

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure
Vote: 6 - 0 - 0
Yeas: Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays: 0
Exc.: 0
Prepared By: Patrick Brennan, Administrator
Meeting Dates: 5/14

WHAT THE MEASURE DOES: Increases number of premises owned or leased by licensed distiller where distiller may conduct tastings, aside from the licensed premises of the distillery, from one to five.

ISSUES DISCUSSED:

- Sales would be limited to products produced by licensee
- No tax implications
- Potential effect on retail liquor stores
- Potential number of premises to which measure could apply

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Liquor Control Commission (OLCC) is the licensing agency for businesses that import, manufacture, distribute, sell or serve alcohol in Oregon. The Commission was instituted in 1933 following the end of national prohibition. Oregon is a control state, with the exclusive right to sell packaged distilled spirits through a statewide distribution center in Portland and sold through 242 retail liquor stores operated by contracted liquor agents. Licenses are issued to private businesses for the sale of packaged beer and wine and to restaurants, bars and taverns for the sale of beer, wine and distilled spirits by the glass. The Commission issues a variety of licenses, based on the type of business operated by the licensee.

Current law allows a distillery licensee to conduct tastings at the licensed premises of the distillery and at one other premise owned or leased by the licensee. The distillery licensee may also hold a full on-premise sales license, which allows tastings to also occur on the premises so licensed. OLCC may allow the off-premises (“to-go”) sale of distilled spirits bottles at premises approved for tastings. In order to sell distilled spirits by the bottle at a tasting room, OLCC and the distillery licensee must enter into a Distillery Retail Outlet Agent Agreement. OLCC requires a physical separation of the tasting room from the portions of the premises where on-premises consumption is allowed in cases where to-go bottle sales are permitted.

House Bill 3435-A allows a distiller to lease or own up to five premises at which the distiller conducts tastings, in addition to the distiller’s licensed tasting room at the distillery.