

A-Engrossed
Senate Bill 795

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

Sponsored by Senator PROZANSKI

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.

Permits brewery-public house licensee to store, transport and sell malt beverages at one location other than where manufacturing occurs. Deletes reference to repealed legislation.

A BILL FOR AN ACT

1
2 Relating to alcoholic beverages; amending ORS 471.157 and 471.200.

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

4 **SECTION 1.** ORS 471.157 is amended to read:

5 471.157. The licenses described in this chapter may be issued by the Oregon Liquor Control
6 Commission, subject to its regulations and restrictions and the provisions of the Liquor Control Act
7 [*and the Oregon Distilled Liquor Control Act*].

8 **SECTION 2.** ORS 471.200 is amended to read:

9 471.200. (1) A brewery-public house license allows the licensee:

10 (a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage
11 and wine licensees of the Oregon Liquor Control Commission and export malt beverages;

12 (b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption
13 on or off the premises;

14 (c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for
15 consumption off the premises;

16 (d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed
17 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the
18 premises, delivery of which may be made in a securely covered container supplied by the consumer;

19 (e) To sell wine and cider at retail for consumption on or off the premises;

20 (f) To conduct the activities, **except manufacturing**, described in paragraphs [(b)] (a) to (e) of
21 this subsection at one location other than the premises where the manufacturing occurs; and

22 (g) To obtain a special events brewery-public house license entitling the holder to conduct the
23 activities allowed under paragraphs (b), (c) and (e) of this subsection at a designated location other
24 than the location set forth in the brewery-public house license for a period not exceeding five days.

25 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year
26 a brewery-public house licensee may sell at wholesale to licensees of the commission malt beverages
27 produced by the brewery-public house licensee if the brewery-public house licensee produced 5,000
28 barrels or less of malt beverages in the immediately preceding calendar year.

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 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
2 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
3 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
4 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
5 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the
6 licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided
7 by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other in-
8 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
9 any other retail licensee, as defined in ORS 471.392.

10 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
11 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS
12 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from
13 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any
14 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398
15 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-
16 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS
17 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance
18 between manufacturing and retail businesses licensed to the same person under the provisions of
19 this section.

20 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
21 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
22 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
23 warehouse license authorized by ORS 471.242.

24 (6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for
25 limited on-premises sales licenses and temporary sales licenses.

26 (7)(a) Notwithstanding subsection (3) of this section, and except as provided in this subsection,
27 a brewery-public house licensee, or any person having an interest in the licensee, may also hold a
28 full on-premises sales license. If a person holds both a brewery-public house license and a full on-
29 premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled
30 liquor and malt beverages manufactured under the brewery-public house license.

31 (b) The commission may not issue a full on-premises sales license to a brewery-public house
32 licensee under the provisions of this subsection if the brewery-public house licensee, or any person
33 having an interest in the licensee or exercising control over the licensee, is a brewery that brews
34 more than 200,000 barrels of malt beverages annually or a winery that produces more than 200,000
35 gallons of wine annually.

36 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any
37 person having an interest in the licensee, may also hold a distillery license. No provision of this
38 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-
39 pointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled
40 liquors under ORS 471.230.

41 (9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a
42 brewery-public house licensee to coproduce special events with other manufacturers.

43 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,
44 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does
45 not result in exercise of control over, or participation in the management of, the manufacturer's or

1 wholesaler's business or business decisions and does not result in exclusion of any competitor's
2 brand of alcoholic liquor.

3 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,
4 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly
5 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-
6 sult in exercise of control over, or participation in the management of, the licensee's business or
7 business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

8 (11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to
9 be a manufacturer.

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