

A-Engrossed
House Bill 3435

Ordered by the House April 15
Including House Amendments dated April 15

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

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.

Increases number of locations for which distillery licensee may [*hold full on-premises sales license for alcoholic beverages*] **permit tastings of distillery products.**

A BILL FOR AN ACT

1
2 Relating to distillery licensees; amending ORS 471.230.

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

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

6 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,
7 denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell
8 the spirits to the Oregon Liquor Control Commission and to transport the spirits out of this state
9 for sale outside this state. Distillery licensees are permitted to purchase from and through the
10 commission alcoholic beverages for blending and manufacturing purposes upon such terms and con-
11 ditions as the commission may provide. A distillery licensee may not sell any alcoholic beverage
12 within this state except to the commission or as provided in this section. However, any agricultural
13 producer or association of agricultural producers or the legal agents of an agricultural producer or
14 association of agricultural producers that manufactures and converts agricultural surpluses, by-
15 products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are
16 not required to obtain a license from the commission.

17 (2) A distillery licensee may:

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

22 (b) Obtain a special events distillery license.

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

26 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises
27 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-

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 cense for one other location. All distilled spirits sold under the full on-premises sales license must
2 be purchased from the commission.

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

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

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

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

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

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

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

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

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

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