

A-Engrossed
Senate Bill 802

Ordered by the Senate April 8
Including Senate Amendments dated April 8

Sponsored by Senator BATES

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.

[Allows Oregon Liquor Control Commission to authorize delivery of ordered distilled liquor directly from distillery licensee or importer to liquor store operated by agent of commission.] Allows issuance of special events license to distillery licensee.

A BILL FOR AN ACT

1
2 Relating to distilled liquor; amending ORS 471.168, 471.230 and 471.311.

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

4 **SECTION 1.** ORS 471.168 is amended to read:

5 471.168. (1) For the purpose of providing coverage for injuries suffered by persons by reason of
6 the conduct of intoxicated persons who were served alcoholic beverages on licensed premises while
7 visibly intoxicated, all persons holding a license described in this section must either:

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

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

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

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

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

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

25 **SECTION 2.** ORS 471.230 is amended to read:

26 471.230. (1) A distillery license shall allow the holder thereof to import, manufacture, distill,
27 rectify, blend, denature and store spirits of an alcoholic content greater than 17 percent alcohol by
28 weight, to sell the same to the Oregon Liquor Control Commission and to transport the same out

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 of this state for sale outside this state. Distillery licensees shall be permitted to purchase from and
 2 through the commission alcoholic beverages for blending and manufacturing purposes upon such
 3 terms and conditions as the commission may provide. No such licensee shall sell any alcoholic
 4 beverage within this state except to the commission or as provided in this section. However, any
 5 agricultural producer or association of agricultural producers or legal agents thereof who manufac-
 6 ture and convert agricultural surpluses, by-products and wastes into denatured ethyl and industrial
 7 alcohol for use in the arts and industry shall not be required to obtain a license from the commis-
 8 sion.

9 (2) A distillery licensee may:

10 (a) Permit tastings of the distilled liquor manufactured by the distillery. The tastings may be
 11 conducted on the premises and on at least one other premises owned or leased by the licensee. The
 12 licensee must purchase the distilled liquor from the commission.

13 **(b) Obtain a special events distillery license entitling the holder to permit tastings of the**
 14 **distilled liquor manufactured by the distillery. Tastings may be conducted under a special**
 15 **events distillery license at a designated location other than the location set forth in the**
 16 **distillery license for a period not exceeding five days. The licensee must purchase the dis-**
 17 **tilled liquor from the commission.**

18 [(b)] (c) Apply for appointment as a retail sales agent of the commission for purposes of retailing
 19 only distilled liquor that the licensee distilled in Oregon at the two locations at which tastings are
 20 permitted pursuant to paragraph (a) of this subsection.

21 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises
 22 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-
 23 cense for one other location. All distilled spirits sold under the full on-premises sales license must
 24 be purchased from the commission.

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

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

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

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

44 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that
 45 failure to submit a timely application was due to unforeseen circumstances or to a delay in pro-

1 censing the application by the local governing authority that is no fault of the licensee.

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

	Minimum	
License	Fee	Bond
9 Brewery, including Certificate		
10 of Approval	\$ 500	\$ 1,000
11 Winery	250	1,000
12 Distillery	100	None
13 Wholesale Malt Beverage		
14 and Wine	275	1,000
15 Warehouse	100	1,000
16 Special events winery		
17 license [<i>may be</i>]		
18 [<i>issued to a</i>]		
19 [<i>winery licensee at</i>]	\$ 10 per day	
20 Brewery-Public House,		
21 including Certificate		
22 of Approval	\$ 250	\$ 1,000
23 Limited On-Premises Sales	\$ 200	None
24 Off-Premises Sales	\$ 100	None
25 Temporary Sales	\$ 50 per day	
26 Grower sales privilege		
27 license	\$ 250	\$ 1,000
28 Special events grower		
29 sales privilege		
30 license	\$ 10 per day	
31 Special events		
32 distillery		
33 license	\$ 10 per day	

36 (6) The fee for a certificate of approval or special certificate of approval granted under ORS
37 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a
38 certificate of approval or special certificate of approval. No bond is required for the granting of a
39 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-
40 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-
41 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special
42 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval
43 is \$10.

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

1 (8) The annual license fee for a full on-premises sales license held by a private club as described
2 in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state,
3 is \$200.

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