

House Bill 2633

Sponsored by Representative SCHAUFLER (at the request of Oregon Winegrowers Association) (Pre-session 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 **as introduced**.

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 having a term of at least three**
9 **years.**

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

11 (a) **To import wine or cider that is not in bottles.**

12 (b) **To import wine or cider in bottles if the brand of wine or cider is under the control**
13 **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.

28 [(2)] (3) In order to hold a winery license the licensee shall:

29 (a) Principally produce wine or cider in this state; **and**

30 (b) **Possess a valid basic permit issued by the federal Alcohol and Tobacco Tax and Trade**

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 **Bureau that authorizes the licensee to:**

2 (A) Operate a bonded wine premises as a producer and blender within this state;

3 (B) Operate a bonded wine premises as a blender within this state; or

4 (C) Purchase wine for reselling at wholesale within this state.

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

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

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

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

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

22 (7) **If a winery licensee does not possess a valid basic permit issued by the federal Alcohol**
23 **and Tobacco Tax and Trade Bureau that authorizes the licensee to operate a bonded wine**
24 **premises as a producer and blender within this state, the licensee may exercise the privileges**
25 **described in this section only for wine and cider brands that are under the control of the**
26 **licensee.**

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

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