

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: George, Schrader, Starr, Verger
Nays: -
Exc.: Metsger
Prepared By: Jim Stembridge, Administrator
Meeting Dates: 5/6

WHAT THE MEASURE DOES: Increases preceding-year production limits for brewery-public house licensees distributing and selling at wholesale from 1000 barrels to 5000 barrels. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- World-renowned beers produced in Oregon
- Limitations on self-distribution of beer on the part of brew-pubs
- Relationships between brew-pubs and the wholesale distributors of malt beverages

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A brewery-public house license issued by the Oregon Liquor Control Commission (OLCC) allows a brew-pub to manufacture and sell malt beverages to wholesalers and sell malt beverages, wine, and cider for consumption on or off the licensee's premises. Current statute restricts production for licensees distributing and selling their products at wholesale to 1000 barrels per year. The limitation makes it difficult for brew-pubs to compete with breweries, which do not have statutory production restrictions.

House Bill 2611 increases brewery-public house licensees' production limitation to 5000 barrels.