

## **HB 4117 -4 STAFF MEASURE SUMMARY**

### **House Committee On Economic Development**

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**Meeting Dates:** 2/5, 2/12

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#### **WHAT THE MEASURE DOES:**

Authorizes an eligible business to deliver malt beverages, wine, or cider to a final consumer through the use of a delivery person. Authorizes an Oregon Liquor Control Commission (OLCC) retail sales agent to deliver distilled liquor to a final consumer through the use of a delivery person. Sets requirements for a delivery person and conditions for alcohol to be delivered by delivery person. Allows OLCC to develop, implement, and maintain an electronic system for consumer ordering of distilled liquor from retail sales agents. Allows registered third party provider to provide technology that facilitates the ordering and payment by a final consumer and to direct or deploy a delivery person to deliver alcoholic beverages on behalf of an eligible business or retail sales agent. Requires a written agreement between an eligible business or retail sales agent and a third party provider and specifies agreement terms. Allows third party provider and delivery person to charge a fee for delivering alcoholic beverages. Sets civil penalties for delivery person and third party provider. Adds training in making delivery to a final consumer part of the service permit training. Requires that shipment of alcoholic beverages to a final consumer made under a direct shipper permit be delivered to a final consumer by a person having the qualifications of a delivery person. Removes restriction on visibility of signs or displays at liquor stores.

#### **ISSUES DISCUSSED:**

- Restricting delivery locations
- Challenges to refusing service for delivery persons
- Liability of delivery persons

#### **EFFECT OF AMENDMENT:**

-4 Replaces measure. Authorizes holders of an off-premises sales license or a direct shipper permit holder for same-day delivery to deliver malt beverages, wine, or cider to a final consumer through the use of a delivery person. Authorizes an Oregon Liquor Control Commission (OLCC) retail sales agent to deliver distilled liquor to a final consumer through the use of a delivery person. Sets requirements for a delivery person and conditions for alcohol to be delivered by delivery person. Allows OLCC to develop, implement, and maintain an electronic system for consumer ordering of distilled liquor from retail sales agents. Distinguishes functions of third party delivery provider and electronic commerce platform provider. Allows retail licensee or individual with a service permit to also be an electronic commerce platform provider or third party delivery provider. Allows alcoholic beverages to be ordered for delivery through electronic platforms or applications provided by a third party delivery provider or electronic commerce platform provider and sets requirements. Requires a written agreement to use the services of a third party delivery provider or electronic commerce platform provider and specifies agreement terms. Requires OLCC permission for retail sales agents to enter into the agreements. Allows third party delivery providers and delivery persons to charge a fee for delivering alcoholic beverages. Exempts the delivery or transportation of alcohol by a motor carrier, freight forwarder, or air carrier. Removes restriction on visibility of signs or displays at liquor stores. Makes delivery provisions operative on January 1, 2021. Requires OLCC to convene a work group to identify additional regulatory provisions for delivery of alcoholic beverages to a final consumer and report on rulemaking and recommendations for legislation to Legislative Assembly by September 15, 2020. Takes effect 91st day after adjournment sine die.

#### **BACKGROUND:**

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*This summary has not been adopted or officially endorsed by action of the committee.*

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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 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 4117 allows eligible businesses and OLCC retail sales agents to deliver alcoholic beverages to a final consumer through the use of a delivery person; sets the requirements for delivery persons and the conditions for alcohol delivery; and allows electronic platforms or technology to facilitate consumer ordering, payment, and delivery of alcoholic beverages.