

HB 4138 A STAFF MEASURE SUMMARY**Carrier:** Sen. Frederick**Senate Committee On Labor and Business****Action Date:** 02/28/24**Action:** Do pass the A-Eng bill.**Vote:** 5-0-0-0**Yeas:** 5 - Bonham, Hansell, Jama, Patterson, Taylor**Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 2/26, 2/28**WHAT THE MEASURE DOES:**

The measure authorizes the Oregon Liquor and Cannabis Commission (OLCC) to establish a fee for third party delivery facilitator permits. It also requires specified sales license applicants who intend to offer alcoholic beverages for consumption on the licensed premises (full on-premises sales license, limited on-premises sales license, brewery-public house license, brewery license, winery license, or grower sales privilege license) to apply for a service permit. The measure authorizes OLCC to issue a temporary service permit. The measure also specifies who must have a service permit or temporary 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:

- Authorizes Oregon Liquor and Cannabis Commission (OLCC) to implement alcohol delivery program
- Brings alignment to various OLCC license types
- OLCC rulemaking authority

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2021, the Legislative Assembly enacted Senate Bill 317. SB 317 allowed a full on-premises sales licensee to sell and deliver mixed drinks and single servings of wine in a sealed container for off-premises consumption beginning January 1, 2022. SB 317 required that sales be made directly to the consumer but permitted delivery through a third party. Following the passage of SB 317, the Oregon Liquor Control Commission (OLCC) completed a study of alcohol delivery by third-party carriers in Oregon. The OLCC determined that there was need for improvement regarding ID checking compliance by third-party carriers. In 2023, the Legislative Assembly enacted House Bill 3308, which authorized 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. HB 3308 did not give express authority to OLCC to adopt a monetary fee for these permits.

House Bill 4138 A gives OLCC authority to establish a fee for issuing and renewing a third-party delivery facilitator permit.

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 is valid for five years and does have a fee.

House Bill 4138 A allows OLCC to issue a temporary service permit to an applicant who is waiting for final approval of a service permit and requires an applicant for specified license types that allow on-premises consumption of alcoholic beverages to apply for a service permit if the applicant intends to offer alcoholic beverages for

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consumption on the premises.