

Senate Bill 583

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows brewery-public house licensee to also hold off-premises sales license under certain circumstances. Allows brewery-public house licensee to import malt beverages for which licensee controls brand.

Establishes Oregon Spirits Board. Authorizes or requires board activities for purpose of supporting Oregon distilled liquor industry. Requires board to establish state distilled liquor room for purposes of quality improvement, providing tastings to public and providing distilled liquor for state functions and official gifts. Establishes Oregon Spirits Board Fund for use by board. Directs moneys to fund from Oregon Liquor Control Commission Account.

Allows distillery licensee to purchase distilled liquor directly from manufacturer for purposes of blending or manufacturing. Provides that distillery licensee must hold federal distilled spirits plant basic permit to exercise certain privileges of license.

Authorizes appointment of distillery licensee as distillery retail outlet agent for distiller consenting to appointment. Allows distillery licensee sales of distilled liquor produced by distiller for which distillery licensee is distillery retail outlet agent. Allows agreement between distiller and distillery licensee acting as distillery retail outlet agent of distiller for resulting expenses of agent, subject to Oregon Liquor Control Commission approval and oversight.

Allows distillery licensee to offer tastings of distilled liquor manufactured by any distiller and to offer tastings as mixed drinks. Eliminates requirement that distilled liquor used for tastings be purchased from commission. Provides for payment of processing fee to commission if distilled liquor used for tastings is transferred by manufacturer from inventory of commission.

Allows distillery licensee holding special events distillery license to conduct event at distillery premises. Deletes requirement regarding licensee purchase price for distilled liquor licensee sells in factory sealed containers at special event.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to alcoholic beverages; creating new provisions; amending ORS 471.200, 471.230 and
3 471.810; and declaring an emergency.

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

BREWERY-PUBLIC HOUSE LICENSEES

7
8 **SECTION 1.** ORS 471.200 is amended to read:

9 471.200. (1) A brewery-public house license allows the licensee:

10 (a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage
11 and wine licensees of the Oregon Liquor Control Commission and export malt beverages[;].

12 **(b) To import malt beverages, if the brand of malt beverages is under the control of the**
13 **licensee. As used in this paragraph, "control" means that the licensee:**

14 **(A) Owns the brand under which the malt beverages are labeled; or**

15 **(B) Performs or has the legal right to perform all of the acts common to a brand owner**
16 **under the terms of a trademark license or similar agreement that for the brand under which**
17 **the malt beverages are labeled has a term of at least three years.**

18 *[(b)]* (c) To sell malt beverages manufactured on or off the licensed premises at retail for con-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 sumption on or off the premises[;].

2 [(c)] **(d)** To sell malt beverages in brewery-sealed packages at retail directly to the consumer for
3 consumption off the premises[;].

4 [(d)] **(e)** To sell on the licensed premises at retail malt beverages manufactured on or off the
5 licensed premises in unpasteurized or pasteurized form directly to the consumer for consumption off
6 the premises, delivery of which may be made in a securely covered container supplied by the
7 consumer[;].

8 [(e)] **(f)** To sell wine and cider at retail for consumption on or off the premises[;].

9 [(f)] **(g)** To sell for consumption off the premises wines and cider in securely covered containers
10 supplied by the consumer and having capacities of not more than two gallons each[;].

11 [(g)] **(h)** To conduct the activities, except manufacturing, described in paragraphs (a) to [(f)] **(g)**
12 of this subsection at one location other than the premises where the manufacturing occurs[; *and*].

13 [(h)] **(i)** To obtain a special events brewery-public house license entitling the holder to conduct
14 the activities allowed under paragraphs [(b) to (f)] **(c) to (g)** of this subsection at a designated lo-
15 cation other than the location set forth in the brewery-public house license for a period not ex-
16 ceeding five days.

17 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year
18 a brewery-public house licensee may sell at wholesale to licensees of the commission malt beverages
19 produced by the brewery-public house licensee if the brewery-public house licensee produced 5,000
20 barrels or less of malt beverages in the immediately preceding calendar year.

21 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
22 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
23 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
24 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
25 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the
26 licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided
27 by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other in-
28 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
29 any other retail licensee, as defined in ORS 471.392.

30 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
31 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS
32 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from
33 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any
34 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398
35 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-
36 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS
37 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance
38 between manufacturing and retail businesses licensed to the same person under the provisions of
39 this section.

40 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
41 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
42 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
43 warehouse license authorized by ORS 471.242.

44 (6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for
45 limited on-premises sales licenses and temporary sales licenses.

1 (7)(a) Notwithstanding subsection (3) of this section, and except as provided in this subsection,
 2 a brewery-public house licensee, or any person having an interest in the licensee, may also hold a
 3 full on-premises sales license. If a person holds both a brewery-public house license and a full on-
 4 premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled
 5 liquor and malt beverages manufactured under the brewery-public house license.

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

11 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any
 12 person having an interest in the licensee, may also hold a distillery license. No provision of this
 13 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-
 14 pointed by the commission as the distillery’s retail outlet agent for the purpose of selling distilled
 15 liquors under ORS 471.230.

16 (9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a
 17 brewery-public house licensee to coproduce special events with other manufacturers.

18 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,
 19 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does
 20 not result in exercise of control over, or participation in the management of, the manufacturer’s or
 21 wholesaler’s business or business decisions and does not result in exclusion of any competitor’s
 22 brand of alcoholic liquor.

23 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,
 24 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly
 25 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-
 26 sult in exercise of control over, or participation in the management of, the licensee’s business or
 27 business decisions and does not result in exclusion of any competitor’s brand of alcoholic liquor.

28 **(11) Notwithstanding any other provision of this chapter, a brewery-public house licensee**
 29 **may hold, directly or indirectly, an interest in an off-premises sales licensee if:**

30 **(a) The brewery-public house licensee wholly owns the off-premises sales licensee; or**

31 **(b) The brewery-public house licensee does not exercise control over or participate in**
 32 **management or business decisions of the off-premises sales licensee or influence purchases**
 33 **or sales by the off-premises sales licensee to exclude or disadvantage a competitor’s brand**
 34 **of alcoholic liquor.**

35 [(11)] (12) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered
 36 to be a manufacturer.

37
 38 **OREGON SPIRITS BOARD**
 39

40 **SECTION 2. (1) There is established an Oregon Spirits Board, consisting of nine members**
 41 **appointed by the Governor.**

42 **(2) The term of office of each member is four years, but a member serves at the pleasure**
 43 **of the Governor. Before the expiration of the term of a member, the Governor shall appoint**
 44 **a successor whose term begins on January 1 next following. A member is eligible for reap-**
 45 **pointment. If there is a vacancy for any cause, the Governor shall make an appointment to**

1 become immediately effective for the unexpired term.

2 (3) The appointment of a board member is subject to confirmation by the Senate in the
3 manner prescribed in ORS 171.562 and 171.565.

4 (4) A board member is entitled to compensation and expenses as provided in ORS 292.495.

5 **SECTION 3.** The members of the Oregon Spirits Board must be residents of this state
6 who have:

7 (1) Expertise and experience in the Oregon distilled liquor industry; and

8 (2) A demonstrated ability and disposition to serve the state's interests regarding all as-
9 pects of the distilled liquor industry, including, but not limited to, manufacturing, marketing,
10 promotion, education and research and development.

11 **SECTION 4.** (1) The Oregon Spirits Board shall select one of its members as chairperson
12 and another as vice chairperson, for such terms and with duties and powers necessary for
13 the performance of the functions of such offices as the board determines.

14 (2) A majority of the members of the board constitutes a quorum for the transaction of
15 business.

16 (3) The board shall meet at times and places specified by the call of the chairperson or
17 of a majority of the members of the board.

18 **SECTION 5.** In accordance with applicable provisions of ORS chapter 183, the Oregon
19 Spirits Board may adopt rules necessary for the administration of the laws that the board
20 is charged with administering.

21 **SECTION 6.** (1) The Oregon Spirits Board may establish any advisory and technical
22 committees the board considers necessary to aid and advise the board in the performance
23 of its functions. The committees may be continuing or temporary committees. The board
24 shall determine the representation, membership, terms and organization of the committees
25 and shall appoint their members.

26 (2) Members of the committees are not entitled to compensation, but at the discretion
27 of the board may be reimbursed from funds available to the board for actual and necessary
28 travel and other expenses incurred by them in the performance of their official duties, in the
29 manner and amount provided in ORS 292.495.

30 **SECTION 7.** The Legislative Assembly finds and declares that:

31 (1) The development of a world-class Oregon distilled liquor industry is important to the
32 state as a whole. The health of the distilled liquor industry affects the well-being of
33 Oregonians and local economies by benefitting grain and fruit producers and wholesalers and
34 industries that include, but are not limited to, equipment manufacturing, construction,
35 printing and transportation.

36 (2) It is in the public interest to encourage the orderly growth and development of
37 sustainable, labor-intensive, value-added industries, such as the distilled liquor industry.

38 (3) State involvement in the distilled liquor industry must be coordinated to respond to
39 state interests and to encourage appropriate partnership and cooperation between the public
40 and private sectors in ensuring orderly growth and realizing objectives for a world-class
41 Oregon distilled liquor industry.

42 **SECTION 8.** The Oregon Spirits Board shall operate for the purpose of supporting all
43 aspects of the Oregon distilled liquor industry, including, but not limited to, manufacturing,
44 marketing, promotion, education and research and development. The board shall work to
45 develop sustainable business practices for Oregon distillers and to support and promote the

1 Oregon distilled liquor industry. The board shall create and maintain a long-term strategic
2 plan for the development of a world-class Oregon distilled liquor industry and use that plan
3 as a guide to allocate funds and award grants to encourage projects.

4 **SECTION 9.** The Oregon Spirits Board may:

5 (1) Enter into agreements with consultants, agents and advisers, and prescribe their du-
6 ties;

7 (2) Appear on the board's own behalf before boards, commissions, departments or other
8 agencies of municipal or county governments, the state government or the federal govern-
9 ment;

10 (3) Accept donations, grants, bequests and devises, conditional or otherwise, of money,
11 property, services or other things of value, including the interest or earnings on those do-
12 nations but excluding corporate stock, that may be received from a government agency or
13 a public or private institution or person, to be held, used or applied for any or all of the
14 purposes specified in sections 2 to 10 of this 2015 Act in accordance with the terms and
15 conditions of the donation, grant, bequest or devise;

16 (4) Organize, conduct or sponsor, or cooperate with and assist the private sector and
17 other state agencies in the conduct of, conferences and tours relating to the distilled liquor
18 industry in Oregon;

19 (5) Expend moneys to support educational programs in fermentation science or support
20 other educational or informational programs that the board considers appropriate for en-
21 hancing and growing the distilled liquor industry and workforce; and

22 (6) Exercise any other powers necessary for the operation and functioning of the board
23 under sections 2 to 10 of this 2015 Act.

24 **SECTION 10.** The Oregon Spirits Board shall establish and operate a state distilled liquor
25 room by purchasing or receiving donations of tax-paid distilled liquor manufactured in this
26 state. Distilled liquor collected in the state distilled liquor room may be:

27 (1) Held as standards to compare against other distilled liquors to develop and improve
28 Oregon distilled liquor industry practices.

29 (2) Provided without charge to state governmental agencies for service at official gov-
30 ernmental entertainment functions.

31 (3) Provided without charge to the Governor and to the administrative heads of state
32 agencies on official government business to present as gifts when required by protocol or
33 social custom.

34 (4) Displayed and offered for tasting without charge in connection with promotional
35 campaigns to encourage the purchase of Oregon distilled liquor.

36 **SECTION 11.** The Oregon Spirits Board Fund is established in the State Treasury, sepa-
37 rate and distinct from the General Fund. Interest earned by the Oregon Spirits Board Fund
38 shall be credited to the fund. Moneys in the fund are continuously appropriated to the
39 Oregon Spirits Board for use in carrying out sections 2 to 10 of this 2015 Act.

40 **SECTION 12.** In addition to the amount that the Oregon Liquor Control Commission
41 withholds under ORS 471.810 (1) to pay outstanding obligations, prior to directing the State
42 Treasurer to pay from the Oregon Liquor Control Commission Account the amounts due
43 upon warrants of the Oregon Department of Administrative Services, the commission shall
44 withhold and direct the State Treasurer to pay to the credit of the Oregon Spirits Board
45 Fund an amount equal to:

1 **(1) One cent for each bottle of distilled liquor having a volume of not less than 50 but less**
 2 **than 350 milliliters sold by the commission in the last-reported sales month;**

3 **(2) Two cents for each bottle of distilled liquor having a volume of not less than 350 but**
 4 **less than 750 milliliters sold by the commission in the last-reported sales month;**

5 **(3) Three cents for each bottle of distilled liquor having a volume of not less than 750**
 6 **milliliters but less than 1.5 liters sold by the commission in the last-reported sales month;**
 7 **and**

8 **(4) Four cents for each bottle of distilled liquor having a volume of 1.5 liters or more sold**
 9 **by the commission in the last-reported sales month.**

10 **SECTION 13.** ORS 471.810 is amended to read:

11 471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the
 12 amount of moneys available for distribution in the Oregon Liquor Control Commission Account and,
 13 after withholding such moneys as it may deem necessary to pay its outstanding obligations **and for**
 14 **payment to the Oregon Spirits Board Fund as provided under section 12 of this 2015 Act**, shall
 15 within 35 days of the month for which a distribution is made direct the State Treasurer to pay the
 16 amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as fol-
 17 lows:

18 (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this
 19 section, credited to the General Fund available for general governmental purposes wherein it shall
 20 be considered as revenue during the quarter immediately preceding receipt;

21 (b) Twenty percent to the cities of the state in such shares as the population of each city bears
 22 to the population of the cities of the state, as determined by Portland State University last preceding
 23 such apportionment, under ORS 190.510 to 190.610;

24 (c) Ten percent to counties in such shares as their respective populations bear to the total
 25 population of the state, as estimated from time to time by Portland State University; and

26 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and
 27 this section.

28 (2) The commission shall direct the Oregon Department of Administrative Services to transfer
 29 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health
 30 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS
 31 430.380.

32 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding
 33 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute
 34 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)
 35 and (2) of this section and the amounts that would have been paid or transferred under subsections
 36 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct
 37 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-
 38 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to
 39 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

40 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal
 41 year an amount less than the amount distributed to the city or county in accordance with ORS
 42 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
 43 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
 44 If the population declined, the per capita distribution to the city or county shall be not less than
 45 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to

1 maintain the level of distribution under this subsection shall be paid from funds credited under
2 subsection (1)(a) of this section.

3 **SECTION 14.** Notwithstanding the term of office specified by section 2 of this 2015 Act,
4 of the members first appointed to the Oregon Spirits Board:

- 5 (1) Two shall serve for terms ending January 1, 2017.
- 6 (2) Two shall serve for terms ending January 1, 2018.
- 7 (3) Two shall serve for terms ending January 1, 2019.
- 8 (4) Three shall serve for terms ending January 1, 2020.

9 10 DISTILLERIES

11
12 **SECTION 15.** Section 16 of this 2015 Act is added to and made a part of ORS chapter 471.

13 **SECTION 16.** (1) The Oregon Liquor Control Commission may appoint a distillery licensee
14 to act as a distillery retail outlet agent for another distiller licensed under ORS 471.230 or
15 issued a certificate of approval under ORS 471.251 if:

16 (a) Both the distillery licensee and the other distiller hold valid distilled spirits plant
17 basic permits issued by the federal Alcohol and Tobacco Tax and Trade Bureau;

18 (b) The distillery licensee requests the appointment; and

19 (c) The other distiller consents in writing to the appointment.

20 (2) An appointment made under this section may be without a fixed expiration date or
21 be for a specified period. If the appointment is for a specified period, the commission may
22 limit the appointment to one or more locations described in ORS 471.230.

23 (3) A distillery licensee may hold appointments as a distillery retail outlet agent for more
24 than one distiller. More than one distillery licensee may be appointed to act as a distillery
25 retail outlet agent for the same distiller.

26 (4) A distillery licensee that is appointed as a distillery retail outlet agent for another
27 distiller may sell distilled liquor of the other distiller as described in ORS 471.230 (2)(d). A
28 distillery retail outlet agent may only sell distilled liquor that is on the list of products ap-
29 proved by the commission for retail sale in Oregon. This section does not allow a brewery-
30 public house licensee described in ORS 471.200 (8) to be appointed as a distillery retail outlet
31 agent for another distiller.

32 (5) If a distillery retail outlet agent for another distiller uses distilled liquor of the
33 distiller to conduct tastings, the distiller:

34 (a) May provide the distilled liquor directly to the distillery retail outlet agent upon terms
35 and conditions established by the commission; or

36 (b) May obtain the distilled liquor used for tastings by transfer from the inventory of the
37 commission upon paying the commission a processing fee for the transfer.

38 (6) Notwithstanding ORS 471.392 to 471.400, subject to review and approval by the com-
39 mission, a distiller and a distillery licensee may enter into an agreement for the distiller to
40 reimburse the distillery licensee for actual expenses incurred by the distillery licensee that
41 are due solely to the distillery licensee acting as a distillery retail outlet agent of the
42 distiller. The commission shall actively oversee the carrying out of any reimbursement made
43 under an agreement described in this subsection.

44 (7) The appointment of a distillery licensee as a distillery retail outlet agent under this
45 section, and any agreement between a distillery licensee and another distiller regarding an

1 **appointment made under this section, is a transaction between manufacturers for purposes**
 2 **of ORS 471.392 to 471.400.**

3 **SECTION 17.** ORS 471.230 is amended to read:

4 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,
 5 denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell
 6 the spirits to the Oregon Liquor Control Commission and to transport the spirits out of this state
 7 for sale outside this state. [*Distillery licensees are permitted to purchase from and through the com-*
 8 *mission alcoholic beverages for blending and manufacturing purposes upon such terms and conditions*
 9 *as the commission may provide.*] **Distillery licensees may purchase and sell distilled liquor from**
 10 **the commission or directly from or to another distiller in containers of one U.S. gallon or**
 11 **more capacity for blending and manufacturing purposes, upon terms and conditions estab-**
 12 **lished by the commission.** A distillery licensee may not sell any alcoholic beverage within this
 13 state except to the commission or as provided in this section. However, any agricultural producer
 14 or association of agricultural producers or the legal agents of an agricultural producer or associ-
 15 ation of agricultural producers that manufactures and converts agricultural surpluses, by-products
 16 and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are not re-
 17 quired to obtain a license from the commission.

18 (2) [A] **If a distillery licensee holds a valid distilled spirits plant basic permit issued by the**
 19 **federal Alcohol and Tobacco Tax and Trade Bureau for the licensed premises, the distillery**
 20 **licensee may:**

21 (a) Permit tastings of [*the*] distilled liquor manufactured by the distillery licensee **or by any**
 22 **other distiller. Tastings may be of distilled liquor alone or of distilled liquor in a mixed drink.**
 23 The tastings may be conducted on the licensed premises of the distillery and at no more than five
 24 other premises owned or leased by the licensee. [*The licensee must purchase the distilled liquor from*
 25 *the commission.*] **If distilled liquor manufactured by the distillery licensee and used for tastings**
 26 **is obtained by the distillery licensee through transfer from the inventory of the commission,**
 27 **the distillery licensee shall pay the commission a processing fee for the transfer. Except as**
 28 **provided under section 16 of this 2015 Act, if distilled liquor used for tastings is manufactured**
 29 **by another distiller, the distillery licensee must purchase the distilled liquor from the com-**
 30 **mission.**

31 (b) Obtain a special events distillery license.

32 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of
 33 retailing [*only*] distilled liquor that the licensee manufactured in Oregon at locations where tastings
 34 are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section. **A distillery**
 35 **retail outlet agent may only sell distilled liquor that is on the list of products approved by**
 36 **the commission for retail sale in Oregon.**

37 (d) **Apply for appointment by the commission under section 16 of this 2015 Act as a**
 38 **distillery retail outlet agent for another distiller for purposes of retailing distilled liquor**
 39 **manufactured by the other distiller at locations where tastings are permitted under para-**
 40 **graph (a) of this subsection or subsection (4)(a) of this section.**

41 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises
 42 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-
 43 cense for one other location. All distilled spirits sold under the full on-premises sales license must
 44 be purchased from the commission.

45 (4)(a) A distillery licensee that holds a special events distillery license may conduct an event

1 on a premises at a *[designated location other than the location set forth in the distillery]* **location**
 2 **designated in the special events distillery** license for a period not exceeding five days. A distillery
 3 licensee conducting an event may:

4 (A) Permit tastings of distilled liquor manufactured by the distillery **or by any other distiller.**
 5 **Tastings may be of distilled liquor alone or mixed, subject to any conditions imposed by the**
 6 **commission.**

7 (B) Permit sales by the drink of distilled liquor manufactured by the distillery **licensee or by**
 8 **any distiller for which the distillery licensee is a distillery retail outlet agent.**

9 (C) If the distillery licensee has been appointed as a distillery retail outlet agent under sub-
 10 section (2)(c) of this section, sell factory sealed containers of distilled liquor manufactured by the
 11 distillery for consumption off the licensed premises of the event.

12 **(D) If the distillery licensee has been appointed as a distillery retail outlet agent under**
 13 **section 16 of this 2015 Act, sell factory sealed containers of distilled liquor manufactured by**
 14 **the distiller identified in the appointment for consumption off the licensed premises of the**
 15 **event.**

16 (b) A distillery licensee that holds a special events distillery license:

17 *[(A) Must purchase distilled liquor that the licensee uses for conducting tastings at the event from*
 18 *the commission at the price set by the commission for distilled liquor removed from bond for*
 19 *tastings.]*

20 *[(B)]* (A) Must purchase distilled liquor that the licensee uses for sales by the drink at the event
 21 at the retail price set by the commission for the month in which the distilled liquor is sold by the
 22 drink.

23 *[(C)]* (B) Must *[purchase]* **sell any** distilled liquor that the licensee sells in factory sealed con-
 24 tainers at the event at the retail price set by the commission for the month in which the licensee
 25 makes the *[purchase]* **sale.**

26 *[(D) Must sell distilled liquor described in subparagraph (C) of this paragraph at the retail price*
 27 *set by the commission for the month in which the licensee makes the sale.]*

28
 29 **CAPTIONS**

30
 31 **SECTION 18. The unit captions used in this 2015 Act are provided only for the conven-**
 32 **ience of the reader and do not become part of the statutory law of this state or express any**
 33 **legislative intent in the enactment of this 2015 Act.**

34
 35 **EMERGENCY**

36
 37 **SECTION 19. This 2015 Act being necessary for the immediate preservation of the public**
 38 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
 39 **on its passage.**