

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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**Action:** Do Pass  
**Vote:** 5 - 0 - 0  
**Yeas:** George, Schrader, Starr, Verger, Metsger  
**Nays:** -  
**Exc.:** -  
**Prepared By:** Jim Stembridge, Administrator  
**Meeting Dates:** 3/11

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**WHAT THE MEASURE DOES:** 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 having a financial interest or business connection with a distillery. Corrects inconsistencies related to brewery public house and winery licensure. Establishes separate category of distillery retail outlets. Clarifies number and locations where distilleries may conduct tastings.

**ISSUES DISCUSSED:**

- History of expansion of privileges extended to distilleries
- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Distilleries produce distilled liquor: any alcoholic beverage other than a wine, cider, or malt beverage. Senate Bill 451 (2007) expanded the privileges available to Oregon distilleries, including allowing distillery licensees to offer sample tastings, have up to two full on-premises sales licenses, and operate full-service restaurants at their licensed premises. HB 2250 clarifies inconsistencies that resulted from the changes. HB 2250 also changes terminology related to distillery licenses, distinguishing between retail sales agents (liquor store operators) 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.

HB 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 households or immediate families 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. HB 2250 allows appointed distillery retail outlet agents to have a financial interest or business connection with a distillery.