

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 5/6, 5/18, 5/20

WHAT THE MEASURE DOES: Allow distillery licensee to buy bulk distilled liquor from, and sell to, another distillery licensee for purpose of blending and manufacturing. Allows distillery licensee to pour tastings of products approved for sale by Oregon Liquor Control Commission (OLCC) and manufactured in Oregon by distillery licensee or another distillery licensee. Allows more than one distillery licensee to use same premises at same time for conducting tastings. Deletes requirement that liquor for tastings be purchased from the OLCC. Allows retail outlet agent to sell only liquor manufactured in Oregon and approved for sale by OLCC. Allows retail outlet agent to sell, at retail, liquor manufactured by another distillery retail outlet agent. Expands activities allowed under special events distillery license for the tasting, sales by the glass, or bottle sales of liquor manufactured in Oregon. Expands where special events can be held to include the distillery. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

(-A3 amendment) Removes proposed provision allowing distillery licensee, at special event, to pour tastings of products of another distiller. Eliminates proposed provision allowing OLCC to license more than one distillery license to hold joint special event. Removes proposed provision allowing distillery licensee to hold joint tastings with other distillery licensees. Removes proposed provision allowing distillery licensee to sell at retail products of another distillery retail outlet agent. Removes proposed provision allowing distillery retail outlet agent, at a special event, to sell liquor manufactured by another.

(-A5 amendment) Permits distillery licensee to have tastings of distilled liquors that are approved by the commission for retail and must be purchased by the licensee at the retail price. Prohibits sales by the drink of distilled liquor. Modifies conditions for joint tastings. Alters a distillery licensee's special events distillery license.

BACKGROUND: There are more than 60 craft distillers licensed in Oregon. Under current law, a distillery licensee may conduct retail sales of only their own product at their licensed premise and up to five other premises owned or leased by the distiller if the Oregon Liquor Control Commission (OLCC) has appointed them as a distillery retail outlet agent. When conducting tastings, a distillery licensee can pour only the products they manufacture; this restriction limits the ability of the distiller to offer a taste of their product in a mixed drink or offer a comparison to other products.

House Bill 2567-A broadens the ability of Oregon distillers to showcase their products and to achieve efficiencies by conducting joint tasting rooms and joint special events. Though broadened in many ways, the measure does restrict the distillery licensee to pouring tastings of only liquor manufactured in and approved for sale in Oregon. Similarly, the distillery retail outlet agent is allowed to sell only liquor manufactured in Oregon and approved for sale in Oregon. House Bill 2567-A also allows licensed distillers to buy and sell bulk spirits from each other; currently they can only purchase through the OLCC.

5/19/2015 8:00:00 PM *

This summary has not been adopted or officially endorsed by action of the committee.

The vote count in the Business and Labor Committee was 11-0, and the House vote count was 59-0-1.