

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	7 - 0 - 0
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Smith P., Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	4/16

WHAT THE MEASURE DOES: Allows a distillery licensee to possess up to two full on-premises sales licenses for the distillery and one other location and that sales may be made only on the established licensed premises. Provides that all distilled spirits sold under full on-premises license must be purchased from the Oregon Liquor Control Commission. Eliminates limitation on types of distilled liquor that distillery licensee may use in conducting tastings and that licensee may sell by bottle as retail sales agent of commission. Removes certain restrictions on privileges of brewery-public house licensees.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: 1997 legislation allowed distillers that distill brandy or pot-distill other liquors to provide tastings and be approved to sell their bottled products on their premises and at one other location. It also allowed them to have restaurants on their premises by first obtaining a "brewery-public house" license. Other types of distilleries currently may not offer tastings or sell their products on premises due to a general law that precludes wholesalers and producers from selling alcohol at retail without specific authority to do so.

SB 451 A would allow any distillery to offer tastings and be approved to sell bottled products on premises and at one other location. It would also allow any distillery to apply for a separate license, a full on-premises alcohol sales license, which would allow operation of a restaurant and sales by the drink without having to first obtain a brewpub license. The requirement under the bill to have a full on-premises license to sell alcohol by the drink is consistent with constitutional provisions that require food to be prepared and sold where distilled alcohol is served and also would require the licensee to have liquor liability insurance and to meet various food service standards. Under current law and SB 451 A, the state receives a mark up from each sale.

4/19/2007 1:33:00 PM

This summary has not been adopted or officially endorsed by action of the committee.