

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	9 - 0 - 1
Yeas:	Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Witt, Schaufler
Nays:	0
Exc.:	Thatcher
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/4, 2/16

WHAT THE MEASURE DOES: Corrects statutory inconsistencies related to the Oregon Liquor Control Commission's distillery license and related provisions related to brewery public house and winery licensure. Establishes separate category of distillery retail outlets. Clarifies number and locations where distilleries may conduct tastings. Deletes prohibition against issuing a full on-premises sales license to a winery licensee that is owned or controlled by a distillery. Exempts appointed distillery retail outlet agents from prohibition against retail sales agents from having a financial interest or business connection with a distillery.

ISSUES DISCUSSED:

- Number of distillery retail outlets in Oregon
- Difference between an Oregon Liquor Control Commission retail sales agent and a distillery retail outlet agent

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Senate Bill 451 (2007) expanded the privileges available to Oregon distilleries, including allowing the distillery licensee to offer sample tastings, have up to two full on-premises sales licenses, and operate a full service restaurant at their licensed premises. House Bill 2250 clarifies inconsistencies that have resulted from changes in the distillery license statute and related statutes. The measure also reflects changes in terminology and practice in statutes related to distillery licenses, such as distinguishing between retail sales agents (liquor store operator) and distillery retail outlet agents, appointed by the Oregon Liquor Control Commission (OLCC) to only sell liquors that the distillery licensee manufactured at locations where tastings are permitted.

House Bill 2250 also eliminates a potential conflict that could be construed to prohibit distillery retail outlet agents from having an interest in a distillery. ORS 471.710(3) prohibits liquor store agents or their household or immediate family from having any financial interest or business connection with any person or business either licensed as an OLCC distiller, dispenser, or agent, or with any distillery whose products are sold in Oregon. The measure allows appointed distillery retail outlet agents to have a financial interest or business connection with a distillery.