

A-Engrossed
House Bill 4138

Ordered by the House February 19
Including House Amendments dated February 19

Sponsored by Representatives HIEB, NOSSE, Senator FREDERICK; Representatives DIEHL, SANCHEZ, Senator DEMBROW (Pre-session filed.)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says the OLCC can let a person work before they get a real permit, makes some people apply for permits and lets the OLCC charge a new fee. (Flesch Readability Score: 74.8).

Allows the Oregon Liquor and Cannabis Commission to issue [*provisional*] **temporary** service permits to an applicant for a service permit. Requires an applicant for a license that allows on-premises consumption to apply for a service permit **if the applicant intends to offer alcoholic beverages for consumption on the licensed premises**. Allows the commission to charge a fee for issuance or renewal of a third-party delivery facilitator service permit.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to the Oregon Liquor and Cannabis Commission; creating new provisions; amending ORS 471.175, 471.178, 471.190, 471.200, 471.221, 471.223, 471.227, 471.313, 471.315, 471.360, 471.365, 471.375, 471.380, 471.385, 471.534 and 471.542; and declaring an emergency.

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

ALCOHOL SERVICE PERMITS

SECTION 1. ORS 471.175 is amended to read:

471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine, malt beverages, cider and distilled liquor. Except as provided in this section and ORS 471.176, all alcoholic beverages sold under a full on-premises sales license must be consumed on the licensed premises.

(2) A full on-premises sales license may be issued only to a:

(a) Nonprofit private club, as described in subsection (11) of this section.

(b) Public passenger carrier as provided in ORS 471.182.

(c) Commercial establishment, as defined in ORS 471.001 (2).

(d) Public location that does not qualify for licensing under paragraphs (a) to (c) of this subsection if:

(A) Food is cooked and served at the location;

(B) The predominant business activity at the location is other than the preparation or serving of food or the serving of alcohol; and

(C) The location meets any minimum food service requirements established by Oregon Liquor and Cannabis Commission rule.

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 (e) Caterer, subject to the requirements of ORS 471.184.

2 (3) The holder of a full on-premises sales license shall allow a patron to remove a partially
3 consumed bottle of wine from the licensed premises if the wine is served in conjunction with the
4 patron's meal, the patron is not a minor and the patron is not visibly intoxicated.

5 (4) The holder of a full on-premises sales license may purchase any distilled liquor from an agent
6 of the commission appointed pursuant to ORS 471.750 at a discount of not more than five percent
7 off the regular listed price fixed by the commission, together with all taxes, in a manner prescribed
8 by commission rule. For purposes of compensation by the commission, the appointed agent shall be
9 credited with such sales at full retail cost. The commission may not require the licensee to purchase
10 more than one container of distilled liquor at a time if the distilled liquor:

11 (a) Except as provided in subsection (12) of this section, has a retail sales price of \$30 or more
12 per container;

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

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

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

17 (5) The holder of a full on-premises sales license may purchase distilled liquor only from a retail
18 sales agent of the commission or from another person licensed under this section who has purchased
19 the distilled liquor from a retail sales agent of the commission.

20 (6) The holder of a full on-premises sales license may purchase for sale at retail malt beverages,
21 wine and cider only from a holder of a license or permit issued by the commission that authorizes
22 sales of malt beverages, wine or cider at wholesale to licensees of the commission.

23 (7) The holder of a full on-premises sales license may sell for consumption off the licensed
24 premises malt beverages, wine and cider in securely covered containers provided by the consumer
25 that have capacities of not more than two gallons each.

26 (8) The holder of a full on-premises sales license may sell for consumption off the licensed
27 premises malt beverages, wine and cider in factory-sealed containers.

28 (9)(a) The holder of a full on-premises sales license may deliver malt beverages, wine and cider
29 that are sold for off-premises consumption under the privileges of the license to retail customers in
30 this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the licensee
31 are subject to any rules adopted by the commission relating to deliveries made under this sub-
32 section.

33 (b) The holder of a full on-premises sales license that uses a third-party delivery facilitator to
34 make deliveries under this subsection is not responsible for ensuring that the deliveries made by the
35 third-party delivery facilitator meet any requirements applicable to the deliveries.

36 (10) On or before the 20th day of each month, the holder of a full on-premises sales license shall
37 submit to the commission a report showing the quantity of malt beverages, wine or cider received
38 from the holder of a direct to retailer permit issued under ORS 471.274 during the immediately
39 preceding calendar month, and any other information required by the commission by rule.

40 (11) A nonprofit private club, including but not limited to a fraternal or veterans organization,
41 may qualify for a full on-premises sales license under this section only if the club meets any mini-
42 mum membership, nonprofit status and food service requirements established by commission rule.

43 (12) Beginning January 1, 2017, the commission may annually adjust the price threshold estab-
44 lished in subsection (4)(a) of this section by a percentage equal to the percentage change in the
45 Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bu-

1 reau of Labor Statistics of the United States Department of Labor. However, the commission may
2 not adjust the price threshold to be less than \$30.

3 **(13) An applicant for a full on-premises sale license that intends to offer alcoholic**
4 **beverages for consumption on the licensed premises shall at the time of application apply for**
5 **a service permit under ORS 471.375.**

6 [(13)] (14) The commission may adopt rules to carry out this section.

7 **SECTION 2.** ORS 471.178 is amended to read:

8 471.178. (1) The holder of a limited on-premises sales license may sell by the drink at retail wine,
9 malt beverages and cider. Except as provided in this section, all alcoholic beverages sold under a
10 limited on-premises sales license must be consumed on the licensed premises.

11 (2) The holder of a limited on-premises sales license may sell malt beverages, wine and cider in
12 factory-sealed containers for consumption off the licensed premises.

13 (3) The holder of a limited on-premises sales license may sell for consumption off the licensed
14 premises malt beverages, wine and cider in securely covered containers provided by the consumer
15 and that have capacities of not more than two gallons each.

16 (4)(a) The holder of a limited on-premises sales license may deliver malt beverages, wine and
17 cider that are sold for off-premises consumption under the privileges of the license to retail cus-
18 tomers in this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the
19 holder of a limited on-premises sales license are subject to any rules adopted by the commission
20 relating to deliveries made under this subsection.

21 (b) The holder of a limited on-premises sales license that uses a third-party delivery facilitator
22 to make deliveries under this subsection is not responsible for ensuring that the deliveries made by
23 the third-party delivery facilitator meet any requirements applicable to the deliveries.

24 (5) The holder of a limited on-premises sales license shall allow a patron to remove a partially
25 consumed bottle of wine from the licensed premises if the wine is served in conjunction with the
26 patron's meal, the patron is not a minor and the patron is not visibly intoxicated.

27 (6) The holder of a limited on-premises sales license may purchase for sale at retail malt
28 beverages, wine and cider only from the holder of a license or permit issued by the commission that
29 authorizes sales of malt beverages, wine or cider at wholesale to licensees of the commission.

30 (7) On or before the 20th day of each month, the holder of a limited on-premises sales license
31 shall submit to the commission a report showing the quantity of malt beverages, wine or cider re-
32 ceived from the holder of a direct to retailer permit issued under ORS 471.274 during the imme-
33 diately preceding calendar month, and any other information required by the commission by rule.

34 **(8) An applicant for a limited on-premises sale license that intends to offer alcoholic**
35 **beverages for consumption on the licensed premises shall at the time of application apply for**
36 **a service permit under ORS 471.375.**

37 [(8)] (9) The commission may adopt rules to carry out this section.

38 **SECTION 3.** ORS 471.190 is amended to read:

39 471.190. (1) The holder of a temporary sales license may **sell**:

40 (a) [Sell] At retail by the drink wine, malt beverages, cider and distilled liquor.

41 (b) [Sell] For consumption off the licensed premises wine, malt beverages and cider in factory-
42 sealed containers.

43 (c) [Sell] For consumption off the licensed premises wine, malt beverages and cider in securely
44 covered containers supplied by the consumer and having capacities of not more than two gallons
45 each.

1 (2) Distilled liquor served by the holder of a temporary sales license must be purchased from a
2 retail sales agent of the Oregon Liquor and Cannabis Commission. The holder of a temporary sales
3 license must provide food service as required by commission rule.

4 (3) A temporary sales license may be issued only to:

5 (a) Nonprofit or charitable organizations that are registered with the state.

6 (b) A political committee that has filed a statement of organization under ORS 260.039 or
7 260.042.

8 (c) State agencies.

9 (d) Local governments, and agencies and departments of local governments.

10 (e) Persons not otherwise described in this subsection, as long as the applicant submits a plan
11 that is approved by the commission detailing how minors will be prevented from gaining access to
12 alcoholic beverages and how minors will be prevented from gaining access to any portion of the li-
13 censed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.

14 (4) The commission may by rule establish additional eligibility requirements for temporary sales
15 licenses.

16 (5) Subject to such qualifications as the commission may establish by rule, persons who hold a
17 full or limited on-premises sales license are eligible for temporary sales licenses.

18 (6) A temporary sales license issued to a person described in subsection (3)(a), (c) or (d) of this
19 section authorizes the holder of the temporary sales license to:

20 (a)(A)(i) Have on a single licensed premises more than one location at which wine, malt
21 beverages or cider is sold at retail by the drink or for consumption off the licensed premises; and

22 (ii) Have on a single licensed premises more than one location at which wine, malt beverages,
23 cider or distilled liquor is sold at retail by the drink; or

24 (B) Have up to three separate premises in this state licensed under the temporary sales license
25 at which wine, malt beverages or cider is sold for consumption off the licensed premises; and

26 (b) Operate for up to 30 days, whether or not the days are consecutive.

27 (7) The commission may adopt rules to carry out subsection (6) of this section.

28 (8) A person holding a temporary sales license is not required to obtain an intermittent tempo-
29 rary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mobile
30 unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service con-
31 tainers are served and only nonperishable food items that are exempted from licensure by the
32 Oregon Health Authority are served.

33 (9) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organ-
34 ization licensed under this section are not required to have service permits **or temporary service**
35 **permits** or to complete an alcohol server education program and examination under ORS 471.542.
36 The commission by rule may establish education requirements for servers described in this sub-
37 section.

38 (10) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a
39 nonprofit trade association that has a membership primarily composed of persons that hold winery
40 licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

41 (11) The holder of a temporary sales license that uses a third-party delivery facilitator to make
42 deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the third-
43 party delivery facilitator meet any requirements applicable to the deliveries.

44 (12)(a) The holder of a temporary sales license may purchase for sale at retail malt beverages,
45 wine and cider only from the holder of a license or permit issued by the commission that authorizes

1 sales of malt beverages, wine or cider at wholesale to licensees of the commission.

2 (b) The holder of a temporary sales license that is an entity described in subsection (3)(a) to (d)
3 of this section may accept donations of malt beverages, wine or cider in accordance with rules
4 adopted by the commission.

5 (13) On or before the 20th day of each month, the holder of a temporary sales license shall
6 submit to the commission a report showing the quantity of malt beverages, wine or cider received
7 from the holder of a direct to retailer permit issued under ORS 471.274 during the immediately
8 preceding calendar month, and any other information required by the commission by rule.

9 (14) The commission may adopt rules to carry out this section.

10 **SECTION 4.** ORS 471.200 is amended to read:

11 471.200. (1) A brewery-public house license allows the licensee to:

12 (a) Manufacture on the licensed premises, store, transport, sell to wholesale malt beverage and
13 wine licensees of the Oregon Liquor and Cannabis Commission and export malt beverages;

14 (b) Sell malt beverages manufactured on or off the licensed premises at retail for consumption
15 on or off the premises;

16 (c) Sell malt beverages in brewery-sealed packages at retail directly to the consumer for con-
17 sumption off the premises;

18 (d) Sell on the licensed premises at retail malt beverages manufactured on or off the licensed
19 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the
20 premises, delivery of which may be made in a securely covered container supplied by the consumer;

21 (e) Sell wine and cider at retail for consumption on or off the premises;

22 (f) Sell for consumption off the premises wines and cider in securely covered containers supplied
23 by the consumer and having capacities of not more than two gallons each;

24 (g) Conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this sub-
25 section at two locations other than the premises where the manufacturing occurs;

26 (h) Obtain a special events brewery-public house license entitling the holder to conduct the ac-
27 tivities allowed under paragraphs (b) to (f) of this subsection at a designated location other than the
28 location set forth in the brewery-public house license for a period not exceeding five days;

29 (i) Distribute malt beverages manufactured at the licensed premises to any other premises li-
30 censed to the same licensee, whether a manufacturer, wholesaler or retail premises; and

31 (j) Distribute for export, in any amount, malt beverages manufactured at the licensed premises.

32 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year
33 a brewery-public house licensee may sell at wholesale and distribute to licensees of the commission
34 no more than 7,500 barrels of malt beverages produced by the brewery-public house licensee.

35 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
36 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
37 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
38 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
39 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the
40 licensee, is also a manufacturer for the purposes of ORS 471.394 and, except as otherwise provided
41 by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other in-
42 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
43 any other retail licensee, as defined in ORS 471.392.

44 (4)(a) Except as provided in this subsection, a brewery-public house licensee, or any person
45 having an interest in the licensee, is a retail licensee for the purposes of ORS 471.398 and, except

1 as otherwise provided by this section and ORS 471.400, may not accept directly or indirectly any
2 financial assistance described in ORS 471.398 from any manufacturer or wholesaler, as defined in
3 ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is
4 also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this sec-
5 tion and ORS 471.400, may not provide directly or indirectly any financial assistance described in
6 ORS 471.398 to any retail licensee, as defined in ORS 471.392. The prohibitions on financial assist-
7 ance in ORS 471.398 do not apply to financial assistance between manufacturing and retail busi-
8 nesses licensed to the same person under the provisions of this section.

9 (b) The commission may issue more than one brewery-public house license at a single premises
10 if each licensee:

11 (A) Has a valid Brewer's Notice issued by the federal Alcohol and Tobacco Tax and Trade Bu-
12 reau at the premises address; and

13 (B) Otherwise complies with ORS 471.398.

14 (c) A brewery-public house licensee may produce malt beverages for another brewery-public
15 house licensee under a custom order agreement. The commission may adopt rules regarding the
16 contents of custom order agreements.

17 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
18 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
19 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
20 warehouse license authorized by ORS 471.242.

21 (6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for
22 limited on-premises sales licenses and temporary sales licenses.

23 (7) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
24 having an interest in the licensee, may also hold a full on-premises sales license. If a person holds
25 both a brewery-public house license and a full on-premises sales license, nothing in this chapter shall
26 prevent the sale by the licensee of both distilled liquor and malt beverages manufactured under the
27 brewery-public house license.

28 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any
29 person having an interest in the licensee, may also hold a distillery license. No provision of this
30 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-
31 pointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled
32 liquors under ORS 471.230.

33 (9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a
34 brewery-public house licensee to coproduce special events with other manufacturers.

35 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,
36 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does
37 not result in exercise of control over, or participation in the management of, the manufacturer's or
38 wholesaler's business or business decisions and does not result in exclusion of any competitor's
39 brand of alcoholic liquor.

40 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,
41 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly
42 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-
43 sult in exercise of control over, or participation in the management of, the licensee's business or
44 business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

45 (11) A brewery-public house licensee may purchase for sale at retail:

1 (a) Wine and cider only from the holder of a license or permit issued by the commission that
2 authorizes the sale of wine or cider at wholesale to licensees of the commission; and

3 (b) Malt beverages not manufactured by the brewery-public house licensee only from the holder
4 of a license or permit issued by the commission that authorizes the sale of malt beverages at
5 wholesale to licensees of the commission.

6 (12) On or before the 20th day of each month, a brewery-public house licensee shall submit to
7 the commission a report showing the quantity of malt beverages, wine or cider received from the
8 holder of a direct to retailer permit issued under ORS 471.274 during the immediately preceding
9 calendar month, and any other information required by the commission by rule.

10 (13) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to
11 be a manufacturer.

12 (14) The holder of a brewery-public house license that uses a third-party delivery facilitator to
13 make deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the
14 third-party delivery facilitator meet any requirements applicable to the deliveries.

15 **(15) An applicant for a brewery-public house license that intends to offer alcoholic**
16 **beverages for consumption on the licensed premises shall at the time of application apply for**
17 **a service permit under ORS 471.375.**

18 ~~[(15)]~~ (16) The commission may adopt rules to carry out this section.

19 **SECTION 5.** ORS 471.221 is amended to read:

20 471.221. (1) As used in this section, “common control” means:

21 (a) That a manufacturer, or any officer, director, substantial stockholder or other substantial
22 equity holder in the manufacturer:

23 (A) Directly or indirectly holds 50 percent or more interest in the brewery licensee; or

24 (B) Has authority to direct the management of the brewery licensee; or

25 (b) That a brewery licensee, or any officer, director, substantial stockholder or other substantial
26 equity holder in the brewery licensee:

27 (A) Directly or indirectly holds 50 percent or more interest in another manufacturer; or

28 (B) Has authority to direct the management of another manufacturer.

29 (2) A brewery license authorizes the licensee to:

30 (a) Manufacture malt beverages on the licensed premises.

31 (b) Sell to wholesale malt beverage and wine licensees, import, store, transport or export:

32 (A) Malt beverages produced on the licensed premises; or

33 (B) Malt beverages of a brand produced by a manufacturer that is under common control with
34 the brewery licensee.

35 (c) Sell wine, malt beverages or cider on the licensed premises at retail for consumption on or
36 off the licensed premises.

37 (d) Sell, in securely covered containers supplied by the consumer and having a capacity of not
38 more than two gallons each, wine, malt beverages or cider for off-premises consumption.

39 (e) Obtain a special events brewery license that entitles the holder to conduct the activities al-
40 lowed under paragraphs (c) and (d) of this subsection at a designated location other than the one
41 set forth in the brewery license for a period not exceeding five days.

42 (f) Notwithstanding ORS 471.392 to 471.400, subject to ORS 471.175, hold a full on-premises sales
43 license.

44 (g) Conduct any activities authorized under paragraph (c), (d) or (f) of this subsection at up to
45 two additional locations approved by the Oregon Liquor and Cannabis Commission.

1 (3) Subject to ORS 471.235, a brewery licensee may hold a wholesale malt beverage and wine
2 license. A brewery licensee must hold a wholesale malt beverage and wine license if the brewery
3 licensee:

4 (a) Imports, stores, transports or exports malt beverages of brands that are not produced by the
5 licensee or a manufacturer under common control with the licensee; or

6 (b) Except as provided in this paragraph, sells or distributes malt beverages. This paragraph
7 does not apply to malt beverages described in subsection (2)(a) or (b) of this section sold at a li-
8 censed premises described in subsection (2)(a) of this section.

9 (4) A brewery licensee and a winery licensee may not be under common control unless the
10 winery licensee:

11 (a) Uses its premises to produce wine or cider; and

12 (b) Holds a valid producer and blender basic permit issued by the federal Alcohol and Tobacco
13 Tax and Trade Bureau.

14 (5) Notwithstanding any other provision of this chapter, a brewery licensee, a manufacturer that
15 is under common control with the brewery licensee or any officer, director, substantial stockholder
16 or other substantial equity holder in the brewery licensee or in a manufacturer that is under com-
17 mon control with the brewery licensee may not sell malt beverages at retail at more than three lo-
18 cations in this state regardless of the number or type of licenses held by the licensee, manufacturer,
19 officer, director, stockholder or equity holder.

20 (6) A brewery licensee may produce malt beverages for a brewery-public house licensee under
21 a custom order agreement. The commission may adopt rules regarding the contents of custom order
22 agreements.

23 (7) A brewery licensee that uses a third-party delivery facilitator to make deliveries on behalf
24 of the licensee is not responsible for ensuring that deliveries made by the third-party delivery
25 facilitator meet any requirements applicable to the deliveries.

26 **(8)(a) An applicant for a brewery license that intends to offer alcoholic beverages for**
27 **consumption on the licensed premises shall at the time of application apply for a service**
28 **permit under ORS 471.375.**

29 **(b) The commission may adopt rules to carry out this subsection.**

30 **SECTION 6.** ORS 471.223 is amended to read:

31 471.223. (1) As used in this section, "control" means that the licensee:

32 (a) Owns the brand under which the wine or cider is labeled; or

33 (b) Performs or has the legal right to perform all of the acts common to a brand owner under
34 the terms of a trademark license or similar agreement that for the brand under which the wine or
35 cider is labeled has a term of at least three years.

36 (2) The holder of a winery license may:

37 (a) Import wine or cider in containers that have a capacity of more than four liters.

38 (b) Import wine or cider in containers that have a capacity of four liters or less if the brand of
39 wine or cider is under the control of the licensee.

40 (c) Bottle, produce, blend, store, transport or export wines or cider.

41 (d) Sell wines or cider at wholesale to the Oregon Liquor and Cannabis Commission or to
42 licensees of the commission.

43 (e) Sell wines or cider at retail directly to the consumer for consumption on or off the licensed
44 premises.

45 (f) Sell malt beverages at retail for consumption on or off the licensed premises.

1 (g) Sell for consumption off the premises malt beverages, wines and cider in securely covered
2 containers that are supplied by the consumer and have capacities of not more than two gallons each.

3 (h) Conduct under the winery license any activities described in paragraphs (a) to (g) of this
4 subsection at five or fewer premises designated by the commission.

5 (i) Purchase from or through the commission brandy or other distilled liquors for fortifying
6 wines or cider.

7 (j) Obtain a special events winery license that entitles the holder to conduct the activities al-
8 lowed under paragraphs (e) to (g) of this subsection at a designated location other than the one set
9 forth in the winery license for a period not to exceed five days.

10 (3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from
11 the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

12 (4) Except as provided in subsection (5) of this section, in order to hold a winery license the
13 licensee shall:

14 (a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued
15 by the federal Alcohol and Tobacco Tax and Trade Bureau; or

16 (b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol
17 and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under par-
18 agraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine
19 or cider that is under the control of the licensee.

20 (5) Subsection (4) of this section does not apply if a licensee produces only cider under the
21 winery license.

22 (6) A winery licensee may sell and ship malt beverages, wine or cider directly to a resident of
23 this state only if the licensee has a direct shipper permit issued under ORS 471.282.

24 (7) A winery licensee, or any person having an interest in the licensee, may also hold a full
25 on-premises sales license. If a winery licensee, or a person having an interest in the licensee, also
26 holds a full on-premises sales license, the provisions of this chapter do not prevent the licensee or
27 person from both selling wine or cider bottled and produced under the winery license and selling
28 alcoholic liquor as authorized under the full on-premises sales license.

29 (8) More than one winery licensee may exercise the privileges of a winery license at a single
30 location. The commission may not refuse to issue a winery license to a person for the production
31 of wine or cider on specified premises based on the fact that other winery licensees also produce
32 wine or cider on those premises.

33 (9) If a winery licensee does not possess at a bonded premises within Oregon a valid producer
34 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the
35 licensee may exercise the privileges described in this section only for wine and cider brands that
36 are under the control of the licensee.

37 (10) The holder of a winery license that uses a third-party delivery facilitator to make deliveries
38 on behalf of the winery licensee is not responsible for ensuring that deliveries made by the third-
39 party delivery facilitator meet any requirements applicable to the deliveries.

40 (11)(a) **An applicant for a winery license that intends to offer alcoholic beverages for**
41 **consumption on the premises shall at the time of application apply for a service permit under**
42 **ORS 471.375.**

43 **(b) The commission may adopt rules to carry out this subsection.**

44 **SECTION 7.** ORS 471.227 is amended to read:

45 471.227. (1) A grower sales privilege license [*shall allow*] **allows** the licensee to perform the

1 following activities only for fruit or grape wine or cider where all of the fruit or grapes used to
2 make the wine or cider are grown in Oregon under the control of the licensee to:

3 (a) Import, store, transport or export *[such]* **the** wines or cider.

4 (b) Sell *[such]* **the** wines or cider at wholesale to the Oregon Liquor and Cannabis Commission
5 or licensees of the commission.

6 (c) Sell *[such]* **the** wines or cider at retail directly to the consumer for consumption on or off
7 the licensed premises.

8 (d) Sell at retail for consumption off the licensed premises malt beverages and *[such]* **the** wines
9 and cider in securely covered containers provided by the consumer and having capacities of not
10 more than two gallons each.

11 (e) Conduct some or all of the activities allowed under paragraphs (a) to (d) of this subsection
12 at a second or third premises as may be designated by the commission.

13 (f) Obtain a special events grower sales privilege license *[which shall entitle]* **that entitles** the
14 holder to conduct the activities allowed under paragraphs (c) and (d) of this subsection at a desig-
15 nated location other than the one set forth in the grower sales privilege license for a period not to
16 exceed five days.

17 (2) A grower sales privilege licensee shall allow a patron to remove a partially consumed bottle
18 of wine from the licensed premises if the patron is not a minor and the patron is not visibly
19 intoxicated.

20 (3) For purposes of ORS 471.392 to 471.400, a grower sales privilege licensee shall be considered
21 a manufacturer.

22 (4) A person holding a winery license in another state is not eligible for a license under this
23 section.

24 (5) A person licensed under this section is not eligible for a limited on-premises sales license
25 or an off-premises sales license.

26 (6) As used in this section, “control” means the grower either owns the land upon which the
27 fruit or grapes are grown or has a legal right to perform or does perform all of the acts common
28 to fruit farming or viticulture under terms of a lease or similar agreement of at least three years’
29 duration.

30 (7) For the purposes of tax reporting, payment and record keeping, the provisions of law that
31 *[shall]* apply to a manufacturer under ORS chapter 473 *[shall]* apply to a grower sales privilege
32 licensee, but *[such a licensee]* **a grower sales privilege licensee** is not a manufacturer for purposes
33 of ORS 473.050 (5).

34 (8) A grower sales privilege licensee that uses a third-party delivery facilitator to make deliv-
35 eries on behalf of the licensee is not responsible for ensuring that deliveries made by the third-party
36 delivery facilitator meet any requirements applicable to the deliveries.

37 **(9)(a) An applicant for a grower sales privilege license that intends to offer alcoholic**
38 **beverages for consumption on the licensed premises shall at the time of application apply for**
39 **a service permit under ORS 471.375.**

40 **(b) The commission may adopt rules to carry out this subsection.**

41 **SECTION 8.** ORS 471.313 is amended to read:

42 471.313. (1) The Oregon Liquor and Cannabis Commission may refuse to issue a license, or may
43 issue a restricted license, to any applicant under the provisions of this chapter if the commission
44 has reasonable ground to believe any of the following to be true:

45 (a) That there are sufficient licensed premises in the locality set out in the application, or that

1 the granting of a license in the locality set out in the application is not demanded by public interest
2 or convenience. In determining whether there are sufficient licensed premises in the locality, the
3 commission shall consider seasonal fluctuations in the population of the locality and shall ensure
4 that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

5 (b) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is
6 not maintaining the insurance or bond required by ORS 471.168.

7 (c) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for con-
8 sumption on the premises has been financed or furnished with money or property by, or has any
9 connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

10 (d) That the applicant:

11 (A) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to
12 excess.

13 (B) Has made false statements to the commission.

14 (C) Is incompetent or physically unable to carry on the management of the establishment pro-
15 posed to be licensed.

16 (D) Has been convicted of violating a general or local law of this state or another state, or of
17 violating a federal law, if the conviction is substantially related to the fitness and ability of the
18 applicant to lawfully carry out activities under the license.

19 (E) Has maintained an insanitary establishment.

20 (F) Is not of good repute and moral character.

21 (G) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005
22 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or
23 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,
24 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter
25 473.

26 (H) Is not the legitimate owner of the business proposed to be licensed, or other persons have
27 ownership interests in the business which have not been disclosed.

28 (I) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately
29 meet the requirements of the business proposed to be licensed.

30 (J) Is unable to read or write the English language or to understand the laws of Oregon relating
31 to alcoholic liquor or the rules of the commission.

32 (e) That there is a history of serious and persistent problems involving disturbances, lewd or
33 unlawful activities or noise either in the premises proposed to be licensed or involving patrons of
34 the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity
35 of the premises are related to the sale or service of alcohol under the exercise of the license privi-
36 lege. Behavior that is grounds for refusal of a license under this section, where so related to the sale
37 or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound
38 vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or re-
39 lated litter; trespassing on private property; and public urination. Histories from premises currently
40 or previously operated by the applicant may be considered when reasonable inference may be made
41 that similar activities will occur as to the premises proposed to be licensed. The applicant may
42 overcome the history by showing that the problems are not serious or persistent or that the appli-
43 cant demonstrates a willingness and ability to control adequately the premises proposed to be li-
44 censed and patrons' behavior in the immediate vicinity of the premises that is related to the
45 licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

1 **(f) If the application is for a license that authorizes the sale or service of alcoholic**
2 **beverages for consumption on the premises and the applicant intends to offer the sale or**
3 **service of alcoholic beverages for consumption on the premises, that the applicant does not**
4 **hold a valid service permit or temporary service permit issued under ORS 471.375 and has**
5 **not designated an individual who:**

6 **(A) Holds a valid service permit or temporary service permit issued under ORS 471.375;**
7 **and**

8 **(B) Exercises, or is entitled to exercise, control or responsibility over setting, imple-**
9 **menting and changing the applicant's practices for selling and serving alcoholic beverages**
10 **at the premises.**

11 (2) The commission may refuse to issue a certificate under ORS 471.244 or permit under ORS
12 471.274 or 471.282, or may issue a restricted certificate or permit, if the commission has reasonable
13 grounds to believe that the applicant:

14 (a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to
15 excess.

16 (b) Has made false statements to the commission.

17 (c) Has been convicted of violating a general or local law of this state or another state, or of
18 violating a federal law, if the conviction is substantially related to the fitness and ability of the
19 applicant to lawfully carry out activities related to the certificate or permit.

20 (d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005
21 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or
22 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,
23 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter
24 473.

25 (e) Does not have a good record of compliance with the alcoholic liquor laws and rules of any
26 other jurisdiction.

27 **SECTION 9.** ORS 471.315 is amended to read:

28 471.315. (1) The Oregon Liquor and Cannabis Commission may cancel, suspend, restrict or re-
29 quire mandatory training for any license issued under this chapter, or impose a civil penalty in lieu
30 of or in addition to a suspension as provided by ORS 471.322, if the commission finds or has rea-
31 sonable ground to believe any of the following to be true:

32 (a) That the licensee:

33 (A) Has violated any provision of this chapter or ORS 474.115 or any rule of the commission
34 adopted pursuant thereto.

35 (B) Has made any false representation or statement to the commission in order to induce or
36 prevent action by the commission.

37 (C) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the
38 insurance or bond required by ORS 471.168.

39 (D) Has maintained an insanitary establishment.

40 (E) Is insolvent or incompetent or physically unable to carry on the management of the estab-
41 lishment of the licensee.

42 (F) Is in the habit of using alcoholic liquor, habit-forming drugs or controlled substances to ex-
43 cess.

44 (G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly
45 intoxicated at the time of sale.

1 (H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who
2 is visibly intoxicated at the time of consumption.

3 (I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.

4 (J) Since the granting of the license, has been convicted of a felony, of violating any of the li-
5 quor laws of this state, general or local, or of any misdemeanor or violation of any municipal ordi-
6 nance committed on the licensed premises.

7 **(K) If the license authorizes the sale or service of alcoholic beverages for consumption**
8 **on the premises and the licensee offers the sale or service of alcoholic beverages for con-**
9 **sumption on the premises, that the licensee does not hold a valid service permit or tempo-**
10 **rary service permit issued under ORS 471.375 and has not designated an individual who:**

11 (i) Holds a valid service permit or temporary service permit issued under ORS 471.375;
12 and

13 (ii) Exercises, or is entitled to exercise, control or responsibility over setting, imple-
14 menting and changing the licensee's practices for selling and serving alcoholic beverages at
15 the premises.

16 (b) That any person licensed to sell at retail for consumption on the premises is acting as an
17 agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or prop-
18 erty, or has accepted gratuities or rebates, or has obtained the use of equipment from any man-
19 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

20 (c) That there is a history of serious and persistent problems involving disturbances, lewd or
21 unlawful activities or noise either in the premises or involving patrons of the establishment in the
22 immediate vicinity of the premises if the activities in the immediate vicinity of the premises are
23 related to the sale or service of alcohol under the exercise of the license privilege. Behavior that
24 is grounds for cancellation or suspension of a license under this section, where so related to the sale
25 or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vi-
26 brations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or re-
27 lated litter; trespassing on private property; and public urination. Mitigating factors include a
28 showing by the licensee that the problems are not serious or persistent or that the licensee has
29 demonstrated a willingness and ability to control adequately the licensed premises and patrons' be-
30 havior in the immediate vicinity of the premises which is related to the licensee's sale or service
31 of alcohol under the licensee's exercise of the license privilege.

32 (d) That there is any other reason that, in the opinion of the commission, based on public con-
33 venience or necessity, warrants canceling or suspending such license.

34 (2) The commission may cancel, suspend or restrict a certificate issued under ORS 471.244 or
35 permit issued under ORS 471.274 or 471.282, or impose a civil penalty in lieu of or in addition to a
36 suspension of a certificate or permit as provided by ORS 471.327, if the commission has reasonable
37 grounds to believe that the certificate or permit holder:

38 (a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to
39 excess.

40 (b) Has made false statements to the commission.

41 (c) Has been convicted of violating a general or local law of this state or another state, or of
42 violating a federal law, if the conviction is substantially related to the fitness and ability of the
43 applicant to lawfully carry out activities related to the certificate or permit.

44 (d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005
45 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or

1 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,
2 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter
3 473.

4 (e) Does not have a good record of compliance with the alcoholic liquor laws and rules of any
5 other jurisdiction.

6 (f) Or any officer, agent or employee of the certificate or permit holder, violated any term or
7 provision of an agreement entered into pursuant to ORS 471.244 or submitted a false or fictitious
8 report pursuant to the agreement.

9 (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

10 **SECTION 10.** ORS 471.360 is amended to read:

11 471.360. (1) *[Except as otherwise provided in ORS 471.375:]*

12 [(a)] Any [*person*] **individual** employed by **or acting on behalf of or at the direction of** a
13 licensee of the Oregon Liquor and Cannabis Commission must have a valid service permit **or tem-**
14 **porary service permit** issued by the commission if the [*person*] **individual**:

15 [(A)] (a) Participates in any manner in the mixing, selling or service of alcoholic liquor for
16 consumption on the premises where served or sold; [*or*]

17 [(B)] (b) Participates in the dispensing of malt beverages, wines or cider sold in securely covered
18 containers provided by the consumer[.];

19 (c) **Directly supervises an individual described in paragraph (a) or (b) of this subsection;**
20 **or**

21 (d) **Subject to subsection (2) of this section, is a licensee who holds, or an applicant for,**
22 **a license that authorizes the sale or service of alcoholic beverages for consumption on the**
23 **licensed premises.**

24 (2) **The commission may waive the requirement to hold a valid service permit or tempo-**
25 **rary service permit for an individual described in subsection (1)(d) of this section if the in-**
26 **dividual designates another individual who:**

27 (a) **Holds a valid service permit or temporary service permit; and**

28 (b) **Exercises control or responsibility, or is entitled to exercise control or responsibility,**
29 **over setting, implementing and changing the licensee's practices for selling and serving al-**
30 **coholic beverages at the licensed premises.**

31 [(b)] (3) A licensee of the commission [*may not permit any person who lacks a service permit re-*
32 *quired of the person under paragraph (a) of this subsection*] **may not allow an individual who does**
33 **not hold a service permit or temporary service permit required of the individual under sub-**
34 **section (1) of this section to:**

35 [(A)] (a) [*To*] Mix, sell or serve any alcoholic liquor for consumption on licensed premises; [*or*]

36 [(B)] (b) [*To*] Dispense malt beverages, wines or cider sold in securely covered containers pro-
37 vided by the consumer[.]; **or**

38 (c) **Directly supervise an individual described in paragraph (a) or (b) of this subsection.**

39 [(c)] (4) A permittee shall make the service permit **or temporary service permit** available at
40 any time while on duty for immediate inspection by any regulatory specialist or by any other peace
41 officer.

42 [(2) *The commission may waive the requirement for a service permit for an employee of a licensee*
43 *whose primary function is not the sale of alcoholic liquor or food, including but not limited to public*
44 *passenger carriers, hospitals, or convalescent, nursing or retirement homes.*]

45 (5) **The commission may establish by rule a process and conditions under which the**

1 **commission may waive the requirement to hold a service permit or temporary service permit**
2 **under subsection (1) of this section.**

3 [(3)] (6) Violation of the requirements of this section is a Class B violation.

4 **SECTION 11.** ORS 471.365 is amended to read:

5 471.365. (1) A service permit *[shall be]* **or a temporary service permit** is a purely personal
6 privilege, valid only upon licensed premises, for the period of time stated *[thereon]* **on the service**
7 **permit or temporary service permit**, and may be suspended or revoked for any reason set forth
8 in ORS 471.360 to 471.385.

9 (2) *[No service permit shall be used by any person other than the person to whom it is issued]* **A**
10 **service permit or temporary service permit may not be used by any individual other than the**
11 **individual to whom the service permit or temporary service permit is issued.** *[Except as pro-*
12 *vided in ORS 471.375,]* The licensee shall verify the identification of the permittee and determine
13 that the permittee has in possession a service permit **or temporary service permit** before allowing
14 the permittee to *[mix, sell or serve alcoholic liquor for consumption on the licensed premises]* **perform**
15 **a duty described in ORS 471.360 (3).**

16 **SECTION 12.** ORS 471.375 is amended to read:

17 471.375. *[(1) Any person who has not had a permit refused or revoked or whose permit is not under*
18 *suspension may mix, sell or serve alcoholic beverages as provided under subsection (3) of this section*
19 *if the person prepares in duplicate an application for a service permit prior to mixing, selling or serv-*
20 *ing any alcoholic beverage for consumption on licensed premises. Until a person who has prepared an*
21 *application under this subsection receives a service permit, the licensee for the premises shall make a*
22 *copy of the application available for immediate inspection by any regulatory specialist or by any other*
23 *peace officer.]*

24 *[(2) An applicant for a service permit must be 18 years of age or over. Application for a service*
25 *permit shall be made on a form acceptable to the Oregon Liquor and Cannabis Commission. The ap-*
26 *plicant shall truly answer all questions, provide any further information required and pay a fee not to*
27 *exceed \$50.]*

28 *[(3) An applicant described in subsection (1) of this section may:]*

29 *[(a) Participate in the mixing, selling or service of alcoholic beverages for consumption on the*
30 *premises where served or sold; and]*

31 *[(b) Participate in the dispensing of malt beverages, wine or cider sold in securely covered con-*
32 *tainers provided by the consumer.]*

33 **The Oregon Liquor and Cannabis Commission shall establish by rule a process for the**
34 **issuance and renewal of a service permit and the issuance of a temporary service permit.**
35 **The rules adopted under this section must include:**

36 (1) **Eligibility criteria for the issuance and renewal of a service permit and the issuance**
37 **of a temporary service permit;**

38 (2) **Fees; and**

39 (3) **Requirements that an applicant for a service permit or temporary service permit be**
40 **at least 18 years of age and submit to the commission an application in a form and manner**
41 **acceptable to the commission.**

42 **SECTION 13.** ORS 471.380 is amended to read:

43 471.380. (1) The Oregon Liquor and Cannabis Commission may refuse to *[grant]* **issue** a service
44 permit **or temporary service permit, or may issue a restricted service permit,** if *[it]* **the com-**
45 **mission** has reasonable grounds to believe any of the following to be true:

1 (a) That the applicant is in the habit of using alcoholic beverages or controlled substances to
2 excess.

3 (b) That the applicant has made false statements to the commission.

4 (c) That the applicant is incompetent or physically incapable of performing the duties of a
5 permittee.

6 (d) That the applicant has been convicted of violating any of the alcoholic liquor laws of this
7 state, general or local, or has been convicted at any time of a felony.

8 (e) That the applicant has not completed the alcohol server education course and examination
9 required by ORS 471.542.

10 (2) Notwithstanding ORS 183.435, an applicant who seeks review of the refusal of a service
11 permit **or temporary service permit** must request a hearing:

12 (a) Within 15 days after notification of the refusal, if the refusal is based on failure to complete
13 the alcohol server education course and examination; or

14 (b) Within 30 days after notification of the refusal, if the refusal is based on any grounds other
15 than failure to complete the alcohol server education course and examination.

16 **(3) The refusal to issue a temporary service permit is not a contested case under ORS**
17 **chapter 183.**

18 **SECTION 14.** ORS 471.385 is amended to read:

19 471.385. (1) The Oregon Liquor and Cannabis Commission may revoke, **restrict** or suspend a
20 service permit **or a temporary service permit**, or impose a civil penalty in lieu of or in addition
21 to suspension as provided by ORS 471.322, if the commission finds or has reasonable grounds to
22 believe any of the following to be true:

23 (a) That the permittee has made false statements to the commission.

24 (b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the
25 state, general or local, or any misdemeanor or violation of any municipal ordinance committed on
26 the licensed premises.

27 (c) That the permittee has performed or permitted any act which would constitute a violation
28 of any provision of this chapter or any rule of the commission, if the act were performed or per-
29 mitted by any licensee of the commission.

30 (d) That the permittee was aware of activities that the permittee had a duty to report under
31 ORS 471.271 and the permittee did not report.

32 (2) The issuance, **restriction**, suspension or revocation of a **service permit or temporary ser-**
33 **vice permit** under ORS 471.360 to 471.385 does not relieve a licensee from responsibility for any
34 act of an employee on the licensee's premises.

35 (3) [*When there has been*] **If** a violation of this chapter or any rule adopted [*thereunder*] **under**
36 **this chapter occurs** upon any premises licensed by the commission, the commission may revoke,
37 **restrict** or suspend [*either*] the service permit **or temporary service permit** of the employee who
38 violated the law or rule [*or*], the license of the licensee upon whose premises the violation
39 occurred[,] or both the **service permit or temporary service permit** and the license.

40 **(4) The commission may revoke, restrict or suspend a permittee's service permit and**
41 **may impose a civil penalty for an act or omission of the permittee that constitutes a reason**
42 **described in subsection (1) of this section and that occurred during the time the permittee**
43 **held a temporary service permit.**

44 [*(4)*] (5) Civil penalties under this section shall be imposed as provided in ORS 183.745.

45 **SECTION 15.** ORS 471.542 is amended to read:

1 471.542. (1) *[Except as provided in subsection (2) of this section,]* The Oregon Liquor and Cannabis
2 Commission shall require *[a person]* **an individual** applying for issuance or renewal of a service
3 permit *[or any license that authorizes the sale or service of alcoholic beverages for consumption on the*
4 *premises]* **or temporary service permit issued under ORS 471.375** to complete an approved alco-
5 hol server education course and examination as a condition of the issuance or renewal of the permit
6 *[or license]*.

7 *[(2) A person applying for issuance or renewal of a license that authorizes the sale or service of*
8 *alcoholic beverages for consumption on the premises need not complete an approved alcohol server ed-*
9 *ucation course and examination as a condition of the issuance or renewal of the license if:]*

10 *[(a) The license has been restricted by the commission to prohibit sale or service of alcoholic*
11 *beverages for consumption on the premises; or]*

12 *[(b) The person applying for issuance or renewal of the license submits a sworn statement to the*
13 *commission stating that the person will not engage in sale or service of alcoholic beverages for con-*
14 *sumption on the premises, will not directly supervise or manage persons who sell or serve alcoholic*
15 *beverages on the premises, and will not participate in establishing policies governing the sale or service*
16 *of alcoholic beverages on the premises.]*

17 *[(3) The commission by rule shall establish requirements that licensees and permittees must comply*
18 *with as a condition of requalifying for a license or permit. The licensee or permittee must comply with*
19 *those requirements once every five years after completing the initial alcohol server education course and*
20 *examination. The requirements established by the commission to requalify for a license may include*
21 *retaking the alcohol server education course and examination. The requirements established by the*
22 *commission to requalify for a service permit shall include retaking the alcohol server education course*
23 *and examination.]*

24 **(2) The commission shall by rule establish requirements for requalification for a service**
25 **permit. A permittee shall provide proof to the commission that the permittee has met the**
26 **requirements established under this subsection once every five years after the permittee**
27 **completes the initial alcohol server education course and examination. The requirements**
28 **must include a requirement to retake the alcohol server education course and pass the ex-**
29 **amination.**

30 *[(4)]* **(3)** The commission may extend the time *[periods established by]* **period described in sub-**
31 **section (2) of** this section upon a showing of hardship. *[The commission by rule may exempt a*
32 *licensee from the requirements of this section if the licensee does not participate in the management of*
33 *the business.]*

34 *[(5)]* **(4)** The standards and curriculum of alcohol server education courses *[shall]* **must**
35 include, but **are** not *[be]* limited to, the following:

36 (a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.

37 (b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription,
38 drugs and illegal drugs.

39 (c) Recognizing the problem drinker and community treatment programs and agencies.

40 (d) State alcohol beverage laws such as prohibition of sale to minors and sale to intoxicated
41 persons, sale for on-premises or off-premises consumption, hours of operation and penalties for vio-
42 lation of the laws.

43 (e) Drunk driving laws and liquor liability statutes.

44 (f) Intervention with the problem customer, including ways to cut off service, ways to deal with
45 the belligerent customer and alternative means of transportation to get the customer safely home.

1 (g) Advertising and marketing for safe and responsible drinking patterns and standard operating
2 procedures for dealing with customers.

3 [(6)] (5) The commission shall adopt rules to impose reasonable fees for administrative costs on
4 alcohol server education course instructors and providers.

5 [(7)] (6) The commission shall provide alcohol server education courses and examinations
6 through independent contractors, private persons or private or public schools certified by the com-
7 mission. The commission shall adopt rules governing the manner in which alcohol server education
8 courses and examinations are made available to [persons] **individuals** required to take the [course]
9 **courses and examinations**. In adopting rules under this subsection, the commission shall consider
10 alternative means of providing courses, including but not limited to providing courses through
11 audiotapes, videotapes, the Internet and other electronic media.

12
13 **THIRD-PARTY DELIVERY FACILITATORS**

14
15 **SECTION 16.** ORS 471.534 is amended to read:

16 471.534. (1) In order to engage in the delivery of alcoholic beverages, a third-party delivery
17 facilitator must hold a permit issued by the Oregon Liquor and Cannabis Commission and must
18 comply with applicable requirements under this chapter.

19 (2)(a) The commission may refuse to issue a permit, and may suspend or revoke a permit, if the
20 commission finds or has reasonable grounds to believe that:

21 (A) A third-party delivery facilitator is, or has a financial interest in, a manufacturer;

22 (B) A third-party delivery facilitator provided material false or misleading information to the
23 commission or omitted information that should have been provided to the commission; or

24 (C) Subject to paragraph (b) of this subsection, a third-party delivery facilitator, or any person
25 used by or acting on behalf or at the direction of the third-party delivery facilitator, does not have
26 a good record of compliance under this chapter, as assessed upon initial application for a permit
27 under this section and annually upon application for renewal of a permit issued under this section.

28 (b) The commission shall establish by rule a process through which the commission shall notify
29 a third-party delivery facilitator of a compliance issue as described under paragraph (a)(A) of this
30 subsection and allow the third-party delivery facilitator an opportunity to cure the issue prior to the
31 commission's refusal to issue or renew the third-party delivery facilitator's permit under this section.

32 (3) A retail licensee, as defined in ORS 471.392, is eligible to qualify as a third-party delivery
33 facilitator. A retail licensee that is also a third-party delivery facilitator may exercise any privilege
34 granted by the retail license.

35 (4)(a) A third-party delivery facilitator acting on behalf of an eligible business may:

36 (A) Deliver, or cause to be delivered, alcoholic beverages to the physical possession of a final
37 consumer on behalf of an eligible business;

38 (B) Advertise alcoholic beverages available for retail sale;

39 (C) Solicit, receive and accept orders for alcoholic beverages from final consumers; and

40 (D) Receive payment for alcoholic beverages ordered by final consumers.

41 (b) A third-party delivery facilitator may engage in an activity described in this section only
42 when the third-party delivery facilitator is acting on behalf of an eligible business.

43 (c) A third-party delivery facilitator may use only a delivery person who meets the requirements
44 of ORS 471.524 to deliver alcoholic beverages to a final consumer.

45 (d) A third-party delivery facilitator that is an individual who is a delivery person must meet the

1 requirements of ORS 471.524, including the requirement to hold a valid driver license.

2 (5) A third-party delivery facilitator may charge an eligible business a fee for delivering alco-
3 holic beverages on behalf of the eligible business.

4 (6) A third-party delivery facilitator shall maintain and make available records to the commis-
5 sion as required by the commission by rule.

6 (7)(a) The commission may adopt rules as necessary to regulate third-party delivery facilitators.

7 **(b) The commission may adopt rules to establish a fee for issuing and renewing a third-
8 party delivery facilitator permit under this section.**

9 (8)(a) An eligible business may use a third-party delivery facilitator to carry out, on behalf of
10 the eligible business, deliveries of alcoholic beverages to final consumers that the eligible business
11 is authorized to make. In carrying out a delivery described in this subsection, a third-party delivery
12 facilitator shall ensure that the delivery is made in compliance with any requirements applicable to
13 the delivery.

14 (b) The commission shall adopt rules to carry out this subsection.

15 (9) An eligible business that uses a third-party delivery facilitator to deliver alcoholic beverages
16 on behalf of the eligible business is not responsible for any failure of the third-party delivery
17 facilitator, or a delivery person employed by or contracted with the third-party delivery facilitator,
18 to comply with the requirements of ORS 471.521 to 471.537 or rules adopted under ORS 471.521 to
19 471.537.

20
21 **CAPTIONS**

22
23 **SECTION 17. The unit captions used in this 2024 Act are provided only for the conven-
24 ience of the reader and do not become part of the statutory law of this state or express any
25 legislative intent in the enactment of this 2024 Act.**

26
27 **EFFECTIVE DATE**

28
29 **SECTION 18. This 2024 Act being necessary for the immediate preservation of the public
30 peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect
31 on its passage.**