

D R A F T

SUMMARY

Eliminates malt beverage and wine production restriction on winery licensee, or person having interest in winery licensee, that acquires full on-premises sales license. Revises language regarding activities under licenses.

A BILL FOR AN ACT

Relating to alcohol; amending ORS 471.223.

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

SECTION 1. ORS 471.223 is amended to read:

471.223. (1) As used in this section, “control” means that the licensee:

(a) Owns the brand under which the wine or cider is labeled; or

(b) Performs or has the legal right to perform all of the acts common to a brand owner under the terms of a trademark license or similar agreement that for the brand under which the wine or cider is labeled has a term of at least three years.

(2) A winery license shall allow the licensee:

(a) To import wine or cider in containers that have a capacity of more than four liters.

(b) To import wine or cider in containers that have a capacity of four liters or less if the brand of wine or cider is under the control of the licensee.

(c) To bottle, produce, blend, store, transport or export wines or cider.

(d) To sell wines or cider at wholesale to the Oregon Liquor Control Commission or to licensees of the commission.

(e) To sell wines or cider at retail directly to the consumer for consumption on or off the licensed premises.

1 (f) To sell malt beverages at retail for consumption on or off the licensed
2 premises.

3 (g) To sell for consumption off the premises malt beverages, wines and
4 cider in securely covered containers supplied by the consumer and having
5 capacities of not more than two gallons each.

6 (h) To conduct any activities described in paragraphs (a) to (g) of this
7 subsection at a second or third premises as may be designated by the com-
8 mission.

9 (i) To purchase from or through the commission brandy or other distilled
10 liquors for fortifying wines.

11 (j) To obtain a special events winery license that shall entitle the holder
12 to conduct the activities allowed under paragraphs (e) to (g) of this sub-
13 section at a designated location other than the one set forth in the winery
14 license for a period not to exceed five days.

15 (3) A winery licensee shall allow a patron to remove a partially consumed
16 bottle of wine from the licensed premises if the patron is not a minor and
17 the patron is not visibly intoxicated.

18 (4) In order to hold a winery license the licensee shall:

19 (a) Possess at a bonded premises within Oregon a valid producer and
20 blender basic permit issued by the federal Alcohol and Tobacco Tax and
21 Trade Bureau; or

22 (b) Possess a valid wine blender or valid wholesaler basic permit issued
23 by the federal Alcohol and Tobacco Tax and Trade Bureau and have a writ-
24 ten contract with a winery licensed under paragraph (a) of this subsection
25 that authorizes the winery to produce for the licensee a brand of wine or
26 cider that is under the control of the licensee.

27 (5) A winery licensee may sell and ship wine or cider directly to a resi-
28 dent of this state only if the licensee has a direct shipper permit issued under
29 ORS 471.282.

30 [(6)(a) *Except as provided in paragraph (b) of this subsection, a winery*
31 *licensee, or any person having an interest in the licensee, may also hold a full*

1 *on-premises sales license. If a person holds both a winery license and a full*
2 *on-premises sales license, nothing in this chapter shall prevent the sale by the*
3 *licensee of both distilled liquor and wine or cider bottled and produced under*
4 *the winery license.]*

5 *[(b) The commission may not issue a full on-premises sales license to a*
6 *winery licensee under the provisions of this subsection if the winery licensee,*
7 *or any person having an interest in the licensee or exercising control over the*
8 *licensee, is a brewery that brews more than 200,000 barrels of malt beverages*
9 *annually or a winery that produces more than 200,000 gallons of wine or cider*
10 *annually.]*

11 **(6) A winery licensee, or a person having an interest in the licensee,**
12 **may also hold a full on-premises sales license. If a winery licensee, or**
13 **a person having an interest in the licensee, also holds a full on-**
14 **premises sales license, the provisions of this chapter do not prevent**
15 **the licensee or person from both selling wine or cider bottled and**
16 **produced under the winery license and selling alcoholic liquor as au-**
17 **thorized under the full on-premises sales license.**

18 (7) More than one winery licensee may exercise the privileges of a winery
19 license at a single location. The commission may not refuse to issue a winery
20 license to a person for the production of wine or cider on specified premises
21 based on the fact that other winery licensees also produce wine or cider on
22 those premises.

23 (8) If a winery licensee does not possess at a bonded premises within
24 Oregon a valid producer and blender basic permit issued by the federal Al-
25cohol and Tobacco Tax and Trade Bureau, the licensee may exercise the
26 privileges described in this section only for wine and cider brands that are
27 under the control of the licensee.

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