC ENFORCING SOCIAL DISTANCING PUBLIC HEALTH & SAFETY

- **Social Distancing and Masking Up!**
 - Implemented a violation for any licensee violating an Executive Order issued by the Governor

Enforcement is a Process of Compliance

- ✓ Compliance education: Verbal Instruction (VI) for Social Distancing (SD) & Face Masks (FM)
- ✓ Issued Notice of Violation Tickets (NVT)
- ✓ Conducted complaint driven investigations
- ✓ Referred violations to OSHA upon repeat violations
- ✓ Issued immediate alcohol license suspensions

OLCC Enforcement 2020 Stats

	Visits	OLCC VI	OLCC NVT	VI for SD & FM	OSHA Referrals
TOTALS	9273	156	60	467	82
		Immediate Suspensions			6

OLCC BUSINESS CONTINUITY

ECONOMIC SUPPORT

- **Economic Support**

- ✓ Fast-tracked existing licensees privilege to deliver beer, wine and cider
- ✓ Enabled “Curbside” delivery of wine, cider, beer and distilled spirits
- ✓ Streamlined alcohol service area expansion (Outdoor Parklets)
- ✓ Postponed renewal fees and waived late fees for license applicants
- ✓ Enabled licensees to operate with an expired liquor license
- ✓ Enabled licensees to suspend their Limited Liability Insurance (LLI)

- **Business Support**

- Streamlined options for licensee to expand to outdoor areas
- Provided industry with guidance (Delivery, LLI, Virtual Tastings)
- Enabled Oregon Distillers to provide limited home delivery of their products

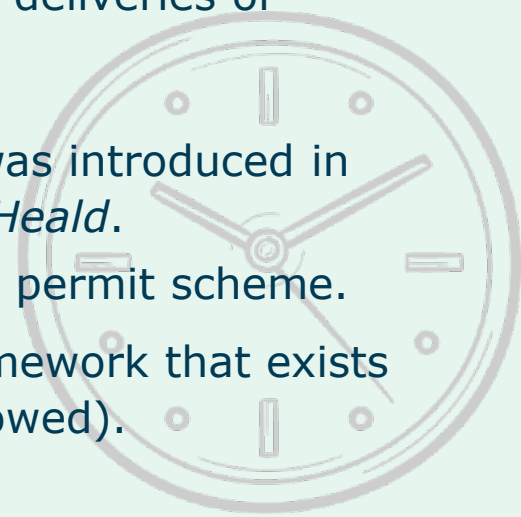




HOME DELIVERY OF ALCOHOL IN OREGON

HOME DELIVERY MAJOR HISTORICAL MILESTONES

- **1933-1949:** The concept of home delivery of alcohol was included in the 1933 Liquor Control Act and was expanded upon some in 1937 and again in 1949.
 - Concepts introduced during this time period survive in statute today.
- **1988-1991:** In 1988, the OLCC adopted the first alcohol delivery rules.
 - In 1991, the concept of using a third-party to carry our deliveries of alcohol to consumers was addressed in rule.
- **2007-2008:** In 2007 the direct shipper permit structure was introduced in statute in response to a 2005 U.S.S.C. case, *Granholm v. Heald*.
 - In 2008 OLCC went to rulemaking to implement the DS permit scheme.
 - This serves as the backbone of the alcohol delivery framework that exists today (expanded incrementally over the years that followed).



2020 COVID-19 RESPONSE: ALCOHOL DELIVERY RULEMAKING - TEMPORARY

- **March – April 2020:** The OLCC adopted temporary rules and implemented policy changes in response to COVID-19
 - Allowed licensed businesses to shift to off-premises sales model
 - Put businesses in a better position to reduce the risk of community spread of the COVID-19 virus
- Key actions included:
 - Fast-tracked off-premises license for existing restaurants and bars
 - Streamlined existing delivery rules
 - Allowed distillery agents to conduct home deliveries
 - Provided guidance on use of third-party platforms



2020 COVID-19 RESPONSE: ALCOHOL DELIVERY RULEMAKING - PERMANENT

- **July – September 2020**

- The OLCC carried out permanent rulemaking for alcohol delivery
 - COVID-19 virus was still widespread in the state
 - Temporary rule limitations set by the Oregon APA required action
 - Needed to provide continuity to businesses
 - The types of modifications included in the delivery package were needed regardless of pandemic
- What was the result?
 - July: Convened rules advisory committee (RAC)
 - Made adjustments to package based on recommendations from RAC members
 - In addition to modernizing the framework, package included new safeguards
 - September: Commission adopted rules as permanent



2020 ALCOHOL DELIVERY RULES

WHAT CHANGED IN 2020?

- **WHAT DID CHANGE?**

- ✓ Eliminated the “same-day” vs. “next-day” construct
 - Most notably: time of day when the order is received by a business does not impact the volume or time for delivery (used to apply in the “same-day” context)
- ✓ Created uniformity for deliveries of alcohol between all licensees and out of state shippers

- **WHAT DID NOT CHANGE?**

- ✓ The container sizes and daily limits on the volume of alcohol that could be delivered
- ✓ The latest time for delivery of alcohol on the same day the order is received
- ✓ Existing public safety requirements at the door for alcohol deliveries – age verification, no VIPs, recordkeeping

- **ADDITIONAL SAFEGUARDS**

- ✓ Daily volume limits and hours for delivery apply regardless of whether delivery occurs on same day order is received or any day thereafter
- ✓ New delivery record requirement for For-Hire Carriers delivering on behalf of licensees or permittees – tool for deterring illegal/counterfeit alcohol sales
- ✓ Clarified that licensees or permittees may be held responsible for a For-Hire Carrier’s liquor law violations related to completing an order on behalf of a licensee or permittee

ALCOHOL DELIVERY IN OREGON

THE PATH FORWARD

- **Fortifying alliances with public health partners**
 - Implementation of the public health impact statement in the rulemaking process
 - Joint Policy Implementation Framework: Alcohol and Drug Policy Commission– speak with one voice
 - New public health and consumer protection analyst to assist with evaluating public health impacts and liaising across agencies
- **Due diligence in evaluating the marketplace and future action**
 - **Ongoing:**
 - NABCA survey to collect data from Oregonians related to consumer purchasing and alcohol consumption behavior during COVID
 - Initiating an alcohol delivery compliance verification program. Checking compliance on the part of both licensees and third-party, for-hire carriers
 - Regular development and updates to guidance related to conducting legal home deliveries of alcohol
 - **Need:** future legislation to allocate resources for a more robust oversight and education program for alcohol delivery drivers and the ecommerce marketplace
 - **Ready:** if the legislature moves forward with “cocktails to go” OLCC is ready to implement



OLCC SUPPORTING HEALTH & INDUSTRY MOVING FORWARD...

- **Coordination**

- Governor's office and legislature for policy direction
- OHSA/OHA – social distancing communications, compliance education, enforcement
- Listening and working with the industry

- **Continuing licensee support**

- Helping licensees' maintain their businesses
- Ensuring opportunity for hospitality industry employment
- Promoting public health best practices
- Preventing the sale/service to minors and over-service

- **Managing Business**

- Generating revenue for the State, Cities and Counties
- Continuous improvement, innovation and investment



Inter-agency Public Health Impact Analysis Framework

Unified, inter-agency cooperation that works together to share information and resources, conduct research and analysis, summarize information related to public health (*incl. but not limited to: infectious disease transmission, addictions disease*) across state government, and provide information for decision-making.

Oregon Liquor Control Commission, Oregon Health Authority, & Alcohol & Drug Policy Commission

- Commissioner-to-Commissioner communication between OLCC and DAPC
- Executive Leadership from OHA, ADPC, and OLCC engage in information sharing, strategic design of policy, confer at various points before and after decision making, and take direction from the Governor's Office
- Identify and cooperate to achieve public health common goals and objectives among ADPC, OLCC, and OHA

Policy Development & Implementation

- Executive leadership from OHA, ADPC, and OLCC direct staff to work cooperatively on analysis of public health impact of OLCC rules
- Staff confer to develop evaluation questions, present evidence-informed policy recommendations
- Weigh public health and safety considerations related to the sale and service of alcohol and cannabis
- Develop and submit Public Health Questionnaire for consideration by OLCC Commissioners during rulemaking

Intended Outcomes

- Develop and sustain inter-agency communication, analysis, and impact related to common goals and objectives
- Use Public Health Questionnaire to assess the health and safety implications of proposed changes to alcohol and cannabis rules
- "Speak with one voice" related to state government's evaluation of public health impact of alcohol and marijuana
- Continuously improve our own effectiveness in policymaking that serves the interests of Oregonians

OLCC POLICY WORK

MOVING FORWARD...

- **Governor's Budget and the Warehouse Capital Bonding**
- **2021 Agency Bills and Legislative Technical Fixes**
- **Alcohol and Drug Policy Commission Relationship**
- **Distilled Spirits Floor Pricing**



OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

