

House Bill 2528

Sponsored by Representative GELSER; Representatives BAILEY, BARKER, DEMBROW, C EDWARDS, GALIZIO, KAHL, READ, SHIELDS, WITT

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**.

Allows issuance of special events license to brewery-public house licensee.

A BILL FOR AN ACT

Relating to special events licenses; amending ORS 471.168, 471.200 and 471.311.

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

SECTION 1. ORS 471.168 is amended to read:

471.168. (1) For the purpose of providing coverage for injuries suffered by persons by reason of the conduct of intoxicated persons who were served alcoholic beverages on licensed premises while visibly intoxicated, all persons holding a license described in this section must either:

(a) Maintain liquor liability insurance of not less than \$300,000; or

(b) Maintain a bond with a corporate surety authorized to transact business in this state in the amount of not less than \$300,000.

(2) The Oregon Liquor Control Commission may by rule require liquor liability insurance or bond in an amount larger than the minimum amount provided for in subsection (1) of this section.

(3) The requirements of this section apply to full on-premises sales licenses, limited on-premises sales licenses and brewery-public house licenses. The requirements of this section apply to temporary sales licenses, special events winery licenses, *[and]* special events grower sales privilege licenses **and special events brewery-public house licenses** if the event that is licensed is open to the public and attendance at the event is anticipated to exceed 300 individuals per day.

(4) The requirements of this section apply to winery licenses, brewery licenses and grower sales privilege licenses unless an applicant for issuance of the license or renewal of the license submits with the application for issuance or renewal of the license an affidavit that states that the licensee will not allow consumption of alcoholic beverages on the premises.

(5) All licensees subject to the requirements of this section must supply proof of compliance at the time the license is issued or renewed. The commission by rule shall determine the manner in which proof of compliance may be made under the provisions of this subsection.

SECTION 2. ORS 471.200 is amended to read:

471.200. (1) A brewery-public house license allows the licensee:

(a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the Oregon Liquor Control Commission and export malt beverages;

(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on or off the premises;

(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for

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 consumption off the premises;

2 (d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed
3 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the
4 premises, delivery of which may be made in a securely covered container supplied by the consumer;

5 (e) To sell wine and cider at retail for consumption on or off the premises; *[and]*

6 (f) To conduct the activities described in paragraphs (b) to (e) of this subsection at one location
7 other than the premises where the manufacturing occurs[.]; **and**

8 **(g) To obtain a special events brewery-public house license entitling the holder to conduct**
9 **the activities allowed under paragraphs (b), (c) and (e) of this subsection at a designated lo-**
10 **cation other than the location set forth in the brewery-public house license for a period not**
11 **exceeding five days.**

12 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year
13 a brewery-public house licensee may sell at wholesale to licensees of the commission malt beverages
14 produced by the brewery-public house licensee if the brewery-public house licensee produced 1,000
15 barrels or less of malt beverages in the immediately preceding calendar year.

16 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
17 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
18 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
19 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
20 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the
21 licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided
22 by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other in-
23 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
24 any other retail licensee, as defined in ORS 471.392.

25 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
26 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS
27 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from
28 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any
29 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398
30 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-
31 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS
32 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance
33 between manufacturing and retail businesses licensed to the same person under the provisions of
34 this section.

35 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
36 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
37 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
38 warehouse license authorized by ORS 471.242.

39 (6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for
40 limited on-premises sales licenses and temporary sales licenses.

41 (7)(a) Notwithstanding subsection (3) of this section, and except as provided in this subsection,
42 a brewery-public house licensee, or any person having an interest in the licensee, may also hold a
43 full on-premises sales license. If a person holds both a brewery-public house license and a full on-
44 premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled
45 liquor and malt beverages manufactured under the brewery-public house license.

1 (b) The commission may not issue a full on-premises sales license to a brewery-public house
 2 licensee under the provisions of this subsection if the brewery-public house licensee, or any person
 3 having an interest in the licensee or exercising control over the licensee, is a brewery that brews
 4 more than 200,000 barrels of malt beverages annually or a winery that produces more than 200,000
 5 gallons of wine annually.

6 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any
 7 person having an interest in the licensee, may also hold a distillery license. No provision of this
 8 chapter prevents a brewery-public house licensee from becoming a retail sales agent of the com-
 9 mission for the purpose of selling distilled liquors.

10 (9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a
 11 brewery-public house licensee to coproduce special events with other manufacturers.

12 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,
 13 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does
 14 not result in exercise of control over, or participation in the management of, the manufacturer's or
 15 wholesaler's business or business decisions and does not result in exclusion of any competitor's
 16 brand of alcoholic liquor.

17 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,
 18 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly
 19 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-
 20 sult in exercise of control over, or participation in the management of, the licensee's business or
 21 business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

22 (11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to
 23 be a manufacturer.

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

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

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

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

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

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

License	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	\$ 50 per day	
Grower sales privilege license	\$ 250	\$ 1,000
Special events grower sales privilege license	\$ 10 per day	
Special events brewery-public house license	\$ 10 per day	

(6) The fee for a certificate of approval or special certificate of approval granted under ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a certificate of approval or special certificate of approval. No bond is required for the granting of a certificate of approval or special certificate of approval. Certificates of approval are valid for a period commencing on the date of issuance and ending on December 31 of the fifth calendar year following the calendar year of issuance. The fee for a certificate of approval is \$175. Special certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval is \$10.

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

(8) The annual license fee for a full on-premises sales license held by a private club as described

1 in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state,
2 is \$200.

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

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