

HB 3386 -3 STAFF MEASURE SUMMARY
House Committee On Economic Development

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Meeting Dates: 4/3, 4/8

WHAT THE MEASURE DOES:

Identifies types of businesses eligible to deliver distilled liquor, malt beverages, wine, or cider to persons taking possession for personal or social use at a residential address. Defines terms. Creates for-hire carrier permit that allows holder to deliver alcoholic beverages to final consumer at residential address and use Internet or mobile applications to facilitate the sale for delivery of alcoholic beverages. Set certain requirements of for-hire carrier permit holders and premises for business operations. Requires Oregon Liquor Control Commission to adopt rules to limit amount of alcoholic beverages that for-hire carrier delivers at the same residential address on purchase or next business day. Prohibits for-hire carrier from warehousing alcoholic beverages. Allows for-hire carrier to charge liquor store agent, eligible business, or final consumer a fee for delivery of alcoholic beverages. Sets sanctions and penalties for violations by for-hire carrier. Sets for-hire carrier annual fee at \$500 with no bond requirement.

ISSUES DISCUSSED:

- Requirements of and relationships between permit holders, employees, and contractors
- Definitions used and clarity of terms for alcohol delivery purposes
- Changes to direct shippers under measure
- Oregon Liquor Control Commission authorities for noncompliance

EFFECT OF AMENDMENT:

-3 Allows distilled liquor to be delivered to consumer by liquor store agent, alcohol delivery service permit holder, or noncommercial provider. Allows malt beverages, wine, and cider to be delivered to consumer by eligible business, alcohol delivery service permit holder, common carrier permit holder, direct shipper permit holder, or noncommercial provider. Creates alcohol delivery service permit and allows permit holder to operate digital network to provides means by which driver takes possession of alcoholic liquor from an eligible business and delivers on same day to final consumer at residential address. Prohibits permit holder from holding any other alcohol license, permit, or certificate; manufacturing alcoholic liquor; selling alcoholic liquor; storing alcoholic liquor; or transferring possession to an individual under 21 years of age. Provides that use of commercial motor vehicle to transport or deliver alcoholic liquor does not require alcohol delivery service permit. Specifies that common carrier permit allows a commercial transporter of goods to deliver alcoholic liquor from direct shipper permit holder to final consumer at residential address.

Set certain requirements of alcohol delivery service permit holders and business premises. Requires Oregon Liquor Control Commission to adopt rules. Allows alcohol delivery service permit holder to charge liquor store agent, eligible business, or final consumer a fee for delivery of alcoholic beverages. Sets sanctions and penalties for violations by alcohol delivery service permit or common carrier permit. Sets annual fee for alcohol delivery service permit or common carrier permit at \$500 with no bond requirement. Allows purchase of alcoholic liquor by Internet or telephone from Commission liquor stores if transferred to a purchaser in person or to driver for alcohol delivery service permit.

BACKGROUND:

HB 3386 -3 STAFF MEASURE SUMMARY

The Oregon Liquor Control Commission (OLCC) oversees the sale of alcoholic beverages and recreational marijuana to allow access to responsible adults while protecting Oregon’s public health, safety, and community livability. The OLCC was created in 1933 during a special session of the Legislative Assembly following the end of national prohibition. Oregon chose a “control” system, giving the state the exclusive right to sell packaged distilled spirits through retail liquor stores operated by contracted agents, and is one of seventeen states that sell distilled spirits through government-operated stores or designated outlets that the state supervises under a sales agent contract. The OLCC manages and distributes distilled spirits, licenses and regulates businesses that sell and serve alcohol, and trains and issues permits for alcohol servers.

Legislation enacted in 2008 first allowed OLCC off-premises sales license holders to deliver wine or cider to Oregon residents after obtaining a direct shipper permit. Malt beverages were added in 2015. OLCC has adopted specific rules guiding the delivery of malt beverages, wine, or cider. OLCC rules also allow shipment of distilled spirits purchased in-person at a retail liquor store location to a resident of Oregon who is at least 21 years of age.

House Bill 3386 allows distilled liquor to be delivered to a final consumer at a residential address by a liquor store agent, for-hire carrier permit holder, or noncommercial provider. The measure allows malt beverages, wine, or cider to be delivered to a final consumer at a residential address by an eligible business (certain license types), for-hire carrier permit holder, or or noncommercial provider. The measure creates a for-hire carrier permit, sets requirements for permit holder, and establishes sanctions and penalties for violations by a for-hire carrier.