# House Bill 3308

Sponsored by Representative HOLVEY (at the request of Governor Tina Kotek)

#### **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 **as introduced.** 

Authorizes Oregon Liquor and Cannabis Commission to issue delivery permit to qualified applicant to deliver alcoholic beverages to final consumers. Requires third-party delivery facilitators to be registered with commission in order to facilitate sales and deliveries of alcoholic beverages. Imposes requirements for delivery persons and third-party delivery facilitators.

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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 commission to impose civil penalty against third-party delivery facilitator for violation committed by facilitator or delivery person on behalf of facilitator.

Requires commission 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.

### A BILL FOR AN ACT

- Relating to alcohol; creating new provisions; amending ORS 471.346, 471.410 and 471.430; and prescribing an effective date.
- 4 Be It Enacted by the People of the State of Oregon:
- 5 <u>SECTION 1.</u> Sections 2 to 9 of this 2023 Act are added to and made a part of ORS chapter 6 471.
  - SECTION 2. As used in sections 2 to 9 of this 2023 Act:
  - (1) "Deliver" means to transfer, or arrange the transfer of, alcoholic beverages from a delivery person to a final consumer at a delivery address.
  - (2) "Delivery address" means a location with a permanent street address in Oregon that is not licensed by the Oregon Liquor and Cannabis Commission under this chapter or ORS chapter 475C.
  - (3) "Delivery person" means an individual who delivers alcoholic beverages to the physical possession of a final consumer and who holds a valid service permit issued under ORS 471.360 or a valid delivery permit issued under section 3 of this 2023 Act.
  - (4)(a) "Eligible business" means a licensee, a permittee or an agent appointed by the commission, or an agent of a licensee, permittee or agent, that has, as a part of the privileges of the license, permit or appointment, the authority to deliver alcoholic beverages to a final consumer at a delivery address.
  - (b) "Eligible business" does not include an individual who holds a valid service permit issued under ORS 471.360 or a valid delivery permit issued under section 3 of this 2023 Act.
    - (5) "Final consumer" means an individual who takes possession of alcoholic beverages

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- at a delivery address for personal or social use, and not for resale. 1
  - (6) "Third-party delivery facilitator" means an individual, person or company that:
- (a) Delivers, or holds itself out as willing to deliver, alcoholic beverages from an eligible 3 business to a final consumer; or 4
  - (b) Facilitates, or holds itself out as willing to facilitate, sales of alcoholic beverages by an eligible business to a final consumer.
- SECTION 3. (1) The Oregon Liquor and Cannabis Commission may issue a delivery permit 7 to an applicant who: 8
  - (a) Is at least 18 years of age;

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- (b) Submits to the commission a completed application form;
- (c) Pays a fee not to exceed \$50; and
- (d) Provides to the commission any further information requested by the commission.
- (2) A delivery permit issued under this section expires five years from the date of issuance unless the commission suspends or revokes the delivery permit prior to the date of expiration.
- (3) The commission may refuse to issue a delivery permit under this section, and may revoke or suspend a delivery permit or impose a civil penalty in addition to or in lieu of a suspension as provided in ORS 471.322, if the commission finds or has reasonable grounds to believe that the individual:
- (a) Provided false or misleading information to the commission or omitted material information that should have been provided to the commission.
- (b) Does not have a good record of compliance under this chapter or ORS chapter 475C or rules adopted under this chapter or ORS chapter 475C.
  - (c) Has been convicted of violating any of the alcoholic liquor laws of this state.
- (d) Has not completed a delivery education program required under section 6 of this 2023 Act. 26
  - SECTION 4. (1) Except as provided in subsection (2) of this section, an eligible business may deliver, or cause to be delivered, alcoholic beverages of the type allowed by the license, permit or appointment held by the eligible business, to a final consumer at a delivery address only by using a delivery person.
  - (2) The Oregon Liquor and Cannabis Commission may adopt rules to allow the delivery of alcoholic beverages by an eligible business to a location other than a delivery address.
  - SECTION 5. (1) An individual may deliver alcoholic beverages to the physical possession of a final consumer at a delivery address only if the individual holds:
    - (a) A valid service permit issued under ORS 471.360; or
    - (b) A valid delivery permit issued under section 3 of this 2023 Act.
  - (2) A delivery person may also be a third-party delivery facilitator registered under section 8 of this 2023 Act.
- (3) A delivery person may charge an eligible business a fee for delivering alcoholic 39 40 beverages on behalf of the eligible business.
  - (4) A violation of subsection (1) of this section:
  - (a) Upon a first conviction, is a Class A violation.
  - (b) Upon a second or subsequent conviction, is a Class A misdemeanor.
- SECTION 6. (1) The Oregon Liquor and Cannabis Commission shall develop by rule a de-44 livery education program that includes training on at least: 45

- (a) Forms of identification required by ORS 471.130 and methods for identifying, inspecting, accepting or rejecting identification;
- (b) Signs of visible intoxication and methods for recognizing these signs and for refusing to deliver alcoholic beverages to a final consumer; and
- (c) Rules adopted by the commission relating to the delivery of alcoholic beverages to a final consumer.
- (2) The commission shall require an individual applying for issuance or renewal of a delivery permit to complete a delivery education program described in this section as a condition of the issuance or renewal of the permit.
- (3) The commission may charge a fee not to exceed \$50 for a delivery education program described in this section.
- <u>SECTION 7.</u> The Oregon Liquor and Cannabis Commission may adopt rules to regulate the delivery of alcoholic beverages by, but not limited to, eligible businesses, delivery persons and third-party delivery facilitators.
- SECTION 8. (1) A third-party delivery facilitator must be registered with the Oregon Liquor and Cannabis Commission as required by the commission by rule, and must comply with applicable requirements under this chapter and ORS chapter 475C and rules adopted under this chapter and ORS chapter 475C.
- (2) The commission may refuse to register, and may suspend or revoke a registration, if the commission finds or has reasonable grounds to believe that:
- (a) A third-party delivery facilitator is, or has a financial connection with, a manufacturer;
- (b) A third-party delivery facilitator, or any person used by or acting on behalf or at the direction of the third-party delivery facilitator, provided material false or misleading information to the commission or omitted information that should have been provided to the commission; or
- (c) A third-party delivery facilitator, or any person used by or acting on behalf or at the direction of the third-party delivery facilitator, does not have a good record of compliance under this chapter or ORS chapter 475C or any rules adopted under this chapter or ORS chapter 475C.
- (3) A retail licensee, as defined in ORS 471.392, is eligible to qualify as a third-party delivery facilitator. A retail licensee that is also a third-party delivery facilitator may exercise any privilege granted by the retail license.
  - (4)(a) A third-party delivery facilitator acting on behalf of an eligible business may:
- (A) Import, or cause to be imported, into Oregon alcoholic beverages that are being delivered, or in transit to be delivered, to a final consumer;
- (B) Store or hold alcoholic beverages that are being delivered, or in transit to be delivered, to a final consumer;
- (C) Use only a delivery person to deliver alcoholic beverages to the physical possession of a final consumer on behalf of an eligible business;
  - (D) Advertise alcoholic beverages available for retail sale;
  - (E) Solicit, receive and accept orders for alcoholic beverages from final consumers; and
  - (F) Receive payment for alcoholic beverages ordered by final consumers.
- (b) A third-party delivery facilitator may engage in an activity described in this section only when the third-party delivery facilitator is acting on behalf of an eligible business.

- (5) A third-party delivery facilitator, while acting on behalf of an eligible business, may engage in any activity described in subsection (4) of this section only if the eligible business:
- (a) Controls, with clear and conspicuous messaging, the advertisement of alcoholic beverages offered for sale and delivery through the third-party delivery facilitator, including but not limited to messaging regarding:
  - (A) The price of the available alcoholic beverages; and

- (B) The eligible business's name, and messaging that:
- (i) The offer and sale of the alcoholic beverages is by the eligible business; and
- (ii) The payment made by a final consumer for an alcoholic beverage is paid to the identified eligible business;
- (b) Controls the acceptance of orders for alcoholic beverages from final consumers that are made through the third-party delivery facilitator;
- (c) Receives and retains all payments for alcoholic beverages made through the thirdparty delivery facilitator; and
- (d) Provides to the third-party delivery facilitator for sale and delivery to a final consumer only the types of alcoholic beverages that the eligible business's license entitles the eligible business to provide.
- (6) A third-party delivery facilitator may charge an eligible business a fee for delivering alcoholic beverages on behalf of the eligible business.
- (7) A third-party delivery facilitator shall maintain and make available records to the commission as required by the commission by rule.
- (8) The commission may adopt rules as necessary to regulate third-party delivery facilitators.
- SECTION 9. (1) It is a Class A misdemeanor for a person that is not a third-party delivery facilitator registered under section 8 of this 2023 Act to engage in any activity for which registration as a third-party delivery facilitator is required unless the person is a licensee, permittee or agent appointed by the Oregon Liquor and Cannabis Commission, or is an employee or agent of a licensee, permittee or agent acting on behalf of the licensee, permittee or agent, and the activity is allowed by the privileges of the license, permit or appointment.
- (2)(a) The commission may assess a civil penalty against a third-party delivery facilitator for a violation of this chapter or rules adopted by the commission under this chapter if the violation is committed by the third-party delivery facilitator or a delivery person acting on behalf of the third-party delivery facilitator.
- (b) The civil penalty assessed under paragraph (a) of this subsection must be at least \$500 per violation and may not be more than \$4,000 per violation.
- (c) ORS 471.990 does not apply to a violation for which a civil penalty may be issued under this subsection.

**SECTION 10.** ORS 471.346 is amended to read:

- 471.346. (1)(a) The Oregon Liquor and Cannabis Commission shall by rule develop uniform standards for minor decoy operations used to investigate licensees, permitees, [and agents operating stores on behalf of the commission under ORS 471.750] agents appointed by the commission, third-party delivery facilitators and any person delivering alcoholic beverages to final consumers in this state for violations of the laws of this state prohibiting sales and deliveries of alcoholic beverages to minors.
  - (b) Uniform standards established by the commission under this section apply to all investi-

gations conducted by the commission that use minor decoys. The commission shall encourage all law enforcement agencies of this state to use the uniform standards established under this section for minor decoy operations conducted by the law enforcement agencies.

- (2) To the greatest extent possible, the uniform standards established by the commission under this section **must**:
- (a) [Shall] Be the same for minor decoy operations conducted by the commission and for minor decoy operations conducted by law enforcement agencies of this state; and
- (b) [Shall] Provide for coordination between the commission and law enforcement agencies of this state in conducting minor decoy operations.
- (3)(a) The uniform standards established by the commission under this section [shall] for investigating sales by licensees occurring on licensed premises and in-store sales by agents appointed by the commission must provide that:
- (A) Minor decoy operations must be conducted on either a random or a targeted basis in cities with populations of 20,000 or more.
- (B) Random minor decoy operations [shall] must cover a range of licensed premises and retail outlets. For the purpose of implementing standards for random minor decoy operations under this subparagraph, the commission shall by rule adopt a methodology that produces, to the greatest extent possible, an equal chance that any licensee or agent will be subject to a minor decoy operation.
- (C) Targeted minor decoy operations may be conducted for a single licensee or agent, but may be used only if there is a documented compliance problem with the specific licensee or agent that is the target of the **minor decoy** operation. [For the purpose of implementing standards for random minor decoy operations under this subsection, the commission shall by rule adopt a methodology that produces, to the greatest extent possible, an equal chance that any licensee or agent will be subject to a minor decoy operation.]
- (b) Investigations of deliveries of alcoholic beverages to final consumers in this state are exempt from the requirements for random and targeted minor decoy operations under paragraph (a) of this subsection.
- (4) Except as provided in subsection (5) of this section, the failure of the commission or of a law enforcement agency to follow uniform standards established by the commission under this section is not grounds for challenging any complaint, citation or conviction for violation of the laws prohibiting the sale **or delivery** of alcoholic beverages to minors.
- (5) In determining whether to impose sanctions based on multiple violations of the laws of this state prohibiting sales or deliveries of alcoholic beverages to minors, the commission may not consider any complaint filed against, citation issued to or conviction of a licensee, permittee, agent appointed by the commission, third-party delivery facilitator or a person delivering alcoholic beverages to final consumers for selling or delivering alcoholic beverages to a minor[, citation issued to a licensee for selling alcoholic beverages to a minor or conviction of a licensee for selling alcoholic beverages to a minor] if the complaint, citation or conviction arose out of a minor decoy operation that was not conducted pursuant to the uniform standards established by the commission under this section.
- (6) Notwithstanding any other provision of this chapter, the commission may not consider any sale **or delivery** of alcoholic beverages to a minor that results from a minor decoy operation that is not conducted in compliance with the standards established under this section for the purpose of:

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- (a) Imposing any civil penalty against a licensee, permittee, agent appointed by the commission, third-party delivery facilitator or a person delivering alcoholic beverages to final consumers;
- (b) Making a decision on the renewal, suspension or cancellation of a license, permit, appointment or third-party delivery facilitator registration issued under this chapter or rules adopted under this chapter; or
- (c) Otherwise sanctioning a licensee, permittee, agent appointed by the commission, thirdparty delivery facilitator or a person delivering alcoholic beverages to final consumers for the sale or delivery of alcoholic beverages to a minor.
- (7) The commission shall give notice of the uniform standards established under this section to all law enforcement agencies of this state that conduct minor decoy operations.

## SECTION 11. ORS 471.410 is amended to read:

- 471.410. (1) A person may not sell, give or otherwise make available any alcoholic liquor to any person who is visibly intoxicated.
- (2) [No one] **A person** other than the person's parent or guardian may **not** sell, give or otherwise make available any alcoholic liquor to a person under the age of 21 years. A parent or guardian may give or otherwise make alcoholic liquor available to a person under the age of 21 years only if the person is in a private residence and is accompanied by the parent or guardian. A person violates this subsection [who] if the person sells, gives or otherwise makes available alcoholic liquor to a person with the knowledge that the person to whom the liquor is made available will violate this subsection.
- (3)(a) A person who exercises control over private real property may not knowingly allow any other person under the age of 21 years who is not a child or minor ward of the person to consume alcoholic liquor on the property, or allow any other person under the age of 21 years who is not a child or minor ward of the person to remain on the property if the person under the age of 21 years consumes alcoholic liquor on the property.
  - (b) This subsection:

- (A) Applies only to a person who is present and in control of the location at the time the consumption occurs;
- (B) Does not apply to the owner of rental property, or the agent of an owner of rental property, unless the consumption occurs in the individual unit in which the owner or agent resides; and
- (C) Does not apply to a person who exercises control over a private residence if the liquor consumed by the person under the age of 21 years is supplied only by an accompanying parent or guardian.
- (4) This section does not apply to sacramental wine given or provided as part of a religious rite or service.
- (5) Except as provided in [subsections (6) and (7)] subsection (6) of this section, a person who violates subsection (1) or (2) of this section commits a Class A misdemeanor. Upon violation of subsection (2) of this section, the court shall impose at least a mandatory minimum sentence as follows:
  - (a) Upon a first conviction, a fine of at least \$500.
  - (b) Upon a second conviction, a fine of at least \$1,000.
- (c) Upon a third or subsequent conviction, a fine of at least \$1,500 and not less than 30 days of imprisonment.
  - (6)(a) A person who violates subsection (2) of this section is subject to the provisions of this

subsection if the person does not act knowingly or intentionally and:

(A) Is licensed or appointed under this chapter; [or]

- (B) Is an employee **or agent** of a person licensed or appointed under this chapter and [holds a valid service permit or has attended a program approved by the Oregon Liquor and Cannabis Commission that provides training to avoid violations of this section.] **the employee or agent violates** subsection (2) of this section while acting on behalf or at the direction of the licensee or person appointed under this chapter; or
- (C) Is a delivery person as defined in section 2 of this 2023 Act and was delivering alcoholic beverages to a final consumer.
  - (b) For a person described in paragraph (a) of this subsection:
  - (A) A first conviction is a Class A violation.
- (B) A second conviction is a specific fine violation, and the presumptive fine for the violation is \$860.
- (C) A third conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than \$1,000.
  - (D) A fourth or subsequent conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than \$1,000 and a mandatory sentence of not less than 30 days of imprisonment.
- [(7) For an employee of an off-premises sales licensee who violates subsection (2) of this section while operating a checkout device and does not act knowingly or intentionally, a first conviction is a Class A violation.]
- [(8)] (7) The court may waive an amount that is at least \$200 but not more than one-third of the fine imposed under subsection (5) of this section, if the violator performs at least 30 hours of community service.
- [(9)] (8) Except as provided in subsection [(8)] (7) of this section, the court may not waive or suspend imposition or execution of the mandatory minimum sentence required by subsection (5) or (6) of this section. In addition to the mandatory sentence, the court may require the violator to make restitution for any damages to property where the alcoholic liquor was illegally consumed or may require participation in volunteer service to a community service agency.
- [(10)(a)] (9)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection (3) of this section commits a Class A violation.
- (b) A second or subsequent violation of subsection (3) of this section is a specific fine violation, and the presumptive fine for the violation is \$1,000.
- [(11)] (10) Nothing in this section prohibits any licensee under this chapter from allowing a person who is visibly intoxicated to remain on the licensed premises so long as the person is not sold or served any alcoholic liquor.

# SECTION 12. ORS 471.430 is amended to read:

- 471.430. (1) A person under 21 years of age may not attempt to purchase, purchase or acquire alcoholic beverages. Except when [such] a minor is in a private residence accompanied by the parent or guardian of the minor and with [such] the parent's or guardian's consent, a person under 21 years of age may not have personal possession of alcoholic beverages.
- (2) For the purposes of this section, personal possession of alcoholic beverages includes the acceptance or consumption of a bottle of [such] alcoholic beverages, or any portion [thereof] or a drink of [such] alcoholic beverages. However, this section does not prohibit the acceptance or consumption by any person of sacramental wine as part of a religious rite or service.

- (3) Except as authorized by rule or as necessitated in an emergency, a person under 21 years of age may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of minors.
- (4)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection (1) or (3) of this section commits a Class B violation.
  - (b) A person commits a Class A violation if the person violates subsection (1) of this section by reason of personal possession of alcoholic beverages while the person is operating a motor vehicle as defined in ORS 801.360.
  - (c) Notwithstanding ORS 153.018, if a person who violates subsection (1) or (3) of this section was under 18 years of age at the time of the violation, the court may not impose any fine for the violation.
    - (5) In addition to and not in lieu of any other penalty established by law:
  - (a) The court may order a person who violates subsection (1) of this section through misrepresentation of age to perform community service; and
  - (b) The court shall order, when a person violates subsection (1) of this section, that the person's driving privileges and right to apply for driving privileges be suspended pursuant to ORS 809.260 and 809.280. The court notification made to the Department of Transportation under this paragraph may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.
  - (6) If a person cited under this section is at least 13 years of age but less than 21 years of age at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of any other penalty established by law, the court shall issue notice under ORS 809.220 to the department for the department to suspend the person's driving privileges under ORS 809.280 (4).
  - (7) In addition to and not in lieu of any penalty established by law, the court may order a person who violates this section to undergo assessment and treatment as provided in ORS 471.432. The court shall order a person to undergo assessment and treatment as provided in ORS 471.432 if the person has previously been found to have violated this section.
  - (8) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of the Oregon Liquor and Cannabis Commission or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of alcoholic beverages to persons who are under 21 years of age.
  - (9) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of a licensee, an eligible business, as defined in section 2 of this 2023 Act, or a third-party delivery facilitator, as defined in section 2 of this 2023 Act, for the purpose of investigating possible violations by employees or agents of the licensee, eligible business or third-party delivery facilitator of laws prohibiting sales or deliveries of alcoholic beverages to persons who are under 21 years of age.
  - (10)(a) A person under 21 years of age is not in violation of, and is immune from prosecution under, this section if:
  - (A) The person contacted emergency medical services or a law enforcement agency in order to obtain medical assistance for another person who was in need of medical assistance due to alcohol consumption and the evidence of the violation was obtained as a result of the person's having contacted emergency medical services or a law enforcement agency; or
    - (B) The person was in need of medical assistance due to alcohol consumption and the evidence

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of the violation	was	obtained	as	a	result	of	the	person's	having	sought	$\mathbf{or}$	obtained	the	medical	as
sistance.															

- (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result of a person's having sought medical assistance in proceedings for crimes or offenses other than a violation of this section.
- SECTION 13. (1) Sections 2 to 9 of this 2023 Act and the amendments to ORS 471.346, 471.410 and 471.430 by sections 10 to 12 of this 2023 Act become operative on January 1, 2024.
- (2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by sections 2 to 9 of this 2023 Act and the amendments to ORS 471.346, 471.410 and 471.430 by sections 10 to 12 of this 2023 Act.
- SECTION 14. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.