

## SENATE AMENDMENTS TO SENATE BILL 1501

By COMMITTEE ON BUSINESS, TRANSPORTATION AND ECONOMIC DEVELOPMENT

February 15

1 On page 1 of the printed bill, line 3, after “visions;” delete the rest of the line and insert “and  
2 amending ORS 471.186, 471.274, 471.311 and 473.065.”.

3 Delete lines 25 through 27 and insert:

4 “(a) Subject to subsection (4) of this section, receive wine directly from a licensed wholesaler  
5 or winery licensee or from a manufacturer of wine that holds a wine self-distribution permit issued  
6 under ORS 471.274;”.

7 On page 2, after line 15, insert:

8 “(4) A central warehouse licensee may receive wine from a wholesaler only if the wholesaler  
9 has paid the taxes on the wine. A central warehouse licensee that receives wine from a winery  
10 licensee or from a manufacturer of wine that holds a wine self-distribution permit must pay the taxes  
11 imposed under ORS chapter 473 and comply with reporting requirements imposed by ORS chapter  
12 473 unless:

13 “(a) The winery licensee or the manufacturer of wine that holds a wine self-distribution permit  
14 has paid the taxes and complied with the reporting requirements;

15 “(b) The central warehouse is licensed under section 5 of this 2012 Act and a member of the  
16 cooperative operating the warehouse takes title to the wine and pays the taxes and complies with  
17 the reporting requirements; or

18 “(c) The wine is exempted from taxation under ORS 473.050 (5).

19 “(5) Notwithstanding ORS 471.392 to 471.400:

20 “(a) If a central warehouse is licensed under section 5 of this 2012 Act, the cooperative oper-  
21 ating the warehouse may take title to wine received at the warehouse.

22 “(b) Title to wine described in this subsection must be transferred from the cooperative to a  
23 member of the cooperative prior to removal of the wine from the central warehouse and upon re-  
24 imbursement by the member of any taxes paid on the wine by the cooperative. The cooperative shall  
25 report the transfer of title to the Oregon Liquor Control Commission.”.

26 In line 17, delete “10 or more”.

27 In line 39, delete “composed of 10 or more members”.

28 In line 42, after “premises” insert “of the member”.

29 In line 43, delete “the member”.

30 In line 44, after “(a)” insert “The member or the cooperative”.

31 On page 3, delete line 1 and insert:

32 “(b) Title to the wine is held by the member or the cooperative until the wine is removed from  
33 the central warehouse;

34 “(c) Title to the wine is held by the member from the time the wine is removed from the central  
35 warehouse until the wine is sold at retail; and”.

1 In line 2, delete “(c)” insert “(d) The member”.

2 On page 4, after line 9, insert:

3 **“SECTION 7.** ORS 471.274 is amended to read:

4 “471.274. (1) The Oregon Liquor Control Commission may issue a wine self-distribution permit  
5 to a United States manufacturer of wine or cider. The commission may issue a wine self-distribution  
6 permit only to a manufacturer of wine or cider that:

7 “(a) Holds a license issued by another state that authorizes the manufacture of wine or cider;  
8 and

9 “(b) Holds a certificate of approval issued under ORS 471.244.

10 “(2) The holder of a wine self-distribution permit may sell at wholesale and transport wine or  
11 cider that the manufacturer produces directly to the commission, or to retail licensees in the manner  
12 provided by this section. A wine self-distribution permit allows the holder to sell wine or cider that  
13 the holder produces only to retail licensees who hold a valid endorsement issued by the commission  
14 authorizing receipt of wine or cider from the holder of a wine self-distribution permit.

15 “(3) In addition to the information required by ORS 471.311 for licenses, an applicant for a wine  
16 self-distribution permit shall provide the commission with a copy of the license held by the applicant  
17 or with sufficient information to allow verification of the license by electronic means or other means  
18 acceptable to the commission. The applicant also shall provide the commission with any information  
19 required by the commission to establish that the license held by the applicant authorizes the man-  
20 ufacture of wine or cider.

21 “(4) **Except as provided in this subsection**, a person holding a wine self-distribution permit is  
22 responsible for paying all taxes imposed under ORS chapter 473, and for complying with all report-  
23 ing requirements imposed by ORS chapter 473, for all wine and cider sold and transported to retail  
24 licensees in this state. **If a person holding a wine self-distribution permit delivers wine to a**  
25 **central warehouse and fails to pay taxes imposed under ORS chapter 473 or to comply with**  
26 **reporting requirements imposed by ORS chapter 473, the licensee taking title to the wine is**  
27 **responsible for the unpaid taxes imposed under ORS chapter 473 and for complying with re-**  
28 **porting requirements imposed by ORS chapter 473.** The commission may revoke, or refuse to  
29 issue, a wine self-distribution permit if the holder of a permit fails to pay taxes or make reports as  
30 required by ORS chapter 473. **A retail licensee that is required under this subsection to comply**  
31 **with reporting requirements is exempt from the reporting requirement imposed by sub-**  
32 **section (6) of this section.**

33 “(5) A retail licensee may receive wine or cider from the holder of a wine self-distribution permit  
34 only if the licensee has received prior authorization from the commission. Prior authorization under  
35 this subsection must be made by an endorsement to the license for the premises where the wine or  
36 cider will be received. The commission may not charge or collect a fee for an endorsement under  
37 this subsection.

38 “(6)(a) Except as provided in **subsection (4) of this section** or paragraph (b) of this subsection,  
39 a retail licensee that receives wine or cider from holders of wine self-distribution permits must make  
40 a monthly report to the commission, using a form prescribed by the commission, listing the amount  
41 of all wine or cider received from permit holders in the previous month, and the names of the permit  
42 holders from whom the wine or cider was received. Retail licensees shall retain such purchase re-  
43 cords for products received from permit holders as may be required by the commission.

44 “(b) The holder of a full or limited on-premises sales license is not required to file a report under  
45 this subsection for any month in which the licensee receives two or fewer cases of wine from holders

1 of wine self-distribution permits.

2 “(7) A manufacturer that is not licensed by the commission may sell and transport wine or cider  
3 directly to a retail licensee, and a retail licensee may receive wine or cider directly from a man-  
4 ufacturer that is not licensed by the commission, only if the manufacturer holds a wine self-  
5 distribution permit issued under this section.

6 “(8) The holder of a wine self-distribution permit consents to the jurisdiction of the commission  
7 and the courts of this state for the purpose of enforcing the provisions of this chapter, ORS chapter  
8 473 and any related laws or rules.

9 “(9) The holder of a wine self-distribution permit must post a bond or other security, as de-  
10 scribed in ORS 471.155.

11 “(10) The commission may revoke, or refuse to issue, a wine self-distribution permit if the holder  
12 of a permit fails to comply with any provision of this section.”.

13 In line 10, delete “7” and insert “8”.

14 On page 5, line 3, delete the blank and insert “1,000”.

15 After line 38, insert:

16 “**SECTION 9.** ORS 473.065 is amended to read:

17 “473.065. (1) If a manufacturer’s total tax liability under ORS 473.030 (1) in the previous calen-  
18 dar year was less than \$1,000, the manufacturer may deposit with the Oregon Liquor Control Com-  
19 mission an amount in cash equal to the manufacturer’s total tax liability under ORS 473.030 (1) for  
20 the previous calendar year in lieu of the bond required by ORS 471.155 (1).

21 “(2) If a manufacturer’s actual tax liability under ORS 473.030 (1) is less than the amount de-  
22 posited under subsection (1) of this section, the manufacturer may request that the commission re-  
23 fund the excess funds or may apply those funds toward the manufacturer’s tax liability under ORS  
24 473.030 (1) for the next calendar year.

25 “(3) If a manufacturer’s actual tax liability under ORS 473.030 (1) is greater than the amount  
26 deposited under subsection (1) of this section, the manufacturer shall pay to the commission the  
27 additional amount owed in the manner required under ORS 473.060.

28 “(4) Unless the commission determines that a winery, grower sales privilege, **central ware-**  
29 **house** or warehouse licensee or direct shipper or wine self-distribution permit holder presents an  
30 unusual risk for nonpayment of any license fees, privilege taxes, agricultural products taxes or other  
31 tax, penalty or interest imposed under this chapter or ORS chapter 471, the commission shall waive  
32 the bond required under ORS 471.155 (1) for the licensee or permit holder if:

33 “(a) The licensee or permit holder was not liable for a privilege tax under this chapter in the  
34 immediately preceding calendar year and does not expect to be liable for a privilege tax under this  
35 chapter in the current calendar year; or

36 “(b) The licensee or permit holder of a business established during the current calendar year  
37 does not expect to be liable for a privilege tax under this chapter in the current calendar year.

38 As used in this paragraph, ‘business’ means:

39 “(A) A winery.

40 “(B) A **central warehouse**.

41 “(C) A **warehouse**.

42 “[*(B)*] (D) A business operated pursuant to a license issued under ORS 471.227.

43 “[*(C)*] A *warehouse*.”

44 “[*(D)*] (E) A business operated pursuant to a permit issued under ORS 471.274.

45 “[*(E)*] (F) A business operated pursuant to a permit issued under ORS 471.282.”.

1 In line 39, delete "8" and insert "10".

2 Delete lines 41 through 43.

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