

HB 3245 A STAFF MEASURE SUMMARY

House Committee On General Government

Action Date: 04/13/21

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 5-0-0-0

Yeas: 5 - Leif, Lively, Valderrama, Wilde, Zika

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

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Meeting Dates: 3/25, 4/1, 4/6, 4/8, 4/13

WHAT THE MEASURE DOES:

Directs Oregon Liquor Control Commission (OLCC) to establish by rule uniform standards for minor decoy operations used to investigate any person delivering alcoholic beverages to consumers in the state for violations of laws prohibiting the sale and delivery of alcoholic beverages to minors. Establishes Task Force on the Regulation and Enforcement of Alcohol Delivery by Third-Party Ecommerce Providers and requires membership to include holders of full on-premises license, limited on-premises license, and off-premises license that sell alcoholic beverages through third-party ecommerce providers. Requires task force membership also include representation by trade associations whose members include third-party delivery services operating in the state and an organization with expertise in training in the delivery of alcoholic beverages. Requires task force submit report to the Legislative Assembly no later than June 20, 2022, and include findings on best practices for age verification of consumers, the effectiveness of age verification systems currently in operation, ecommerce transaction flow processes, communication related to age verification between different entities and actors, data collection and retention, and the appropriate regulatory structure by the OLCC on independent contractors who make deliveries of alcoholic beverages. Clarifies that any information requested by or provided to the OLCC may be used only to inform the study of regulation and enforcement of alcohol delivery by third-party ecommerce providers as required of the task force. Exempts motor carriers, freight forwarders, and air carriers from task force study. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of measure
- Compliance and enforcement of age verification requirements
- Regulation of third-party ecommerce providers

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) issues licenses for the purposes of manufacturing, storing, distributing, and retailing distilled spirits, wine, cider, and malt beverages. Specific licenses, including an off-premises sales license, brewery-public house license, brewery license, winery license, grower sales privilege license, and a direct shipper permit, allow the holder to deliver malt beverages, wine, and cider to retail customers in the state. Deliveries may be made only to a person who is at least 21 years of age, for personal use and not for the purpose of resale, and must be made in containers that are conspicuously labeled with the words "Contains Alcohol: Signature of Person Age 21 Years or Older Required for Delivery." Additionally, the carrier making the delivery must obtain the signature of the recipient of the malt beverages, wine, or cider upon delivery,

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verify the recipient is at least 21 years of age by inspecting government-issued photo identification, and determine that the recipient is not visibly intoxicated at the time of delivery. Enforcement of these delivery regulations is complaint-driven, and the penalty for a delivery person who delivers alcoholic beverages to a minor is a Class A misdemeanor.

House Bill 3245 A directs the OLCC to establish by rule uniform standards for minor decoy operations used to investigate any person delivering alcoholic beverages to consumers in the state for violations of laws prohibiting the sale and delivery of alcoholic beverages to minors. The measure also establishes the Task Force on the Regulation and Enforcement of Alcohol Delivery by Third-Party Ecommerce Providers and requires membership to include a holder of a full on-premises license, a holder of a limited on-premises license, and a holder of an off-premises license, all of whom sell alcoholic beverages through third-party ecommerce providers. The task force must also include representation by trade associations whose members include third-party delivery services operating in the state and an organization with expertise in training in the delivery of alcoholic beverages. The measure requires the task force to submit a report to the Legislative Assembly no later than June 20, 2022, and include findings on best practices for age verification of consumers, the effectiveness of age verification systems currently in operation, ecommerce transaction flow processes, communication related to age verification between different entities and actors, data collection and retention, and the appropriate regulatory structure by the OLCC on independent contractors who make deliveries of alcoholic beverages. Finally, the measure clarifies that any information requested by or provided to the OLCC may be used only to inform the study of regulation and enforcement of alcohol delivery by third-party ecommerce providers as required of the task force, while exempting motor carriers, freight forwarders, and air carriers from task force study.