

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 06/01/15

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 05/06, 06/01

Vote:

Yeas: 4 - Girod, Monroe, Riley, Thomsen

Exc: 1 - Beyer

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Allows bulk distilled liquor sales between distillery licensees. Distillery license privileges extended only to distillers holding federal distilled spirits plant basic permit. 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 tastings of mixed drinks if certain conditions are met. Allows more than one distillery licensee to use same premises at same time for conducting tastings if the premises are a shared primary production location or are owned by the same entity. Allows distillery retail outlet agent to sell by the bottle at locations where tastings are allowed only distilled liquor approved for sale by OLCC and manufactured in Oregon or by another distillery licensee that uses the same premises as a primary production location or is owned by the same entity as the distillery licensee. Details that a special events distillery license event may not exceed five days and that OLCC shall limit special events for a distillery licensee at the same location to no more than 62 days during calendar year. Expands where special events can be held to include the distillery. Allows tastings at special events to be of distilled liquor approved for sale by OLCC and manufactured in Oregon by distillery licensee. Allows tastings of mixed drinks if certain conditions met. Expands activities allowed under special events distillery license for the sales by the drink of distilled liquor. Allows distillery licensee appointed as a distillery retail outlet agent to sell at special events bottles of distilled liquor approved by OLCC and manufactured in Oregon by the distillery licensee. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Concerns about discriminating against distilled liquors not manufactured in Oregon
- Expanded rights to sell distilled spirits at special events
- Additional amendments considered

EFFECT OF COMMITTEE AMENDMENT:

Replaces original measure.

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 2567B broadens the ability of Oregon distillers to showcase their products on their licensed premises and at 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. Joint tastings are allowed only if the premises are a primary production location for both distillers or are owned by the same entity. There are also limits to the special events permits for distillery

licensees, including the duration and frequency. Similarly, the distillery retail outlet agent is allowed to sell only liquor manufactured in Oregon and approved for sale in Oregon. House Bill 2567B also allows licensed distillers to buy and sell bulk spirits from each other; currently they can only purchase through the OLCC.