## **A-Engrossed** House Bill 4092

Ordered by the House February 9 Including House Amendments dated February 9

Sponsored by Representative HARKER; Representatives BAILEY, FREDERICK, JOHNSON, READ, WHISNANT (Presession filed.)

## 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

[Allows licensed distillery or trade association representing distilleries to obtain license for special event at which multiple distilleries may permit tastings and conduct limited sales.]

[Allows distillery licensee to obtain indorsement to permit tastings and conduct limited sales at li-censed special events. Allows distillery not holding indorsement to obtain limited permit to permit tastings and conduct limited sales at single licensed special event.]

Specifies, for distillery licensee that holds special events distillery license, activities permitted and requirements for purchasing and selling distilled liquor at event. Declares emergency, effective on passage.

A BILL FOR AN ACT 1 2 Relating to distillery special events; amending ORS 471.230; and declaring an emergency. Be It Enacted by the People of the State of Oregon: 3 SECTION 1. ORS 471.230 is amended to read: 4 471.230. (1) A distillery license [shall allow the holder thereof] allows the licensee to import, 5 manufacture, distill, rectify, blend, denature and store spirits of an alcoholic content greater than 6 7 17 percent alcohol by weight, to sell the [same] spirits to the Oregon Liquor Control Commission and to transport the [same] spirits out of this state for sale outside this state. Distillery licensees 8 [shall be] are permitted to purchase from and through the commission alcoholic beverages for 9 blending and manufacturing purposes upon such terms and conditions as the commission may pro-10 vide. [No such licensee shall] A distillery licensee may not sell any alcoholic beverage within this 11 state except to the commission or as provided in this section. However, any agricultural producer 12 13 or association of agricultural producers or the legal agents [thereof who manufacture and convert] of an agricultural producer or association of agricultural producers that manufactures and 14 converts agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol 15for use in the arts and industry [shall not be] are not required to obtain a license from the com-16 mission. 17(2) A distillery licensee may: 18 (a) Permit tastings of the distilled liquor manufactured by the distillery licensee. The tastings 19

20 may be conducted on the licensed premises of the distillery, on one other premises owned or leased by the licensee, or both. The licensee must purchase the distilled liquor from the commission. 21

22(b) Obtain a special events distillery license. [entitling the holder to permit tastings of the distilled liquor manufactured by the distillery licensee. Tastings may be conducted under a special events 23

24 distillery license at a designated location other than the location set forth in the distillery license for

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1 a period not exceeding five days. The licensee must purchase the distilled liquor from the 2 commission.]

3 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of 4 retailing only distilled liquor that the licensee manufactured in Oregon at locations where tastings 5 are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section.

6 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises 7 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-8 cense for one other location. All distilled spirits sold under the full on-premises sales license must 9 be purchased from the commission.

(4)(a) A distillery licensee that holds a special events distillery license may conduct an
 event on a premises at a designated location other than the location set forth in the distillery
 license for a period not exceeding five days. A distillery licensee conducting an event may:

13 (A) Permit tastings of distilled liquor manufactured by the distillery.

(B) Permit sales by the drink of distilled liquor manufactured by the distillery.

15 (C) If the distillery licensee has been appointed as a distillery retail outlet agent under 16 subsection (2)(c) of this section, sell factory sealed containers of distilled liquor manufac-17 tured by the distillery for consumption off the licensed premises of the event.

(b) A distillery licensee that holds a special events distillery license:

(A) Must purchase distilled liquor that the licensee uses for conducting tastings at the
 event from the commission at the price set by the commission for distilled liquor removed
 from bond for tastings.

(B) Must purchase distilled liquor that the licensee uses for sales by the drink at the
event at the retail price set by the commission for the month in which the distilled liquor
is sold by the drink.

(C) Must purchase distilled liquor that the licensee sells in factory sealed containers at
the event at the retail price set by the commission for the month in which the licensee
makes the purchase.

(D) Must sell distilled liquor described in subparagraph (C) of this paragraph at the retail
 price set by the commission for the month in which the licensee makes the sale.

30 <u>SECTION 2.</u> This 2012 Act being necessary for the immediate preservation of the public 31 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect 32 on its passage.

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