

House Bill 2611

Sponsored by Representative SCHAUFLEER, Senator JOHNSON (at the request of Pelican Pub and Brewery)

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**.

Increases preceding year production limit for brewery-public house licensee selling at wholesale.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to preceding year production limits for brewery-public house licensees selling at wholesale;
3 amending ORS 471.200; and declaring an emergency.

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

5 **SECTION 1.** ORS 471.200 is amended to read:

6 471.200. (1) A brewery-public house license allows the licensee:

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

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

11 (c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for
12 consumption off the premises;

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

16 (e) To sell wine and cider at retail for consumption on or off the premises; and

17 (f) To conduct the activities described in paragraphs (b) to (e) of this subsection at one location
18 other than the premises where the manufacturing occurs.

19 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year
20 a brewery-public house licensee may sell at wholesale to licensees of the commission malt beverages
21 produced by the brewery-public house licensee if the brewery-public house licensee produced
22 [1,000] **5,000** barrels or less of malt beverages in the immediately preceding calendar year.

23 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
24 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
25 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
26 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
27 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the
28 licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided
29 by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other in-
30 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
31 any other retail licensee, as defined in ORS 471.392.

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 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
2 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS
3 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from
4 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any
5 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398
6 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-
7 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS
8 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance
9 between manufacturing and retail businesses licensed to the same person under the provisions of
10 this section.

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

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

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

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

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

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

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

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

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

45 **SECTION 2. This 2009 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
2 **on its passage.**

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