

HB 4138 A STAFF MEASURE SUMMARY

Carrier: Rep. Hieb

House Committee On Economic Development and Small Business**Action Date:** 02/15/24**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 10-0-1-0**Yeas:** 10 - Bynum, Diehl, Elmer, Lively, Nguyen D, Osborne, Pham H, Ruiz, Walters, Yunker**Exc:** 1 - Javadi**Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Prepared By:** Andrew Hendrie, LPRO Analyst**Meeting Dates:** 2/6, 2/15**WHAT THE MEASURE DOES:**

The measure authorizes the Oregon Liquor and Cannabis Commission (OLCC) to establish a fee for third party delivery permits. It further requires sales license applicants (for a full on-premise sales license, limited on-premise sales license, brewery-public house license, a brewery license, winery license, grower sales privilege license, or distillery license) to apply for a service permit. In addition, the measure authorizes OLCC to issue a temporary service permit while an applicant is waiting for a permanent service permit to be approved. The measure also specifies who must have a service permit and under what circumstances and conditions OLCC may waive the requirement, as well as establishing guidelines for issuance, revocation, and renewal of service permits and temporary service permits. The measure declares an emergency and takes effect on passage.

ISSUES DISCUSSED:

- Oversight of alcohol delivered to the door
- Oversight of temporary permits

EFFECT OF AMENDMENT:

The amendment adds an applicant for a grower sales privilege license to the types of licensees required to apply for a service permit. It further specifies who must have a service permit and under what circumstances and conditions the Oregon Liquor and Cannabis Commission may waive the requirement, and establishes guidelines for issuance, revocation, and renewal of a service permit or a temporary service permit.

BACKGROUND:

[House Bill 3308](#) (2023) authorized the Oregon Liquor Control Commission (OLCC) to establish a system to issue permits to third-party facilitators to deliver alcoholic beverages, on behalf of an eligible business, to final consumers. The measure did not give express authority to OLCC to adopt a monetary fee. This measure gives OLCC rule making authority to establish a fee for an alcohol delivery permit and eligibility criteria for issuance and renewal of service permits and temporary service permits.

A service permit is a permit issued by OLCC to employees who serve alcohol in restaurants, taverns, nightclubs, bars, lounges, private clubs, and similar businesses. A service permit costs \$23.00 plus \$5.65 portal provider fee and is good for 5 years. A temporary service permit is a service permit issued to an applicant while waiting for the final approval of a service permit.

The alcohol delivery permit is a separate permit from the alcohol service permit. The program to issue those permits has not yet started.