

STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 05/22/15

Action: Do Pass.

Meeting Dates: 05/11, 05/22

Vote:

Yeas: 9 - Barreto, Barton, Doherty, Evans, Fagan, Holvey, Kennemer, Nosse, Weidner

Exc: 2 - Esquivel, Heard

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Allows brewery-public house licensee to distribute malt beverage manufactured by licensee to other premises under same ownership and for export. Increases amount of malt beverage that brewery-public house licensee can sell at wholesale and distribute to licensees of Oregon Liquor Control Commission from 5,000 to 7,500 barrels.

ISSUES DISCUSSED:

- Difference between brewery and brewery-public house
- Three tier system in Oregon (production, distribution, and retail)
- Whether there should be production limits to brewers who also retail

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Current Oregon law allows brewery-public house licensees to sell at wholesale the malt beverage they produce to other licensees of the Oregon Liquor Control Commission, as long as they did not produce more than 5,000 barrels in the prior calendar year. This is referred to self-distribution because it bypasses the wholesale licensee. Legislation in 2009 raised the limit to 5,000 from 1,000. In comparison, brewery licensees have no limit on the amount they can self-distribute.

Senate Bill 138-A allows the brew-pub to sell at wholesale and distribute up to 7,500 barrels a year. The amount of malt beverage the brew-pub distributes to its own locations or exports would not count toward the 7,500 cap.