

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
Vote:	6 - 0 - 0
Yeas:	Atkinson, Burdick, Edwards, Girod, Starr, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/9, 2/14

WHAT THE MEASURE DOES: Creates a central warehouse license, authorizing the licensee to store wine at a central warehouse for transport to premises in which the licensee holds a qualifying interest. Authorizes the holder of an off-premises sales license to store wine at licensed premises for transport to another licensed premise for sale at retail under certain conditions. Authorizes the sale of wine transported to receiving premises on behalf of a transporting holder. Outlines taxation and reporting requirements for central warehouse licensees and licensees shipping to central warehouses. Authorizes the Oregon Liquor Control Commission to issue a central warehouse license to cooperatives composed of members who hold off-premise sales licenses.

ISSUES DISCUSSED:

- Impact on employment within the wine distribution and retail industries
- Impact on large and small retailers and on distributors
- History of Oregon’s liquor control system
- Mechanism for operation of a central warehouse by a chain or by a cooperative
- Collection of taxes
- Fiscal impact

EFFECT OF COMMITTEE AMENDMENT: Specifies that central warehouse licensees may receive wine from wholesalers only if the wholesaler has paid taxes on the wine and that central warehouse licensees receiving wine from a winery or manufacturer with a self-distribution permit must pay the taxes imposed by ORS chapter 473 and comply with reporting requirements under certain circumstances. Deletes requirement that cooperatives be comprised of 10 or more licensees. Clarifies language related to who holds title to wine at the central warehouse. Outlines reporting requirements for taxation purposes. Imposes a \$1,000 bonding requirement for central warehouse licensees. Deletes an emergency clause.

BACKGROUND: The Oregon Liquor Control Commission (OLCC), established by the Legislative Assembly in 1933, regulates the sale and service of alcoholic beverages in Oregon, ensuring that only qualified individuals and businesses are licensed to serve and sell alcoholic beverages. OLCC offers liquor licenses for the sale, manufacture, import or distribution of alcohol; licenses can be annual (and renewable) or temporary/special event licenses.

One type of license offered by OLCC is an off-premises sales license. This license allows the holder to sell factory-sealed containers of wine, cider and malt beverages (the latter in containers no larger than 2.5 gallons). The annual license fee is \$100. Senate Bill 1501-A creates a central warehouse license (\$1,000 fee) to allow the licensee to receive wine directly from a licensed wholesaler or winery or from a manufacturer with a wine self-distribution permit, to hold that wine in storage and to release it for transport to licensed premises. The measure allows OLCC to issue a central warehouse license to cooperatives comprised of off-premise sales license holders. The measure also imposes a bonding requirement of \$1,000 for central warehouse licensees and outlines requirements for payment and reporting of taxes.