

**REVENUE IMPACT OF
PROPOSED LEGISLATION
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office**

Bill Number: HB 3308 - B
Revenue Area: Alcohol Revenue
Economist: Mazen Malik
Date: 06-07-2023

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Authorizes Oregon Liquor and Cannabis Commission to issue delivery permit to qualified applicant to deliver alcoholic beverages to final consumers.

Revenue Impact (in \$Millions):

Increased Revenue and Distributions				
		2023-25	2025-27	2027-29
Home Delivery		\$7.03	\$10.19	\$10.65
	General Fund	\$3.94	\$5.71	\$5.96
	Cities	\$2.39	\$3.46	\$3.62
	Counties	\$0.70	\$1.02	\$1.06

Impact Explanation:

This measure authorizes 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 permits a third-party facilitator or an eligible business to hire a delivery person if person is at least 18 years old, has a valid driver license or state-issued identification, and has completed a required training. In addition, the measure requires OLCC to develop uniform standards for minor decoy operations to restrict delivery of alcoholic beverages to minors.

During the COVID-19 emergency, the OLCC allowed third-party ecommerce platforms to facilitate the ordering and delivery of alcohol from licensees and distillery agents (those operating tasting rooms) to customers. Under existing Oregon law and the OLCC’s regulatory framework, wine, cider, and malt beverages may be delivered to consumers by parties with retail off-premises sales privileges either directly or using approved for-hire carriers. In addition, distillery agents may deliver the distilled liquor that they manufacture to Oregon consumers. In 2021, Senate Bill 317 permanently allows Full-On-Premises Sales licensees to sell cocktails and single servings of wine to-go. The number of for-hire-carriers (which includes e-commerce platforms providing delivery services and common carriers, among others) doubled from February 2020 to February 2021. There are currently 118 for-hire carriers approved to deliver alcohol to consumers in Oregon. In addition to the traditional carrier/shipment model operated by businesses like Federal Express and a variety of smaller local delivery services currently approved as carriers, there is an emerging field of personal convenience businesses such as, UberEats, Drizly, Grubhub,

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DoorDash, Delivery.com and others interested in providing same-day, rapid turn-around delivery of food and/or alcohol between businesses and consumers via an ecommerce platform marketplace. The growth in the use of these services since the onset of the COVID-19 emergency and the interest on the part of consumers to access these resources for delivery of alcohol is likely to continue and grow.

The first biennium revenue reflects late start in the biennium and setup time. ORS 471.810 requires the revenue in the OLCC account to be distributed 56% to the state General Fund, 10% to Counties by population, 20% to Cities by population, and 14% to Cities by formula.

Creates, Extends, or Expands Tax Expenditure: Yes No