

# 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

## 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**.

Increases number of locations for which distillery licensee may hold full on-premises sales license for alcoholic beverages.

## 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 other premises owned or leased  
20 by the licensee, or both. The licensee must purchase the distilled liquor from the commission.

21 (b) Obtain a special events distillery license.

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

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

29 **(3) Notwithstanding ORS 471.392 to 471.400, in addition to any other license or appoint-**  
30 **ment, a distillery licensee may hold a full on-premises sales license for a location at the 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 **censed premises of the distillery and no more than four full on-premises sales licenses for**  
2 **locations that are not at the licensed premises of the distillery. All distilled spirits sold by a**  
3 **distillery under a full on-premises sales license must be purchased from the commission.**

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

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

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

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

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

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

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

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

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

24