

House Bill 4092

Sponsored by Representative HARKER; Representatives BAILEY, FREDERICK, JOHNSON, READ, WHISNANT
(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**.

Allows licensed distillery or trade association representing distilleries to obtain license for special event at which multiple distilleries may permit tastings and conduct limited sales.

Allows distillery licensee to obtain indorsement to permit tastings and conduct limited sales at licensed special events. Allows distillery not holding indorsement to obtain limited permit to permit tastings and conduct limited sales at single licensed special event.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to distillery special events; creating new provisions; amending ORS 471.230; and declaring
3 an emergency.

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

5 **SECTION 1. Section 2 of this 2012 Act is added to and made a part of ORS chapter 471.**

6 **SECTION 2. (1) A distillery licensee under ORS 471.230 or a bona fide trade association**
7 **representing distilleries may apply to the Oregon Liquor Control Commission for a special**
8 **events distillery license. A special events distillery license issued under this section allows**
9 **the holder to conduct an event featuring tastings and limited sales by two or more partic-**
10 **ipating distilleries.**

11 **(2) An application for a special events distillery license must include:**

12 **(a) A map of the proposed event location showing all booths, stalls or other areas at**
13 **which a participating distillery may permit tastings or conduct sales of distilled liquor;**

14 **(b) The name and contact information for an event manager having the ability to verify**
15 **to the commission the booths, stalls or other areas actually used by a participating distillery**
16 **to permit tastings or conduct sales; and**

17 **(c) Any other information required by the commission.**

18 **(3) The commission shall require an applicant for a special events distillery license under**
19 **this section to obtain a written recommendation from the appropriate local governing body**
20 **as provided under ORS 471.166.**

21 **(4) An applicant may not receive more than one special events distillery license under**
22 **this section in any 12-month period. A special events distillery license does not qualify a**
23 **trade association holding the license as a distillery licensee. An event licensed under this**
24 **section may not be held at any location set forth in a distillery license and may not exceed**
25 **five days in duration. The holder of the special events distillery license must comply with**
26 **ORS 471.168.**

27 **(5) A distillery participating in an event licensed under this section may offer tastings**
28 **and conduct sales of distilled liquor at the event if the distillery holds an indorsement de-**

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 scribed in ORS 471.230 (2)(c) or has been granted a limited permit under subsection (6) of this
 2 section.

3 (6)(a) The commission may issue a distillery a limited permit to permit tastings and
 4 conduct sales at an event licensed under this section of distilled liquor manufactured by the
 5 holder. The commission may charge reasonable application and issuance fees for the limited
 6 permit. A limited permit issued under this subsection is valid for a single event. The holder
 7 of the limited permit must purchase the distilled liquor that the holder uses for tastings and
 8 sales at the event from the commission.

9 (b) The holder of a limited permit may not sell more than _____ ounces of distilled li-
 10 quor during the event and may not knowingly sell more than two liters of distilled liquor per
 11 day to the same purchaser at the event. A distillery may not sell more than _____ ounces
 12 of distilled liquor under limited permits during any 12-month period, regardless of the num-
 13 ber of limited permits issued to the distillery. The holder of a limited permit may sell distilled
 14 liquor only at the retail price established for the distilled liquor by the commission. The sale
 15 of distilled liquor under a limited permit does not make the holder a retail sales agent for
 16 purposes of ORS 471.710 (3). All activities of a limited permit holder at an event are subject
 17 to state laws, commission rules and authority and any permit restrictions and conditions
 18 imposed by the commission.

19 (7) The commission may immediately suspend a special events distillery license and sus-
 20 pend tastings or sales at the event by any participating distillery if the commission finds that
 21 tastings or sales of distilled liquor at the event are not being performed in the manner re-
 22 quired by law, commission rules or any applicable restrictions and conditions imposed by the
 23 commission.

24 **SECTION 3.** ORS 471.230 is amended to read:

25 471.230. (1) A distillery license [*shall allow the holder thereof*] **allows the licensee** to import,
 26 manufacture, distill, rectify, blend, denature and store spirits of an alcoholic content greater than
 27 17 percent alcohol by weight, to sell the [*same*] **spirits** to the Oregon Liquor Control Commission
 28 and to transport the [*same*] **spirits** out of this state for sale outside this state. Distillery licensees
 29 [*shall be*] **are** permitted to purchase from and through the commission alcoholic beverages for
 30 blending and manufacturing purposes upon such terms and conditions as the commission may pro-
 31 vide. [*No such licensee shall*] **A distillery licensee may not** sell any alcoholic beverage within this
 32 state except to the commission or as provided in this section. However, any agricultural producer
 33 or association of agricultural producers or **the** legal agents [*thereof who manufacture and convert*]
 34 **of an agricultural producer or association of agricultural producers that manufactures and**
 35 **converts** agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol
 36 for use in the arts and industry [*shall not be*] **are not** required to obtain a license from the com-
 37 mission.

38 (2) A distillery licensee may:

39 (a) Permit tastings of the distilled liquor manufactured by the distillery licensee. The tastings
 40 may be conducted on the licensed premises of the distillery, on one other premises owned or leased
 41 by the licensee, or both. The licensee must purchase the distilled liquor from the commission.

42 (b) Obtain a special events distillery license [*entitling*] **allowing** the holder to permit tastings
 43 of the distilled liquor manufactured by the distillery licensee. Tastings may be conducted under [*a*]
 44 **the** special events distillery license at a designated location other than the location set forth in the
 45 distillery license for a period not exceeding five days. **The holder may conduct sales of distilled**

1 **liquor at the event only if the holder possesses an indorsement described in paragraph (c)**
 2 **of this subsection. A special events distillery license issued under this paragraph is separate**
 3 **and distinct from the special events distillery license described in section 2 of this 2012 Act.**
 4 The licensee must purchase the distilled liquor from the commission.

5 **(c)(A) Obtain an indorsement allowing the holder to permit tastings and conduct sales**
 6 **of distilled liquor manufactured by the distillery licensee when conducting an event licensed**
 7 **under paragraph (b) of this subsection or participating in an event licensed under section 2**
 8 **of this 2012 Act. Unless suspended or revoked, an indorsement issued under this subsection**
 9 **is valid for the term of the distillery license and may be renewed. The authority to permit**
 10 **tastings and conduct sales of distilled liquor under the indorsement is in addition to any**
 11 **other authority of the distillery licensee to permit tastings or conduct sales of distilled li-**
 12 **quor. The commission may charge reasonable application, issuance and renewal fees for the**
 13 **indorsement.**

14 **(B) A distillery must file a report with the commission for any month in which the**
 15 **distillery will be conducting sales of distilled liquor at an event licensed under paragraph (b)**
 16 **of this subsection or will be permitting tastings or conducting sales of distilled liquor at an**
 17 **event licensed under section 2 of this 2012 Act. The report must be received by the com-**
 18 **mission prior to the licensee's conducting any tastings or sales during the month. The report**
 19 **must identify the dates, times and locations for each event at which the licensee plans to**
 20 **permit tastings or sell distilled liquor during the month. The report required by this sub-**
 21 **paragraph is in addition to any report the commission may require regarding tastings per-**
 22 **mitted or sales conducted under the indorsement.**

23 **(C) Sales of distilled liquor by the holder of an indorsement at events licensed under**
 24 **paragraph (b) of this subsection or section 2 of this 2012 Act may not exceed _____ ounces**
 25 **in any 12-month period and may not exceed _____ ounces per event. The holder of an in-**
 26 **dorsement may not knowingly sell more than two liters of distilled liquor per day to the same**
 27 **purchaser at an event. The holder of the indorsement may sell distilled liquor only at the**
 28 **retail price established for the distilled liquor by the commission. The sale of distilled liquor**
 29 **under the indorsement does not make the holder a retail sales agent for purposes of ORS**
 30 **471.710 (3). The distillery must purchase the distilled liquor that the distillery uses for**
 31 **tastings or sale at an event from the commission.**

32 **[(c)] (d) Apply for appointment by the commission as a distillery retail outlet agent for purposes**
 33 **of retailing only distilled liquor that the licensee manufactured in Oregon at locations where**
 34 **tastings are permitted under paragraph (a) of this subsection.**

35 **(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises**
 36 **sales license for a location at the licensed premises of the distillery and a full on-premises sales li-**
 37 **cence for one other location. All distilled spirits sold under the full on-premises sales license must**
 38 **be purchased from the commission.**

39 **SECTION 4. This 2012 Act being necessary for the immediate preservation of the public**
 40 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**
 41 **on its passage.**