

**A-Engrossed**  
**House Bill 3386**

Ordered by the House April 12  
Including House Amendments dated April 12

Sponsored by Representative DOHERTY

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Identifies types of businesses eligible to deliver distilled liquor, malt beverages, wine or cider to person taking possession **at residential address** for personal or social use. Creates [*for-hire carrier*] **alcohol delivery service** permit. [*Authorizes permit holder to provide Internet or mobile applications for use by eligible business to sell alcoholic beverages to person for personal or social use. Authorizes permit holder to*] **Provides means for dispatching drivers to** deliver alcoholic beverages from eligible business to person taking possession **at residential address** for personal or social use.

**Creates common carrier permit for commercial transporters of goods. Authorizes permit holder to deliver malt beverages, wine and cider shipped by holder of direct shipper permit to person taking possession at residential address for personal or social use.**

**A BILL FOR AN ACT**

1  
2 Relating to alcoholic beverages; creating new provisions; and amending ORS 471.311, 471.322 and  
3 471.750.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 to 5 of this 2019 Act are added to and made a part of ORS chapter**  
6 **471.**

7 **SECTION 2. As used in sections 2 to 5 of this 2019 Act:**

8 (1) **"Eligible business" means the holder of:**

9 (a) **An off-premises sales license issued under ORS 471.186;**

10 (b) **A brewery-public house license issued under ORS 471.200;**

11 (c) **A brewery license issued under ORS 471.221;**

12 (d) **A winery license issued under ORS 471.223; or**

13 (e) **A grower sales privilege license issued under ORS 471.227.**

14 (2) **"Final consumer" means a person taking possession of alcoholic beverages for per-**  
15 **sonal or social use, and not for resale.**

16 (3) **"Liquor store agent" means an Oregon Liquor Control Commission agent appointed**  
17 **under ORS 471.750 to operate a store.**

18 (4) **"Noncommercial provider" means a person that delivers alcoholic beverages to a final**  
19 **consumer at a residential address without receiving any direct or indirect financial consid-**  
20 **eration for the alcoholic beverages or delivery of the alcoholic beverages.**

21 (5) **"Residential address" means a place:**

22 (a) **That has a street address; and**

23 (b) **That is used as a residence or for carrying on a business that is not regulated under**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 this chapter.

2 **SECTION 3.** (1) An alcohol delivery service permit allows the permit holder to operate a  
3 digital network in this state that provides the means by which a driver is dispatched to take  
4 possession of alcoholic liquor from an eligible business and deliver the alcoholic liquor on the  
5 same day to the final consumer at a residential address.

6 (2) An alcohol delivery service permit holder, a driver or an employee or agent acting for  
7 the permit holder, may not:

8 (a) Hold any other license, permit or certificate under this chapter or be a manufacturer  
9 of alcoholic liquor whose products are sold in this state;

10 (b) Sell alcoholic liquor;

11 (c) Store alcoholic liquor; or

12 (d) Transfer possession of alcoholic liquor to an individual who is under 21 years of age.

13 (3) The use of a commercial motor vehicle as defined in ORS 801.208, a vehicle described  
14 in ORS 825.020 or a commercial vehicle registered under ORS chapter 826 to transport or  
15 deliver alcoholic liquor does not require an alcohol delivery service permit.

16 **SECTION 4.** A common carrier permit allows a commercial transporter of goods to de-  
17 liver alcoholic liquor that a direct shipper permit holder has entrusted to the transporter to  
18 a final consumer at a residential address. A permit is valid for all premises operated in this  
19 state by the permit holder and for all deliveries of alcoholic liquor to a final consumer at a  
20 residential address made through those premises.

21 **SECTION 5.** (1) Distilled liquor may be delivered to a final consumer at a residential ad-  
22 dress in this state only by a liquor store agent, alcohol delivery service permit holder or  
23 noncommercial provider.

24 (2) Malt beverages, wine and cider may be delivered to a final consumer at a residential  
25 address only by an eligible business, alcohol delivery service permit holder, common carrier  
26 permit holder, direct shipper permit holder or noncommercial provider.

27 (3) Subsections (1) and (2) of this section do not authorize any delivery in violation of a  
28 requirement, condition, restriction or prohibition imposed under this chapter or Oregon Li-  
29 quor Control Commission rules.

30 (4) A delivery of alcohol by an alcohol delivery service permit holder is subject to any  
31 requirement, condition, restriction or prohibition imposed on the delivery under this chapter  
32 or commission rules.

33 (5) An alcohol delivery service permit must identify a business address that the permit  
34 holder has registered with the Secretary of State. The commission may charge a fee for an  
35 alcohol delivery service permit. An alcohol delivery service permit is valid for all premises  
36 that the holder operates in connection with the permit. An alcohol delivery service permit  
37 holder may not operate any premises in connection with the permit at the same street ad-  
38 dress as a liquor store, a premises licensed under this chapter or a place used for the ac-  
39 tivities of a business licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

40 (6)(a) An alcohol delivery service permit holder may deliver:

41 (A) Distilled liquor under the permit only if the distilled liquor is in factory-sealed con-  
42 tainers.

43 (B) Malt beverage, wine or cider under the permit only if the malt beverage, wine or cider  
44 is in factory-sealed containers or containers sealed by the eligible business.

45 (b) A common carrier permit holder may deliver malt beverage, wine or cider under the

1 **permit only if the malt beverage, wine or cider is in factory-sealed containers.**

2 **(7) The commission may adopt rules to limit the amount that an alcohol delivery service**  
3 **permit holder delivers to the same residential address in a single day. The commission may**  
4 **prohibit an alcohol delivery service permit holder from delivering alcohol for an eligible**  
5 **business during hours that the eligible business is not open for the selling of alcohol.**

6 **(8) An alcohol delivery service permit holder may charge a liquor store agent, eligible**  
7 **business or final consumer a fee for delivering alcoholic beverages. Except as provided under**  
8 **this subsection, an alcohol delivery service permit holder may not sell alcoholic beverages.**  
9 **This subsection does not prohibit a retail licensee as defined in ORS 471.392 that holds an**  
10 **interest in an alcohol delivery service permit holder from selling alcoholic beverages as au-**  
11 **thorized by that retail license.**

12 **(9) An alcohol delivery service permit does not make the permit holder a manufacturer,**  
13 **wholesaler or retail licensee for purposes of ORS 471.392 to 471.400.**

14 **(10) If an alcohol delivery service permit holder or a driver for the permit holder commits**  
15 **a violation of this chapter in delivering alcohol under the permit or violates any require-**  
16 **ments, condition, restriction or prohibition imposed on the delivery under this chapter or**  
17 **commission rules, the commission may impose sanctions under ORS 471.315 or 471.322**  
18 **against, or require corrective actions by, the permit holder. Notwithstanding ORS 471.344,**  
19 **the commission may allow, or may require as a corrective action under this subsection, that**  
20 **an alcohol delivery service permit holder or a driver for the permit holder attend responsible**  
21 **vendor program training under ORS 471.344.**

22 **SECTION 6.** ORS 471.311 is amended to read:

23 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make  
24 application to the Oregon Liquor Control Commission upon forms to be furnished by the commission  
25 showing the name and address of the applicant, location of the place of business that is to be op-  
26 erated under the license, and such other pertinent information as the commission may require. A  
27 license may not be granted or renewed until the applicant has complied with the provisions of this  
28 chapter and the rules of the commission.

29 (2) The commission may reject any application that is not submitted in the form required by  
30 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.  
31 A hearing under this subsection is not subject to the requirements for contested case proceedings  
32 under ORS chapter 183.

33 (3) The commission shall charge an application fee, not to exceed \$150, to process an application  
34 for the issuance of a new license under this chapter or a license following a change in ownership.  
35 The application fee applies only to an application for a class of license having an annual license fee.  
36 The application fee is nonrefundable, except that the commission shall refund the fee if the applicant  
37 completes, submits and maintains an application and the commission does not, on or before 75 days  
38 following receipt of the completed application, propose that the license be granted, granted with  
39 conditions or refused. The commission shall adopt rules to:

40 (a) Establish application fees by class of license; and

41 (b) Define a completed application for purposes of this subsection.

42 (4) Subject to subsection (5) of this section, the commission shall assess a nonrefundable fee for  
43 processing a renewal application for any license authorized by this chapter only if the renewal ap-  
44 plication is received by the commission less than 20 days before expiration of the license. If the  
45 renewal application is received prior to expiration of the license but less than 20 days prior to ex-

1 piration, the fee shall be 25 percent of the annual license fee. If a renewal application is received  
 2 by the commission after expiration of the license but no more than 30 days after expiration, the fee  
 3 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-  
 4 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

5 (5) The commission may waive the fee imposed under subsection (4) of this section if the com-  
 6 mission finds that failure to submit a timely application was due to unforeseen circumstances or to  
 7 a delay in processing the application by the local governing authority that is no fault of the licensee.

8 (6) The license fee is nonrefundable and must be paid by each applicant upon the granting or  
 9 committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the  
 10 minimum bond required of each class of license under this chapter are as follows:

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License	Fee	Minimum Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None
Wholesale Malt Beverage		
and Wine	\$ 275	\$ 1,000
Warehouse	\$ 100	\$ 1,000
Brewery-Public House,		
including Certificate		
of Approval	\$ 250	\$ 1,000
Limited On-Premises Sales	\$ 200	None
Off-Premises Sales	\$ 100	None
Temporary Sales	\$ 50 per day	
Grower sales privilege		
license	\$ 250	\$ 1,000
Special events brewery		
license	\$ 10 per day	
Special events winery		
license	\$ 10 per day	
Special events grower		
sales privilege		
license	\$ 10 per day	
Special events		
brewery-public house		
license	\$ 10 per day	
Special events		
distillery		
license	\$ 10 per day	

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45 (7) The fee for a certificate of approval or special certificate of approval granted under ORS

1 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a  
2 certificate of approval or special certificate of approval. No bond is required for the granting of a  
3 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-  
4 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-  
5 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special  
6 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval  
7 is \$10.

8 (8) Except as provided in subsection (9) of this section, the annual license fee for a full on-  
9 premises sales license is \$400. No bond is required for any full on-premises sales license.

10 (9) The annual license fee for a full on-premises sales license held by a nonprofit private club  
11 as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered  
12 with the state, is \$200.

13 (10) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.

14 **(11) The annual fee for an alcohol delivery service permit or common carrier permit is**  
15 **\$500. No bond is required for an alcohol delivery service permit or common carrier permit.**

16 **SECTION 7.** ORS 471.322 is amended to read:

17 471.322. (1) If a license issued under this chapter, **an alcohol delivery service permit, a**  
18 **common carrier permit** or a service permit issued under ORS 471.360 is suspended for a period  
19 of 30 days or less, the Oregon Liquor Control Commission may impose against the affected licensee  
20 or permittee in lieu of or in addition to the suspension a civil penalty fixed by the commission in  
21 accordance with subsection (2) of this section if the commission is satisfied that such a penalty in  
22 lieu of or in addition to suspension is consistent with the purposes of the Liquor Control Act and  
23 the Oregon Distilled Liquor Control Act. Upon payment of the penalty in lieu of suspension, the  
24 commission shall cancel the suspension.

25 (2) Except as provided in ORS 471.327, the penalty *[which]* **that** the commission may impose  
26 *[pursuant to]* **under** subsection (1) of this section against a licensee shall not be less than \$100 nor  
27 more than \$5,000. The penalty *[which]* **that** the commission may impose *[pursuant to]* **under** sub-  
28 section (1) of this section against a service permittee shall not be less than \$25 nor more than \$500.

29 **(3) The penalty that the commission may impose under subsection (1) of this section**  
30 **against an alcohol delivery service permit holder or common carrier permit holder shall not**  
31 **be less than \$100 or more than \$500. However, the commission may impose a civil penalty**  
32 **against an alcohol delivery service permit holder or common carrier permit holder only if:**

33 **(a) The common carrier or a driver for the alcohol delivery service permit holder know-**  
34 **ingly failed to acquire the signature of a person over 21 years of age or older when delivering**  
35 **alcoholic liquor; and**

36 **(b) The seller or shipper of the alcoholic liquor requires that a common carrier or alcohol**  
37 **delivery service driver acquire the signature of a person over 21 years of age or older before**  
38 **delivering alcoholic liquor sold or shipped to a final consumer in this state. As used in this**  
39 **subsection, "final consumer" has the meaning given that term in section 2 of this 2019 Act.**

40 *[(3)]* (4) Civil penalties under this section shall be imposed as provided in ORS 183.745.

41 **SECTION 8.** ORS 471.750 is amended to read:

42 471.750. (1) The Oregon Liquor Control Commission shall establish such stores and warehouses  
43 in such places in the state as in its judgment are required by public convenience or necessity, for  
44 the sale of spirituous liquors, wines and other alcoholic liquors containing over five percent alcohol  
45 by volume, in sealed containers for consumption off the premises. The commission shall keep on

1 hand in such stores or warehouses such quantities and kinds of alcoholic liquors as are reasonably  
2 required to supply the public demand.

3 (2) Any person qualified to purchase such liquors from the commission has the right to present  
4 to the commission, or at any of its stores, an application for any kind or brand of alcoholic liquor  
5 that the person may desire and that may be manufactured or obtainable in any place in the United  
6 States, and the commission shall obtain such liquor and sell it to the applicant. The commission may  
7 not require that an application for a kind or brand of alcoholic liquor include a commitment to  
8 purchase a minimum amount of the liquor or require that a purchase be for more than one container  
9 of a kind or brand of alcoholic liquor if the liquor:

10 (a) Except as provided in subsection [(5)] (6) of this section, has a retail sales price of \$30 or  
11 more per container;

12 (b) Is available through a distributor in the United States that does not require the commission  
13 to acquire more than one case of the distilled liquor in a single transaction;

14 (c) Is not regularly stocked by the commission; and

15 (d) Is ordered in a 750 milliliter container size if available in that size.

16 (3) The commission may not establish a store in any county or incorporated city of this state  
17 where a local prohibitory law is in effect. The commission shall adopt rules governing advertising  
18 by stores operated by the commission. The commission may appoint agents in the sale of said liquor  
19 under such agreement as the commission may negotiate with said agents or their representative.

20 (4) Rules relating to advertising adopted by the commission under subsection (3) of this section  
21 shall allow signs and displays within its stores for the purpose of supplying consumer information  
22 to customers, including but not limited to discounts, sales and other specials. Commission discretion  
23 with respect to those signs and displays shall be limited to regulation of the content, size, number  
24 per brand, type and duration of the sign or display. Signs and displays may be supplied by man-  
25 ufacturers, wholesalers or distributors, and may bear the name of a particular distillery, supplier  
26 or brand of liquor. The use of signs and displays shall be optional with the agent appointed by the  
27 commission. Signs or displays authorized by the commission may not be placed in positions within  
28 the store where the sign or display would be readily visible from outside of the store.

29 **(5) The commission shall allow the purchasing of alcoholic liquor from its liquor stores**  
30 **by use of Internet or telephone. However, a liquor store must transfer possession of alco-**  
31 **holic liquor to a purchaser in person or to a driver for an alcohol delivery service holding a**  
32 **permit issued under section 3 of this 2019 Act.**

33 [(5)] (6) The commission may annually adjust the price threshold established in subsection (2)(a)  
34 of this section by a percentage equal to the percentage change in the Portland-Salem, OR-WA Con-  
35 sumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor  
36 Statistics of the United States Department of Labor. However, the commission may not adjust the  
37 price threshold to be less than \$30.

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