

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 3/30

WHAT THE MEASURE DOES: Removes the production limit of 5,000 barrels per year for brewery-public house licensees selling malt beverages who self-distribute their product.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

(-1 amendment) Allows for a brew pub to self-distribute any amount of malt beverage to any location owned by the same entity. Permits brew pub to self-distribute any amount out of state. Enables brew pub to self-distribute up to 7,500 barrels. Changes the current limitation from production to distribution.

(-2 amendment) Allows for a brew pub to self-distribute any amount of malt beverage to any location owned by the same entity. Permits brew pub to self-distribute any amount out of state. Allows for up to 5,000 barrels of self-distribution starting January 1, 2016. Allow for self-distribution of up to 10,000 barrels starting January 1, 2018.

(-3 amendment) Allows for a brew pub to self-distribute any amount of malt beverage to any location that is wholly owned by the same licensee or is owned by a wholly-owned subsidiary of the same licensee. Allows brew pub in any calendar year to sell at wholesale and distribute to licensees of the commission malt beverages produced by brew pub licensee if, exclusive of any self-distributions described above, the brew pub license distributed 5,000 barrels or less of malt beverages in the immediate previous year.

BACKGROUND: Oregon law allows individuals holding a brewery public house license to self-distribute if they produce less than 5,000 barrels per year. In 1985, brewery public houses could not distribute, except to one other location under same ownership. During the last thirty years, the number of barrels allowed for distribution has grown to 5,000. In comparison, breweries were allowed to distribute up to 10,000 barrels in 1985. The limit for breweries has risen four times in thirty years, and currently there is no limit.