

A-Engrossed
House Bill 2633

Ordered by the House March 18
Including House Amendments dated March 18

Sponsored by Representative SCHAUFLEER (at the request of Oregon Winegrowers Association) (Presession filed.)

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.

Requires that winery licensee possess federal permit allowing licensee to engage in certain activities. Restricts exercise of winery license privileges by winery licensee not holding federal permit to operate as producer and blender.

Becomes operative January 1, 2014.

A BILL FOR AN ACT

1
2 Relating to alcoholic beverages; creating new provisions; and amending ORS 471.223.

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

4 **SECTION 1.** ORS 471.223 is amended to read:

5 471.223. **(1) As used in this section, "control" means that the licensee:**

6 **(a) Owns the brand under which the wine or cider is labeled; or**

7 **(b) Performs or has the legal right to perform all of the acts common to a brand owner**
8 **under the terms of a trademark license or similar agreement that for the brand under which**
9 **the wine or cider is labeled has a term of at least three years.**

10 [(1)] **(2)** A winery license shall allow the licensee:

11 **(a) To import wine or cider in containers that have a capacity of more than four liters.**

12 **(b) To import wine or cider in containers that have a capacity of four liters or less if the**
13 **brand of wine or cider is under the control of the licensee.**

14 [(a)] **(c)** To [*import,*] bottle, produce, blend, store, transport or export wines or cider.

15 [(b)] **(d)** To sell wines or cider at wholesale to the Oregon Liquor Control Commission or to
16 licensees of the commission.

17 [(c)] **(e)** To sell wines or cider at retail directly to the consumer for consumption on or off the
18 licensed premises.

19 [(d)] **(f)** To sell malt beverages at retail for consumption on or off the licensed premises.

20 [(e)] **(g)** To conduct [*the activities allowed under paragraph (a), (b), (c) or (d), or all,*] **any activ-**
21 **ities described in paragraphs (a) to (f)** of this subsection at a second or third premises as may
22 be designated by the commission.

23 [(f)] **(h)** To purchase from or through the commission brandy or other distilled liquors for forti-
24 fying wines.

25 [(g)] **(i)** To obtain a special events winery license that shall entitle the holder to conduct the
26 activities allowed under paragraphs [(c) and (d)] **(e) and (f)** of this subsection at a designated lo-
27 cation other than the one set forth in the winery license for a period not to exceed five days.

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 [(2)] (3) In order to hold a winery license the licensee shall: [*principally produce wine or cider*
2 *in this state.*]

3 **(a) Possess at a bonded premises within Oregon a valid producer and blender basic permit**
4 **issued by the federal Alcohol and Tobacco Tax and Trade Bureau; or**

5 **(b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal**
6 **Alcohol and Tobacco Tax and Trade Bureau and have a written contract with a winery li-**
7 **icensed under paragraph (a) of this subsection that authorizes the winery to produce for the**
8 **licensee a brand of wine or cider that is under the control of the licensee.**

9 [(3) *On and after July 1, 1990, a winery licensee is not authorized to import wine or cider in bottles*
10 *unless the brand of wine or cider is owned by the licensee.*]

11 (4) A winery licensee may sell and ship wine or cider directly to a resident of this state only
12 if the licensee has a direct shipper permit issued under ORS 471.282.

13 (5)(a) Except as provided in paragraph (b) of this subsection, a winery licensee, or any person
14 having an interest in the licensee, may also hold a full on-premises sales license. If a person holds
15 both a winery license and a full on-premises sales license, nothing in this chapter shall prevent the
16 sale by the licensee of both distilled liquor and wine or cider bottled and produced under the winery
17 license.

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

22 (6) More than one winery licensee may exercise the privileges of a winery license at a single
23 location. The commission may not refuse to issue a winery license to a person for the production
24 of wine or cider on specified premises based on the fact that other winery licensees also produce
25 wine or cider on those premises.

26 **(7) If a winery licensee does not possess at a bonded premises within Oregon a valid**
27 **producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade**
28 **Bureau, the licensee may exercise the privileges described in this section only for wine and**
29 **cider brands that are under the control of the licensee.**

30 **SECTION 2. The amendments to ORS 471.223 by section 1 of this 2011 Act become oper-**
31 **ative on January 1, 2014.**

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