

House Bill 2677

Sponsored by Representative SCHAUFLEER

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 **as introduced**.

Authorizes Oregon Liquor Control Commission to issue wine self-distribution permit to United States manufacturer of wine or cider. Provides that permit may be issued only to manufacturer that holds certificate of approval and license issued by another state that is substantially equivalent to Oregon winery license.

Provides that wine self-distribution permit authorizes holder to sell and transport wine or cider that holder produces directly to retail licensees in Oregon in same manner as Oregon winery licensee.

A BILL FOR AN ACT

1
2 Relating to wine self-distribution permits; creating new provisions; and amending ORS 471.311 and
3 473.150.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 471.**

6 **SECTION 2. (1) The Oregon Liquor Control Commission may issue a wine self-**
7 **distribution permit to a United States manufacturer of wine or cider. The commission may**
8 **issue a wine self-distribution permit only to a manufacturer of wine or cider that:**

9 (a) **Holds a license issued by another state that is substantially equivalent to a winery**
10 **license issued under ORS 471.223; and**

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

12 (2) **The holder of a wine self-distribution permit may sell and transport wine or cider that**
13 **the manufacturer produces directly to retail licensees in this state in the same manner as**
14 **a winery licensee under ORS 471.223 (1)(b).**

15 (3) **In addition to the information required by ORS 471.311 for licenses, an applicant for**
16 **a wine self-distribution permit shall provide the commission with a copy of the license held**
17 **by the applicant and any information required by the commission to establish that the li-**
18 **cence held by the applicant is substantially equivalent to a winery license issued under ORS**
19 **471.223.**

20 (4) **A person holding a wine self-distribution permit is responsible for paying all taxes and**
21 **complying with all reporting requirements imposed by ORS chapter 473.**

22 **SECTION 3. ORS 471.311 is amended to read:**

23 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make
24 application to the Oregon Liquor Control Commission upon forms to be furnished by the commission
25 showing the name and address of the applicant, location of the place of business that is to be op-
26 erated under the license, and such other pertinent information as the commission may require. No
27 license shall be granted or renewed until the applicant has complied with the provisions of the Li-
28 quor Control Act, the provisions of the Oregon Distilled Liquor Control Act and the rules of the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 commission.

2 (2) The commission may reject any application that is not submitted in the form required by
 3 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
 4 A hearing under this subsection is not subject to the requirements for contested case proceedings
 5 under ORS chapter 183.

6 (3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for
 7 processing a renewal application for any license authorized by this chapter only if the renewal ap-
 8 plication is received by the commission less than 20 days before expiration of the license. If the
 9 renewal application is received prior to expiration of the license but less than 20 days prior to ex-
 10 piration, this fee shall be 25 percent of the annual license fee. If a renewal application is received
 11 by the commission after expiration of the license but no more than 30 days after expiration, this fee
 12 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-
 13 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

14 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that
 15 failure to submit a timely application was due to unforeseen circumstances or to a delay in pro-
 16 cessing the application by the local governing authority that is no fault of the licensee.

17 (5) The annual license fee is nonrefundable and shall be paid by each applicant upon the
 18 granting or committing of a license. Subject to ORS 471.155 and 473.065, the annual license fee and
 19 the minimum bond required of each class of license under this chapter are as follows:

20 _____

License	Minimum Fee	Minimum Bond
Brewery, including		
Certificate of Approval	\$ 500	\$ 1,000
Winery	250	1,000
Distillery	100	None
Wholesale Malt		
Beverage and Wine	275	1,000
Warehouse	100	1,000
Special events winery license may be issued to a winery licensee at	\$ 10 per day	
Brewery-Public House, including Certificate of Approval	\$ 250	\$ 1,000
Limited On-Premises Sales	\$ 200	None
Off-Premises Sales	\$ 100	None
Temporary Sales	\$ 25 for events lasting five hours or less and \$25 for each additional period of five hours	

1		or less	
2	Grower sales privilege		
3	license	\$ 250	\$ 1,000
4	Special events grower		
5	sales privilege		
6	license	\$ 10 per day	

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9 (6) The fee for a certificate of approval or special certificate of approval granted under ORS
 10 471.289 is nonrefundable and must be paid by each applicant upon the granting or committing of a
 11 certificate of approval or special certificate of approval. No bond is required for the granting of a
 12 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-
 13 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-
 14 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special
 15 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval
 16 is \$10.

17 (7) Except as provided in subsection (8) of this section, the annual license fee for a full on-
 18 premises sales license is \$400. No bond is required for any full on-premises sales license.

19 (8) The annual license fee for a full on-premises sales license held by a private club as described
 20 in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state,
 21 is \$200.

22 **(9) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is**
 23 **\$1,000.**

24 **SECTION 4.** ORS 473.150 is amended to read:

25 473.150. (1) The Oregon Liquor Control Commission may, at any time, examine the books and
 26 records of **a holder of a wine self-distribution permit or of** any manufacturer of wine, cider or
 27 malt beverages, and may appoint [*such*] auditors, investigators and other employees [*as it deems*]
 28 **that the commission considers** necessary to enforce its powers and perform its duties under this
 29 section.

30 (2) Every **holder of a wine self-distribution permit and every** manufacturer shall maintain
 31 and keep[, *within this state*] for two years[,] all records, books and accounts required by this chapter.
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