HB 3308-4 (LC 4128) 3/27/23 (SCT/ps)

Requested by Representative HOLVEY

PROPOSED AMENDMENTS TO HOUSE BILL 3308

1 On page 1 of the printed bill, delete lines 5 through 22 and delete pages 2 2 through 9 and insert:

<u>SECTION 1.</u> Sections 2 to 8 of this 2023 Act are added to and made
a part of ORS chapter 471.

5 "SECTION 2. As used in sections 2 to 8 of this 2023 Act:

6 "(1) 'Deliver' means to transfer alcoholic beverages from a delivery
7 person to a final consumer at a delivery address.

8 "(2) 'Delivery address' means a location with a permanent street 9 address in Oregon that is not licensed by the Oregon Liquor and 10 Cannabis Commission under this chapter or ORS 475C.005 to 475C.525 11 or 475C.548.

12 "(3) 'Delivery person' means an employee, agent or contractor of a 13 third-party delivery facilitator who delivers alcoholic beverages to the 14 physical possession of a final consumer on behalf of a licensee or 15 third-party delivery facilitator.

16 "(4) 'Eligible business' means a licensee, a permittee or an agent 17 appointed by the commission, or an agent of a licensee, permittee or 18 agent, that has, as a part of the privileges of the license, permit or 19 appointment, the authority to sell and deliver alcoholic beverages to 20 a final consumer at a delivery address.

21 "(5) 'Final consumer' means an individual who takes possession of

alcoholic beverages at a delivery address for personal or social use, and
not for resale.

"(6)(a) 'Third-party delivery facilitator' means an individual, person
or company that:

5 "(A) Delivers, or holds itself out as willing to deliver, alcoholic 6 beverages from an eligible business to a final consumer; or

"(B) Facilitates, or holds itself out as willing to facilitate, the sale
and delivery of alcoholic beverages by an eligible business to a final
consumer.

"(b) 'Third-party delivery facilitator' does not include a retail
 licensee, as defined in ORS 471.392, or a common carrier.

"SECTION 3. (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 or third-party delivery facilitator.

"(2) The Oregon Liquor and Cannabis Commission may adopt rules
 to allow the delivery of alcoholic beverages by an eligible business,
 including delivery to a location other than a delivery address.

20 "<u>SECTION 4.</u> (1) An eligible business or third-party delivery 21 facilitator may employ or contract with a delivery person to deliver 22 alcoholic beverages to the physical possession of a final consumer at 23 a delivery address only if the individual:

24 "(a) Is at least 18 years of age; and

25 "(b) Has a valid driver license or other state-issued identification.

"(2) Prior to making any deliveries of alcoholic beverages, a delivery
 person shall first complete the training program and be issued a cer tificate of completion, as described in section 5 of this 2023 Act.

"(3) A delivery person may also be a third-party delivery facilitator
 that holds a permit issued under section 7 of this 2023 Act.

1 "(4) A delivery person may charge an eligible business a fee for de-2 livering alcoholic beverages on behalf of the eligible business.

3 **"(5) A violation of subsection (1) of this section:**

4 "(a) Upon a first conviction, is a Class A violation.

5 "(b) Upon a second or subsequent conviction, is a Class A 6 misdemeanor.

"<u>SECTION 5.</u> (1) A third-party delivery facilitator, and an eligible
business that employs or contracts with a delivery person, shall develop an alcohol delivery training program that includes training on
at least:

"(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 con sumer; and

"(c) Rules adopted by the Oregon Liquor and Cannabis Commission
 relating to the delivery of alcoholic beverages to a final consumer.

"(2) The commission may adopt rules regarding the approval of
 training programs described in subsection (1) of this section.

"(3)(a) In conjunction with an application for a permit under section 7 of this 2023 Act, a third-party delivery facilitator shall submit
to the commission a copy of the third-party delivery facilitator's
training program for approval by the commission.

"(b) An eligible business shall submit to the commission, pursuant
 to rules adopted by the commission, a copy of the eligible business's
 training program for approval by the commission.

"(4)(a) A third-party delivery facilitator or eligible business described in subsection (1) of this section shall provide the training program described in subsection (1) of this section to delivery persons employed by or contracted with the third-party delivery facilitator or eligible business, and shall issue to delivery persons who successfully
 complete the training program a certificate of completion.

"(b) In order to provide the training program described in subsection (1) of this section, a third-party delivery facilitator or an eligible business may offer a training program internally or may contract with another party that offers a training program that is approved by the commission.

"(c) A third-party delivery facilitator or an eligible business may
offer a training program described in subsection (1) of this section only
if the training program is approved by the commission.

"(5) A delivery person may not engage in the delivery of alcoholic 11 beverages unless the delivery person first completes the training pro-12 gram described in subsection (1) of this section and holds a certificate 13 of completion described in subsection (4) of this section. A delivery 14 person who delivers alcoholic beverages on behalf of more than one 15third-party delivery facilitator or eligible business must complete the 16 training program, and hold a certificate of completion, from each 17 third-party delivery facilitator or eligible business on whose behalf the 18 delivery person delivers alcoholic beverages. 19

"(6) The commission may adopt rules to carry out this section, in cluding rules to establish a fee for review and approval of a training
 program described in subsection (1) of this section.

"<u>SECTION 6.</u> The Oregon Liquor and Cannabis Commission may
 adopt rules to regulate the delivery of alcoholic beverages by parties
 including, but not limited to, eligible businesses, delivery persons and
 third-party delivery facilitators.

"<u>SECTION 7.</u> (1) In order to engage in the delivery of alcoholic
beverages, a third-party delivery facilitator must hold a permit issued
by the Oregon Liquor and Cannabis Commission and must comply with
applicable requirements under this chapter.

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

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

6 "(b) A third-party delivery facilitator provided material false or 7 misleading information to the commission or omitted information that 8 should have been provided to the commission; or

9 "(c) A third-party delivery facilitator, or any person used by or 10 acting on behalf or at the direction of the third-party delivery 11 facilitator, does not have a good record of compliance under this 12 chapter.

"(3)(a) A third-party delivery facilitator acting on behalf of an eli gible business may:

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

18 "(B) Advertise alcoholic beverages available for retail sale;

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

"(D) Receive payment for alcoholic beverages ordered by final con sumers.

"(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.

"(c) A third-party delivery facilitator may use only a delivery per son who meets the requirements of section 4 of this 2023 Act to deliver
 alcoholic beverages to a final consumer.

"(d) A third-party delivery facilitator that is an individual who is a
 delivery person must meet the requirements of section 4 of this 2023

1 Act, including the requirement to hold a valid driver license.

"(4) A third-party delivery facilitator, while acting on behalf of an
eligible business, may engage in any activity described in subsection
(3) 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:

9 "(A) The price of the available alcoholic beverages; and

10 "(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 third-party 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.
"(5) A third-party delivery facilitator may charge an eligible business a fee for delivering alcoholic beverages on behalf of the eligible
business.

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

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

1 "(8) This section does not apply to a motor carrier or freight 2 forwarder, as defined in 49 U.S.C. 13102, or an air carrier, as defined 3 in 49 U.S.C. 40102.

"SECTION 8. (1) It is a Class A misdemeanor for a person that is 4 not a third-party delivery facilitator that holds a permit issued under $\mathbf{5}$ section 7 of this 2023 Act to engage in any activity for which a permit 6 is required unless the person is a licensee, permittee or agent ap-7 pointed by the Oregon Liquor and Cannabis Commission, or is an em-8 ployee or agent of a licensee, permittee or agent acting on behalf of 9 the licensee, permittee or agent, and the activity is allowed by the 10 privileges of the license, permit or appointment. 11

"(2)(a) The commission may assess a civil penalty against a thirdparty 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.

²² "SECTION 9. ORS 471.346 is amended to read:

"471.346. (1)(a) The Oregon Liquor and Cannabis Commission shall by 23rule develop uniform standards for minor decoy operations used to investi-24gate licensees, permittees, [and agents operating stores on behalf of the 25commission under ORS 471.750] agents appointed by the commission, 26third-party delivery facilitators and any person delivering alcoholic 27beverages to final consumers in this state for violations of the laws of 28this state prohibiting sales and deliveries of alcoholic beverages to minors. 29 "(b) Uniform standards established by the commission under this section 30

apply to all investigations 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.

5 "(2) To the greatest extent possible, the uniform standards established by 6 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.

5 "(4) Except as provided in subsection (5) of this section, the failure of the 6 commission or of a law enforcement agency to follow uniform standards es-7 tablished by the commission under this section is not grounds for challenging 8 any complaint, citation or conviction for violation of the laws prohibiting 9 the sale **or delivery** of alcoholic beverages to minors.

"(5) In determining whether to impose sanctions based on multiple vio-10 lations of the laws of this state prohibiting sales or deliveries of alcoholic 11 beverages to minors, the commission may not consider any complaint filed 12 against, citation issued to or conviction of a licensee, permittee, agent 13 appointed by the commission, third-party delivery facilitator or a per-14 son delivering alcoholic beverages to final consumers for selling or de-15livering alcoholic beverages to a minor[, citation issued to a licensee for 16 selling alcoholic beverages to a minor or conviction of a licensee for selling 17 alcoholic beverages to a minor] if the complaint, citation or conviction arose 18 out of a minor decoy operation that was not conducted pursuant to the uni-19 form standards established by the commission under this section. 20

"(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:

"(a) Imposing any civil penalty against a licensee, permittee, agent
 appointed by the commission, third-party delivery facilitator or a per son 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 permit
 issued under this chapter or rules adopted under this chapter; or

"(c) Otherwise sanctioning a licensee, permittee, agent appointed by
the commission, third-party 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.

8 "SECTION 10. ORS 471.410 is amended to read:

9 "471.410. (1) A person may not sell, give or otherwise make available any
10 alcoholic liquor to any person who is visibly intoxicated.

"(2) [No one] A person other than the person's parent or guardian may 11 **not** sell, give or otherwise make available any alcoholic liquor to a person 12 under the age of 21 years. A parent or guardian may give or otherwise make 13 alcoholic liquor available to a person under the age of 21 years only if the 14 person is in a private residence and is accompanied by the parent or guard-15ian. A person violates this subsection [who] if the person sells, gives or 16 otherwise makes available alcoholic liquor to a person with the knowledge 17 that the person to whom the liquor is made available will violate this sub-18 section. 19

"(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.

26 "(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

1 unit in which the owner or agent resides; and

2 "(C) Does not apply to a person who exercises control over a private 3 residence if the liquor consumed by the person under the age of 21 years is 4 supplied only by an accompanying parent or guardian.

5 "(4) This section does not apply to sacramental wine given or provided 6 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.

15 "(6)(a) A person who violates subsection (2) of this section is subject to 16 the provisions of this subsection if the person does not act knowingly or 17 intentionally and:

18 "(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.

27 "(b) For a person described in paragraph (a) of this subsection:

²⁸ "(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.

6 "[(7) For an employee of an off-premises sales licensee who violates sub-7 section (2) of this section while operating a checkout device and does not act 8 knowingly or intentionally, a first conviction is a Class A violation.]

9 "[(8)] (7) The court may waive an amount that is at least \$200 but not 10 more than one-third of the fine imposed under subsection (5) of this section, 11 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.

²⁸ "SECTION 11. 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: 23"(a) The court may order a person who violates subsection (1) of this 24section through misrepresentation of age to perform community service; and 25"(b) The court shall order, when a person violates subsection (1) of this 26section, that the person's driving privileges and right to apply for driving 27privileges be suspended pursuant to ORS 809.260 and 809.280. The court no-28tification made to the Department of Transportation under this paragraph 29 may include a recommendation that the person be granted a hardship permit 30

1 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).

8 "(7) In addition to and not in lieu of any penalty established by law, the 9 court may order a person who violates this section to undergo assessment 10 and treatment as provided in ORS 471.432. The court shall order a person to 11 undergo assessment and treatment as provided in ORS 471.432 if the person 12 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 19 years of age who is acting under the direction of a licensee, an eligible 20business, as defined in section 2 of this 2023 Act, or a third-party de-21livery facilitator, as defined in section 2 of this 2023 Act, for the purpose 22of investigating possible violations by employees or **agents** of the licensee, 23eligible business or third-party delivery facilitator of laws prohibiting 24sales or deliveries of alcoholic beverages to persons who are under 21 years 2526 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:

29 "(A) The person contacted emergency medical services or a law enforce-30 ment agency in order to obtain medical assistance for another person who 1 was in need of medical assistance due to alcohol consumption and the evi-2 dence of the violation was obtained as a result of the person's having con-3 tacted 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 of the violation was obtained as a result of the
person's having sought or obtained the medical assistance.

"(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 12. (1) Sections 2 to 8 of this 2023 Act and the amend ments to ORS 471.346, 471.410 and 471.430 by sections 9 to 11 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 8 of this 2023 Act and the amendments to ORS 471.346, 471.410 and 471.430 by sections 9 to 11 of this 2023 Act.

"<u>SECTION 13.</u> 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.".

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