

## HB 3308 STAFF MEASURE SUMMARY

### House Committee On Economic Development and Small Business

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**Action Date:** 04/04/23

**Action:** Without recommendation as to passage and be referred to Rules.

**Vote:** 11-0-0-0

**Yeas:** 11 - Bynum, Diehl, Elmer, Javadi, Lively, Morgan, Nguyen D, Osborne, Pham H, Ruiz, Walters

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 3/21, 4/4

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#### WHAT THE MEASURE DOES:

Authorizes Oregon Liquor and Cannabis Commission (OLCC) to issue delivery permit to qualified applicant to deliver alcoholic beverages to final consumers. Requires third-party delivery facilitators to be registered with OLCC in order to facilitate sales and deliveries of alcoholic beverages. Imposes requirements for delivery persons and third-party delivery facilitators. Prohibits delivery of alcoholic beverages without valid service or delivery permit. Punishes first offense by maximum of \$2,000 fine. Punishes second or subsequent offense by maximum of 364 days' imprisonment, \$6,250 fine, or both. Prohibits person not registered as third-party delivery facilitator from engaging in activity that requires registration as third-party delivery facilitator. Punishes by maximum of 364 days' imprisonment, \$6,250 fine, or both. Authorizes OLCC to impose civil penalty against third-party delivery facilitator for violation committed by facilitator or delivery person on behalf of facilitator. Requires OLCC to develop uniform standards for minor decoy operations to investigate deliveries of alcoholic beverages to final consumers for violations of laws prohibiting deliveries to minors. Expands categories of persons prohibited from selling, giving or otherwise making available alcoholic liquor to person under 21 years of age. Takes effect on 91st day following adjournment sine die

#### ISSUES DISCUSSED:

- Legislative history of third-party delivery
- Oregon Liquor and Cannabis Commission (OLCC) study of third-party delivery
- Regulation of third-party delivery facilitators
- Training and education of third-party facilitators
- Ensuring safe delivery of alcohol

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

In 2021, the Legislative Assembly passed Senate Bill 317 to allow 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. Sales must be made directly to the consumer, although delivery may be made through a third party.

The Oregon Liquor and Cannabis Commission (OLCC) adopted rules related to the ability of a licensee to use a for-hire carrier including rules regarding a requirement that the for-hire carrier have an OLCC-approved plan for the delivery of malt beverages, wine, cider, or distilled spirits. A for-hire carriers' delivery plan must ensure that: only persons age 18 or over will be used to deliver the alcohol to the resident; person delivering the alcohol

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verifies that the person receiving the alcohol is at least 21 years of age by inspecting government-issued photo identification; the person used to deliver the alcohol will determine that the person receiving the alcohol is not visibly intoxicated; deliveries of alcohol will be completed in accordance with the hours and allowable delivery locations in the direct delivery of malt beverages, wine, and cider to a resident of Oregon; any package containing alcohol is conspicuously labeled with the words "Contains alcohol: signature of person age 21 years or older required for delivery" or similar language approved by the OLCC; and information is collected that must be retained by the for-hire carrier for a minimum of eighteen months from the date of delivering the alcohol. The information may be collected and retained electronically (if the carrier so chooses) and must include: date and time the alcohol was delivered to the resident; name or information which can be used to determine the name of the person delivering the alcohol to the resident; and name, signature, and delivery address of the person receiving the alcohol.

Following the passage of SB 317, OLCC completed a study of alcohol delivery by third-party carriers in Oregon. The study asked the question whether unlicensed third parties have safe alcohol delivery policies that keep alcohol out of the hands of minors. OLCC learned that there was need for improvement regarding ID checking compliance by third-party carriers. Possible improvements could include better education, consistent ID checking policies and practices, and increase oversight to establish effective approaches to improving compliance with ID checking requirements.

House Bill 3308 authorizes OLCC to establish a system to issue a delivery permit to an individual to deliver alcoholic beverages on behalf of a business that holds a license, permit or is an agent with the authority to deliver to the final consumer at a delivery address. The applicant must be 18 years old, submit a form, pay a fee less than \$50, and provide any other requested information. Further, the measure requires third-party delivery facilitator register with OLCC.