

Enrolled
House Bill 3435

Sponsored by Representative GOMBERG, Senator STEINER HAYWARD; Representatives BAILEY, BARTON, BUCKLEY, DEMBROW, GALLEGOS, GORSEK, GREENLICK, HARKER, HOYLE, KENY-GUYER, LIVELY, MCKEOWN, READ, UNGER, WILLIAMSON, WITT

CHAPTER

AN ACT

Relating to distillery licensees; amending ORS 471.230.

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

SECTION 1. ORS 471.230, as amended by section 1, chapter 20, Oregon Laws 2012, is amended to read:

471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend, denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell the spirits to the Oregon Liquor Control Commission and to transport the spirits out of this state for sale outside this state. Distillery licensees are permitted to purchase from and through the commission alcoholic beverages for blending and manufacturing purposes upon such terms and conditions as the commission may provide. A distillery licensee may not sell any alcoholic beverage within this state except to the commission or as provided in this section. However, any agricultural producer or association of agricultural producers or the legal agents of an agricultural producer or association of agricultural producers that manufactures and converts agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are not required to obtain a license from the commission.

(2) A distillery licensee may:

(a) Permit tastings of the distilled liquor manufactured by the distillery licensee. The tastings may be conducted on the licensed premises of the distillery[, *on one*] **and at no more than five** other premises owned or leased by the licensee[, *or both*]. The licensee must purchase the distilled liquor from the commission.

(b) Obtain a special events distillery license.

(c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of retailing only distilled liquor that the licensee manufactured in Oregon at locations where tastings are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section.

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

(4)(a) A distillery licensee that holds a special events distillery license may conduct an event on a premises at a designated location other than the location set forth in the distillery license for a period not exceeding five days. A distillery licensee conducting an event may:

(A) Permit tastings of distilled liquor manufactured by the distillery.

(B) Permit sales by the drink of distilled liquor manufactured by the distillery.

(C) If the distillery licensee has been appointed as a distillery retail outlet agent under subsection (2)(c) of this section, sell factory sealed containers of distilled liquor manufactured by the distillery for consumption off the licensed premises of the event.

(b) A distillery licensee that holds a special events distillery license:

(A) Must purchase distilled liquor that the licensee uses for conducting tastings at the event from the commission at the price set by the commission for distilled liquor removed from bond for tastings.

(B) Must purchase distilled liquor that the licensee uses for sales by the drink at the event at the retail price set by the commission for the month in which the distilled liquor is sold by the drink.

(C) Must purchase distilled liquor that the licensee sells in factory sealed containers at the event at the retail price set by the commission for the month in which the licensee makes the purchase.

(D) Must sell distilled liquor described in subparagraph (C) of this paragraph at the retail price set by the commission for the month in which the licensee makes the sale.

Passed by House April 17, 2013

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 21, 2013

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2013

Approved:

.....M.,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2013

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Kate Brown, Secretary of State