

HOUSE AMENDMENTS TO HOUSE BILL 2677

By COMMITTEE ON BUSINESS AND LABOR

May 14

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and insert “471.155,
2 471.311, 471.404 and”.

3 Delete lines 6 through 21 and insert:

4 **“SECTION 2. (1) The Oregon Liquor Control Commission may issue a wine self-
5 distribution permit to a United States manufacturer of wine or cider. The commission may
6 issue a wine self-distribution 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
8 cider; and**

9 **“(b) Holds a certificate of approval issued under ORS 471.289.**

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

16 **“(3) In addition to the information required by ORS 471.311 for licenses, an applicant for
17 a wine self-distribution permit shall provide the commission with a copy of the license held
18 by the applicant and any information required by the commission to establish that the li-
19 cense held by the applicant authorizes the manufacture of wine or cider.**

20 **“(4) A person holding a wine self-distribution permit is responsible for paying all taxes
21 imposed under ORS chapter 473, and for complying with all reporting requirements imposed
22 by ORS chapter 473, for all wine and cider sold and transported to retail licensees in this
23 state. The commission may revoke, or refuse to issue, a wine self-distribution permit if the
24 holder of a permit fails to pay taxes or make reports as required by ORS chapter 473.**

25 **“(5) A retail licensee may receive wine or cider from the holder of a wine self-distribution
26 permit only if the licensee has received prior authorization from the commission. Prior au-
27 thorization under this subsection must be made by an endorsement to the license for the
28 premises where the wine or cider will be received. The commission may not charge or collect
29 a fee for an endorsement under this subsection.**

30 **“(6)(a) Except as provided in paragraph (b) of this subsection, a retail licensee that re-
31 ceives wine or cider from holders of wine self-distribution permits must make a monthly
32 report to the commission, using a form prescribed by the commission, listing the amount
33 of all wine or cider received from permit holders in the previous month, and the names of
34 the permit holders from whom the wine or cider was received. Retail licensees shall retain
35 such purchase records for products received from permit holders as may be required by the**

1 **commission.**

2 **“(b) The holder of a full or limited on-premises sales license is not required to file a re-**
3 **port under this subsection for any month in which the licensee receives two or fewer cases**
4 **of wine from holders of wine self-distribution permits.**

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

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

12 **“(9) The holder of a wine self-distribution permit must post a bond or other security, as**
13 **described in ORS 471.155.**

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

16 **“SECTION 2a. Section 2b of this 2007 Act is added to and made a part of ORS chapter**
17 **471.**

18 **“SECTION 2b. (1) Wine or cider may be shipped or transported by a licensee or permit**
19 **holder described in subsection (2) of this section only by employees of the licensee or permit**
20 **holder, or by a common carrier using a commission-approved delivery plan. The holder of a**
21 **wine self-distribution permit that uses a common carrier to ship or transport wine or cider**
22 **shall take reasonable steps to ensure that the wine or cider is sold and transported only to**
23 **licensees that are authorized to receive the wine or cider under section 2 of this 2007 Act.**

24 **“(2) The provisions of this section apply to persons holding wine self-distribution permits**
25 **and the holders of winery licenses, grower sales privilege licenses, wholesale malt beverage**
26 **and wine licenses and warehouse licenses issued by the commission.”.**

27 On page 3, line 31, delete the period and insert “and shall provide copies of those records, books
28 and accounts to the commission when requested by the commission.

29 **“SECTION 5. ORS 471.155 is amended to read:**

30 **“471.155. (1) The Oregon Liquor Control Commission shall provide for the licensing of persons**
31 **and cities within the state to manufacture, distribute, take orders for and sell spirits, wines, beer**
32 **and other alcoholic liquors. Except as provided in subsection (2) of this section, [every licensee or**
33 **applicant for a] **the holder of a** brewery, winery, wholesale, warehouse, grower sales privilege or**
34 **brewery-public house license **or the holder of a wine self-distribution permit** shall give, and at**
35 **all times maintain on file with the commission, a bond with a corporate surety authorized to trans-**
36 **act business in this state. The bond shall be in form and amount acceptable to the commission, shall**
37 **be payable to the commission and conditioned that [such] **the** licensee or [applicant] **permittee** will**
38 **pay any fine imposed for any violation of any provision of the Liquor Control Act and that the**
39 **licensee or [applicant] **permittee** will pay all license fees, privilege taxes[,] **and** taxes on alcoholic**
40 **liquors, together with penalties and interest thereon, levied or assessed against the licensee or [ap-**
41 **plicant] **permittee** under statutes relating to the importation, manufacture, distribution, sale or**
42 **taxation of alcoholic liquors in the State of Oregon.**

43 **“(2) Under such conditions as the commission may prescribe, [a] **the holder of a** brewery,**
44 **winery, wholesale, warehouse, grower sales privilege or brewery-public house [licensee or applicant]**
45 **license **or the holder of a wine self-distribution permit** may deposit, in lieu of the bond required**

1 by subsection (1) of this section, the equivalent value in cash, bank letters of credit recognized by
2 the State Treasurer or negotiable securities of a character approved by the State Treasurer. The
3 deposit is to be made in a bank or trust company for the benefit of the commission. Interest on
4 deposited funds or securities shall accrue to the depositor.

5 “**SECTION 6.** ORS 471.404 is amended to read:

6 “471.404. (1) No alcoholic liquor shall be imported into this state by any person not holding a
7 brewery, winery, distillery or wholesaler’s license, except as follows:

8 “(a) Alcoholic liquor ordered by and en route to the Oregon Liquor Control Commission.

9 “(b) Wines for sacramental purposes according to rules adopted by the commission.

10 “(c) Alcoholic liquor that is in transit on a common carrier to a destination outside Oregon.

11 “(d) Alcoholic liquor coming into Oregon on a common carrier according to orders placed by a
12 licensed brewery, winery or wholesaler.

13 “(e) Imported alcoholic liquor pursuant to a permit issued under subsection (2) of this section.

14 “(f) **Wine or cider that is sold and transported by the holder of a wine self-distribution**
15 **permit to a retail licensee that has the endorsement described in section 2 (5) of this 2007**
16 **Act.**

17 “(2) The commission may require importers of alcoholic liquor to secure a permit for each
18 importation and may charge a reasonable fee based on quantity and type for the permit.”.

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