

D R A F T

SUMMARY

Allows brewery-public house licensee to also hold off-premises sales license under certain circumstances. Allows brewery-public house licensee to import malt beverages for which licensee controls brand.

Establishes Oregon Spirits Board. Authorizes or requires board activities for purpose of supporting Oregon distilled liquor industry. Requires board to establish state distilled liquor room for purposes of quality improvement, providing tastings to public and providing distilled liquor for state functions and official gifts. Establishes Oregon Spirits Board Fund for use by board. Directs moneys to fund from Oregon Liquor Control Commission Account.

Allows distillery licensee to purchase distilled liquor directly from manufacturer for purposes of blending or manufacturing. Provides that distillery licensee must hold federal distilled spirits plant basic permit to exercise certain privileges of license.

Authorizes appointment of distillery licensee as distillery retail outlet agent for distiller consenting to appointment. Allows distillery licensee sales of distilled liquor produced by distiller for which distillery licensee is distillery retail outlet agent. Allows agreement between distiller and distillery licensee acting as distillery retail outlet agent of distiller for resulting expenses of agent, subject to Oregon Liquor Control Commission approval and oversight.

Allows distillery licensee to offer tastings of distilled liquor manufactured by any distiller and to offer tastings as mixed drinks. Eliminates requirement that distilled liquor used for tastings be purchased from commission. Provides for payment of processing fee to commission if distilled liquor used for tastings is transferred by manufacturer from inventory of commission.

Allows distillery licensee holding special events distillery license to conduct event at distillery premises. Deletes requirement regarding licensee purchase price for distilled liquor licensee sells in factory sealed containers at special event.

Declares emergency, effective on passage.

1 Relating to alcoholic beverages; creating new provisions; amending ORS
2 471.200, 471.230 and 471.810; and declaring an emergency.

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

4

5 **BREWERY-PUBLIC HOUSE LICENSEES**

6

7 **SECTION 1.** ORS 471.200 is amended to read:

8 471.200. (1) A brewery-public house license allows the licensee:

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

12 **(b) To import malt beverages, if the brand of malt beverages is**
13 **under the control of the licensee. As used in this paragraph,**
14 **“control” means that the licensee:**

15 **(A) Owns the brand under which the malt beverages are labeled;**
16 **or**

17 **(B) Performs or has the legal right to perform all of the acts com-**
18 **mon to a brand owner under the terms of a trademark license or**
19 **similar agreement that for the brand under which the malt beverages**
20 **are labeled has a term of at least three years.**

21 [(b)] (c) To sell malt beverages manufactured on or off the licensed
22 premises at retail for consumption on or off the premises[;].

23 [(c)] (d) To sell malt beverages in brewery-sealed packages at retail di-
24 rectly to the consumer for consumption off the premises[;].

25 [(d)] (e) To sell on the licensed premises at retail malt beverages manu-
26 factured on or off the licensed premises in unpasteurized or pasteurized form
27 directly to the consumer for consumption off the premises, delivery of which
28 may be made in a securely covered container supplied by the consumer[;].

29 [(e)] (f) To sell wine and cider at retail for consumption on or off the
30 premises[;].

31 [(f)] (g) To sell for consumption off the premises wines and cider in

1 securely covered containers supplied by the consumer and having capacities
2 of not more than two gallons each[;].

3 [(g)] **(h)** To conduct the activities, except manufacturing, described in
4 paragraphs (a) to [(f)] **(g)** of this subsection at one location other than the
5 premises where the manufacturing occurs[; *and*].

6 [(h)] **(i)** To obtain a special events brewery-public house license entitling
7 the holder to conduct the activities allowed under paragraphs [(b) to (f)] **(c)**
8 **to (g)** of this subsection at a designated location other than the location set
9 forth in the brewery-public house license for a period not exceeding five
10 days.

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

16 (3) A brewery-public house licensee, or any person having an interest in
17 the licensee, is a retail licensee for the purposes of ORS 471.394 and, except
18 as otherwise provided by this section and ORS 471.396, may not acquire or
19 hold any right, title, lien, claim or other interest, financial or otherwise, in,
20 upon or to the premises, equipment, business or merchandise of any man-
21 ufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house
22 licensee, or any person having an interest in the licensee, is also a man-
23 ufacturer for the purposes of ORS 471.398 and, except as otherwise provided
24 by this section and ORS 471.400, may not acquire or hold any right, title,
25 lien, claim or other interest, financial or otherwise, in, upon or to the
26 premises, equipment, business or merchandise of any other retail licensee,
27 as defined in ORS 471.392.

28 (4) A brewery-public house licensee, or any person having an interest in
29 the licensee, is a retail licensee for the purposes of ORS 471.398 and, except
30 as otherwise provided by this section and ORS 471.400, may not accept di-
31 rectly or indirectly any financial assistance described in ORS 471.398 from

1 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
2 house licensee, or any person having an interest in the licensee, is also a
3 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
4 vided by this section and ORS 471.400, may not provide directly or indirectly
5 any financial assistance described in ORS 471.398 to any retail licensee, as
6 defined in ORS 471.392. The prohibitions on financial assistance in ORS
7 471.398 do not apply to financial assistance between manufacturing and retail
8 businesses licensed to the same person under the provisions of this section.

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

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

17 (7)(a) Notwithstanding subsection (3) of this section, and except as pro-
18 vided in this subsection, a brewery-public house licensee, or any person
19 having an interest in the licensee, may also hold a full on-premises sales li-
20 cense. If a person holds both a brewery-public house license and a full on-
21 premises sales license, nothing in this chapter shall prevent the sale by the
22 licensee of both distilled liquor and malt beverages manufactured under the
23 brewery-public house license.

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

30 (8) Notwithstanding any other provision of this chapter, a brewery-public
31 house licensee, or any person having an interest in the licensee, may also

1 hold a distillery license. No provision of this chapter prevents a brewery-
2 public house licensee that also holds a distillery license from being appointed
3 by the commission as the distillery's retail outlet agent for the purpose of
4 selling distilled liquors under ORS 471.230.

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

8 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public
9 house licensee may hold, directly or indirectly, an interest in a manufacturer
10 or wholesaler, provided that the interest does not result in exercise of con-
11 trol over, or participation in the management of, the manufacturer's or
12 wholesaler's business or business decisions and does not result in exclusion
13 of any competitor's brand of alcoholic liquor.

14 (b) Notwithstanding subsection (3) of this section, a manufacturer or
15 wholesaler, and any officer, director or substantial stockholder of any cor-
16 porate manufacturer or wholesaler, may hold, directly or indirectly, an in-
17 terest in a brewery-public house licensee, provided that the interest does not
18 result in exercise of control over, or participation in the management of, the
19 licensee's business or business decisions and does not result in exclusion of
20 any competitor's brand of alcoholic liquor.

21 **(11) Notwithstanding any other provision of this chapter, a**
22 **brewery-public house licensee may hold, directly or indirectly, an in-**
23 **terest in an off-premises sales licensee if:**

24 **(a) The brewery-public house licensee wholly owns the off-premises**
25 **sales licensee; or**

26 **(b) The brewery-public house licensee does not exercise control over**
27 **or participate in management or business decisions of the off-premises**
28 **sales licensee or influence purchases or sales by the off-premises sales**
29 **licensee to exclude or disadvantage a competitor's brand of alcoholic**
30 **liquor.**

31 [(11)] (12) For purposes of ORS chapter 473, a brewery-public house

1 licensee shall be considered to be a manufacturer.

2

3

OREGON SPIRITS BOARD

4

5 **SECTION 2.** (1) There is established an Oregon Spirits Board, con-
6 sisting of nine members appointed by the Governor.

7 (2) The term of office of each member is four years, but a member
8 serves at the pleasure of the Governor. Before the expiration of the
9 term of a member, the Governor shall appoint a successor whose term
10 begins on January 1 next following. A member is eligible for reap-
11 pointment. If there is a vacancy for any cause, the Governor shall
12 make an appointment to become immediately effective for the unex-
13 pired term.

14 (3) The appointment of a board member is subject to confirmation
15 by the Senate in the manner prescribed in ORS 171.562 and 171.565.

16 (4) A board member is entitled to compensation and expenses as
17 provided in ORS 292.495.

18 **SECTION 3.** The members of the Oregon Spirits Board must be
19 residents of this state who have:

20 (1) Expertise and experience in the Oregon distilled liquor industry;
21 and

22 (2) A demonstrated ability and disposition to serve the state's in-
23 terests regarding all aspects of the distilled liquor industry, including,
24 but not limited to, manufacturing, marketing, promotion, education
25 and research and development.

26 **SECTION 4.** (1) The Oregon Spirits Board shall select one of its
27 members as chairperson and another as vice chairperson, for such
28 terms and with duties and powers necessary for the performance of the
29 functions of such offices as the board determines.

30 (2) A majority of the members of the board constitutes a quorum
31 for the transaction of business.

1 **(3) The board shall meet at times and places specified by the call**
2 **of the chairperson or of a majority of the members of the board.**

3 **SECTION 5. In accordance with applicable provisions of ORS chap-**
4 **ter 183, the Oregon Spirits Board may adopt rules necessary for the**
5 **administration of the laws that the board is charged with administer-**
6 **ing.**

7 **SECTION 6. (1) The Oregon Spirits Board may establish any advi-**
8 **sory and technical committees the board considers necessary to aid**
9 **and advise the board in the performance of its functions. The com-**
10 **mittees may be continuing or temporary committees. The board shall**
11 **determine the representation, membership, terms and organization of**
12 **the committees and shall appoint their members.**

13 **(2) Members of the committees are not entitled to compensation,**
14 **but at the discretion of the board may be reimbursed from funds**
15 **available to the board for actual and necessary travel and other ex-**
16 **penses incurred by them in the performance of their official duties, in**
17 **the manner and amount provided in ORS 292.495.**

18 **SECTION 7. The Legislative Assembly finds and declares that:**

19 **(1) The development of a world-class Oregon distilled liquor indus-**
20 **try is important to the state as a whole. The health of the distilled**
21 **liquor industry affects the well-being of Oregonians and local econo-**
22 **mies by benefitting grain and fruit producers and wholesalers and in-**
23 **dustries that include, but are not limited to, equipment**
24 **manufacturing, construction, printing and transportation.**

25 **(2) It is in the public interest to encourage the orderly growth and**
26 **development of sustainable, labor-intensive, value-added industries,**
27 **such as the distilled liquor industry.**

28 **(3) State involvement in the distilled liquor industry must be coor-**
29 **ordinated to respond to state interests and to encourage appropriate**
30 **partnership and cooperation between the public and private sectors in**
31 **ensuring orderly growth and realizing objectives for a world-class**

1 **Oregon distilled liquor industry.**

2 **SECTION 8. The Oregon Spirits Board shall operate for the purpose**
3 **of supporting all aspects of the Oregon distilled liquor industry, in-**
4 **cluding, but not limited to, manufacturing, marketing, promotion,**
5 **education and research and development. The board shall work to de-**
6 **velop sustainable business practices for Oregon distillers and to sup-**
7 **port and promote the Oregon distilled liquor industry. The board shall**
8 **create and maintain a long-term strategic plan for the development**
9 **of a world-class Oregon distilled liquor industry and use that plan as**
10 **a guide to allocate funds and award grants to encourage projects.**

11 **SECTION 9. The Oregon Spirits Board may:**

12 **(1) Enter into agreements with consultants, agents and advisers,**
13 **and prescribe their duties;**

14 **(2) Appear on the board's own behalf before boards, commissions,**
15 **departments or other agencies of municipal or county governments,**
16 **the state government or the federal government;**

17 **(3) Accept donations, grants, bequests and devises, conditional or**
18 **otherwise, of money, property, services or other things of value, in-**
19 **cluding the interest or earnings on those donations but excluding**
20 **corporate stock, that may be received from a government agency or**
21 **a public or private institution or person, to be held, used or applied for**
22 **any or all of the purposes specified in sections 2 to 10 of this 2015 Act**
23 **in accordance with the terms and conditions of the donation, grant,**
24 **bequest or devise;**

25 **(4) Organize, conduct or sponsor, or cooperate with and assist the**
26 **private sector and other state agencies in the conduct of, conferences**
27 **and tours relating to the distilled liquor industry in Oregon;**

28 **(5) Expend moneys to support educational programs in**
29 **fermentation science or support other educational or informational**
30 **programs that the board considers appropriate for enhancing and**
31 **growing the distilled liquor industry and workforce; and**

1 **(6) Exercise any other powers necessary for the operation and**
2 **functioning of the board under sections 2 to 10 of this 2015 Act.**

3 **SECTION 10.** **The Oregon Spirits Board shall establish and operate**
4 **a state distilled liquor room by purchasing or receiving donations of**
5 **tax-paid distilled liquor manufactured in this state. Distilled liquor**
6 **collected in the state distilled liquor room may be:**

7 **(1) Held as standards to compare against other distilled liquors to**
8 **develop and improve Oregon distilled liquor industry practices.**

9 **(2) Provided without charge to state governmental agencies for**
10 **service at official governmental entertainment functions.**

11 **(3) Provided without charge to the Governor and to the adminis-**
12 **trative heads of state agencies on official government business to**
13 **present as gifts when required by protocol or social custom.**

14 **(4) Displayed and offered for tasting without charge in connection**
15 **with promotional campaigns to encourage the purchase of Oregon**
16 **distilled liquor.**

17 **SECTION 11.** **The Oregon Spirits Board Fund is established in the**
18 **State Treasury, separate and distinct from the General Fund. Interest**
19 **earned by the Oregon Spirits Board Fund shall be credited to the fund.**
20 **Moneys in the fund are continuously appropriated to the Oregon**
21 **Spirits Board for use in carrying out sections 2 to 10 of this 2015 Act.**

22 **SECTION 12.** **In addition to the amount that the Oregon Liquor**
23 **Control Commission withholds under ORS 471.810 (1) to pay outstand-**
24 **ing obligations, prior to directing the State Treasurer to pay from the**
25 **Oregon Liquor Control Commission Account the amounts due upon**
26 **warrants of the Oregon Department of Administrative Services, the**
27 **commission shall withhold and direct the State Treasurer to pay to the**
28 **credit of the Oregon Spirits Board Fund an amount equal to:**

29 **(1) One cent for each bottle of distilled liquor having a volume of**
30 **not less than 50 but less than 350 milliliters sold by the commission in**
31 **the last-reported sales month;**

1 **(2) Two cents for each bottle of distilled liquor having a volume of**
2 **not less than 350 but less than 750 milliliters sold by the commission**
3 **in the last-reported sales month;**

4 **(3) Three cents for each bottle of distilled liquor having a volume**
5 **of not less than 750 milliliters but less than 1.5 liters sold by the**
6 **commission in the last-reported sales month; and**

7 **(4) Four cents for each bottle of distilled liquor having a volume**
8 **of 1.5 liters or more sold by the commission in the last-reported sales**
9 **month.**

10 **SECTION 13.** ORS 471.810 is amended to read:

11 471.810. (1) At the end of each month, the Oregon Liquor Control Com-
12 mission shall certify the amount of moneys available for distribution in the
13 Oregon Liquor Control Commission Account and, after withholding such
14 moneys as it may deem necessary to pay its outstanding obligations **and for**
15 **payment to the Oregon Spirits Board Fund as provided under section**
16 **12 of this 2015 Act**, shall within 35 days of the month for which a distrib-
17 ution is made direct the State Treasurer to pay the amounts due, upon war-
18 rants drawn by the Oregon Department of Administrative Services, as
19 follows:

20 (a) Fifty-six percent, or the amount remaining after the distribution under
21 subsection (4) of this section, credited to the General Fund available for
22 general governmental purposes wherein it shall be considered as revenue
23 during the quarter immediately preceding receipt;

24 (b) Twenty percent to the cities of the state in such shares as the popu-
25 lation of each city bears to the population of the cities of the state, as de-
26 termined by Portland State University last preceding such apportionment,
27 under ORS 190.510 to 190.610;

28 (c) Ten percent to counties in such shares as their respective populations
29 bear to the total population of the state, as estimated from time to time by
30 Portland State University; and

31 (d) Fourteen percent to the cities of the state to be distributed as provided

1 in ORS 221.770 and this section.

2 (2) The commission shall direct the Oregon Department of Administrative
3 Services to transfer 50 percent of the revenues from the taxes imposed by
4 ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Services
5 Account in the General Fund to be paid monthly as provided in ORS 430.380.

6 (3) If the amount of revenues received from the taxes imposed by ORS
7 473.030 for the preceding month was reduced as a result of credits claimed
8 under ORS 473.047, the commission shall compute the difference between the
9 amounts paid or transferred as described in subsections (1)(b), (c) and (d) and
10 (2) of this section and the amounts that would have been paid or transferred
11 under subsections (1)(b), (c) and (d) and (2) of this section if no credits had
12 been claimed. The commission shall direct the Oregon Department of Ad-
13 ministrative Services to pay or transfer amounts equal to the differences
14 computed for subsections (1)(b), (c) and (d) and (2) of this section from the
15 General Fund to the recipients or accounts described in subsections (1)(b),
16 (c) and (d) and (2) of this section.

17 (4) Notwithstanding subsection (1) of this section, no city or county shall
18 receive for any fiscal year an amount less than the amount distributed to the
19 city or county in accordance with ORS 471.350 (1965 Replacement Part),
20 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967
21 fiscal year unless the city or county had a decline in population as shown
22 by its census. If the population declined, the per capita distribution to the
23 city or county shall be not less than the total per capita distribution during
24 the 1966-1967 fiscal year. Any additional funds required to maintain the level
25 of distribution under this subsection shall be paid from funds credited under
26 subsection (1)(a) of this section.

27 **SECTION 14. Notwithstanding the term of office specified by section**
28 **2 of this 2015 Act, of the members first appointed to the Oregon Spirits**
29 **Board:**

30 (1) **Two shall serve for terms ending January 1, 2017.**

31 (2) **Two shall serve for terms ending January 1, 2018.**

1 (3) Two shall serve for terms ending January 1, 2019.

2 (4) Three shall serve for terms ending January 1, 2020.

3

4

DISTILLERIES

5

6 **SECTION 15.** Section 16 of this 2015 Act is added to and made a part
7 of ORS chapter 471.

8 **SECTION 16.** (1) The Oregon Liquor Control Commission may ap-
9 point a distillery licensee to act as a distillery retail outlet agent for
10 another distiller licensed under ORS 471.230 or issued a certificate of
11 approval under ORS 471.251 if:

12 (a) Both the distillery licensee and the other distiller hold valid
13 distilled spirits plant basic permits issued by the federal Alcohol and
14 Tobacco Tax and Trade Bureau;

15 (b) The distillery licensee requests the appointment; and

16 (c) The other distiller consents in writing to the appointment.

17 (2) An appointment made under this section may be without a fixed
18 expiration date or be for a specified period. If the appointment is for
19 a specified period, the commission may limit the appointment to one
20 or more locations described in ORS 471.230.

21 (3) A distillery licensee may hold appointments as a distillery retail
22 outlet agent for more than one distiller. More than one distillery
23 licensee may be appointed to act as a distillery retail outlet agent for
24 the same distiller.

25 (4) A distillery licensee that is appointed as a distillery retail outlet
26 agent for another distiller may sell distilled liquor of the other distiller
27 as described in ORS 471.230 (2)(d). A distillery retail outlet agent may
28 only sell distilled liquor that is on the list of products approved by the
29 commission for retail sale in Oregon. This section does not allow a
30 brewery-public house licensee described in ORS 471.200 (8) to be ap-
31 pointed as a distillery retail outlet agent for another distiller.

1 **(5) If a distillery retail outlet agent for another distiller uses dis-**
2 **tilled liquor of the distiller to conduct tastings, the distiller:**

3 **(a) May provide the distilled liquor directly to the distillery retail**
4 **outlet agent upon terms and conditions established by the commission;**
5 **or**

6 **(b) May obtain the distilled liquor used for tastings by transfer from**
7 **the inventory of the commission upon paying the commission a pro-**
8 **cessing fee for the transfer.**

9 **(6) Notwithstanding ORS 471.392 to 471.400, subject to review and**
10 **approval by the commission, a distiller and a distillery licensee may**
11 **enter into an agreement for the distiller to reimburse the distillery**
12 **licensee for actual expenses incurred by the distillery licensee that are**
13 **due solely to the distillery licensee acting as a distillery retail outlet**
14 **agent of the distiller. The commission shall actively oversee the car-**
15 **rying out of any reimbursement made under an agreement described**
16 **in this subsection.**

17 **(7) The appointment of a distillery licensee as a distillery retail**
18 **outlet agent under this section, and any agreement between a**
19 **distillery licensee and another distiller regarding an appointment made**
20 **under this section, is a transaction between manufacturers for pur-**
21 **poses of ORS 471.392 to 471.400.**

22 **SECTION 17. ORS 471.230 is amended to read:**

23 471.230. (1) A distillery license allows the licensee to import, manufacture,
24 distill, rectify, blend, denature and store spirits of an alcoholic content
25 greater than 17 percent alcohol by weight, to sell the spirits to the Oregon
26 Liquor Control Commission and to transport the spirits out of this state for
27 sale outside this state. [*Distillery licensees are permitted to purchase from and*
28 *through the commission alcoholic beverages for blending and manufacturing*
29 *purposes upon such terms and conditions as the commission may provide.]*
30 **Distillery licensees may purchase and sell distilled liquor from the**
31 **commission or directly from or to another distiller in containers of**

1 **one U.S. gallon or more capacity for blending and manufacturing**
 2 **purposes, upon terms and conditions established by the commission.**

3 A distillery licensee may not sell any alcoholic beverage within this state
 4 except to the commission or as provided in this section. However, any agri-
 5 cultural producer or association of agricultural producers or the legal agents
 6 of an agricultural producer or association of agricultural producers that
 7 manufactures and converts agricultural surpluses, by-products and wastes
 8 into denatured ethyl and industrial alcohol for use in the arts and industry
 9 are not required to obtain a license from the commission.

10 (2) [A] **If a distillery licensee holds a valid distilled spirits plant basic**
 11 **permit issued by the federal Alcohol and Tobacco Tax and Trade Bu-**
 12 **reau for the licensed premises, the** distillery licensee may:

13 (a) Permit tastings of [*the*] distilled liquor manufactured by the distillery
 14 licensee **or by any other distiller. Tastings may be of distilled liquor**
 15 **alone or of distilled liquor in a mixed drink.** The tastings may be con-
 16 ducted on the licensed premises of the distillery and at no more than five
 17 other premises owned or leased by the licensee. [*The licensee must purchase*
 18 *the distilled liquor from the commission.*] **If distilled liquor manufactured**
 19 **by the distillery licensee and used for tastings is obtained by the**
 20 **distillery licensee through transfer from the inventory of the com-**
 21 **mission, the distillery licensee shall pay the commission a processing**
 22 **fee for the transfer. Except as provided under section 16 of this 2015**
 23 **Act, if distilled liquor used for tastings is manufactured by another**
 24 **distiller, the distillery licensee must purchase the distilled liquor from**
 25 **the commission.**

26 (b) Obtain a special events distillery license.

27 (c) Apply for appointment by the commission as a distillery retail outlet
 28 agent for purposes of retailing [*only*] distilled liquor that the licensee man-
 29 ufactured in Oregon at locations where tastings are permitted under para-
 30 graph (a) of this subsection or subsection (4)(a) of this section. **A distillery**
 31 **retail outlet agent may only sell distilled liquor that is on the list of**

1 **products approved by the commission for retail sale in Oregon.**

2 **(d) Apply for appointment by the commission under section 16 of**
3 **this 2015 Act as a distillery retail outlet agent for another distiller for**
4 **purposes of retailing distilled liquor manufactured by the other**
5 **distiller at locations where tastings are permitted under paragraph (a)**
6 **of this subsection or subsection (4)(a) of this section.**

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

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

17 (A) Permit tastings of distilled liquor manufactured by the distillery **or**
18 **by any other distiller. Tastings may be of distilled liquor alone or**
19 **mixed, subject to any conditions imposed by the commission.**

20 (B) Permit sales by the drink of distilled liquor manufactured by the
21 distillery **licensee or by any distiller for which the distillery licensee is**
22 **a distillery retail outlet agent.**

23 (C) If the distillery licensee has been appointed as a distillery retail out-
24 let agent under subsection (2)(c) of this section, sell factory sealed containers
25 of distilled liquor manufactured by the distillery for consumption off the li-
26 censed premises of the event.

27 **(D) If the distillery licensee has been appointed as a distillery retail**
28 **outlet agent under section 16 of this 2015 Act, sell factory sealed con-**
29 **tainers of distilled liquor manufactured by the distiller identified in**
30 **the appointment for consumption off the licensed premises of the**
31 **event.**

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

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

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

8 [(C)] (B) Must [*purchase*] **sell any** distilled liquor that the licensee sells
9 in factory sealed containers at the event at the retail price set by the com-
10 mission for the month in which the licensee makes the [*purchase*] **sale**.

11 [(D) *Must sell distilled liquor described in subparagraph (C) of this para-*
12 *graph at the retail price set by the commission for the month in which the*
13 *licensee makes the sale.*]

14
15 **CAPTIONS**

16
17 **SECTION 18. The unit captions used in this 2015 Act are provided**
18 **only for the convenience of the reader and do not become part of the**
19 **statutory law of this state or express any legislative intent in the**
20 **enactment of this 2015 Act.**

21
22 **EMERGENCY**

23
24 **SECTION 19. This 2015 Act being necessary for the immediate**
25 **preservation of the public peace, health and safety, an emergency is**
26 **declared to exist, and this 2015 Act takes effect on its passage.**

27 _____