

Senate Bill 733

Sponsored by Senator STEINER HAYWARD

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**.

Changes name of "Oregon Liquor Control Commission" to "Adult Substances Control Commission." Changes name of "Oregon Liquor Control Commission Account" to "Oregon Liquor Control Account."

A BILL FOR AN ACT

1
2 Relating to the state agency that regulates adult substances; creating new provisions; and amending
3 ORS 25.750, 25.756, 25.780, 165.117, 165.805, 167.402, 181.010, 181.610, 181.646, 181.715, 181.725,
4 181.870, 181.871, 221.770, 221.785, 238.005, 244.045, 244.050, 279A.025, 297.210, 430.241, 430.242,
5 459.992, 459A.700, 459A.702, 459A.705, 459A.715, 459A.717, 459A.718, 459A.725, 459A.730,
6 459A.735, 459A.737, 461.217, 471.001, 471.038, 471.039, 471.040, 471.105, 471.115, 471.130, 471.155,
7 471.157, 471.159, 471.162, 471.166, 471.168, 471.175, 471.180, 471.182, 471.184, 471.186, 471.190,
8 471.200, 471.220, 471.223, 471.227, 471.230, 471.235, 471.242, 471.244, 471.251, 471.268, 471.274,
9 471.282, 471.292, 471.294, 471.297, 471.302, 471.305, 471.311, 471.313, 471.315, 471.316, 471.322,
10 471.326, 471.327, 471.329, 471.331, 471.333, 471.341, 471.342, 471.344, 471.346, 471.351, 471.360,
11 471.380, 471.385, 471.390, 471.396, 471.400, 471.403, 471.404, 471.405, 471.410, 471.412, 471.425,
12 471.430, 471.442, 471.446, 471.475, 471.478, 471.480, 471.482, 471.495, 471.500, 471.510, 471.541,
13 471.542, 471.547, 471.549, 471.551, 471.553, 471.557, 471.559, 471.561, 471.565, 471.567, 471.605,
14 471.610, 471.615, 471.630, 471.645, 471.666, 471.695, 471.700, 471.703, 471.705, 471.710, 471.715,
15 471.720, 471.725, 471.730, 471.732, 471.735, 471.740, 471.745, 471.750, 471.752, 471.754, 471.757,
16 471.760, 471.765, 471.770, 471.775, 471.790, 471.795, 471.800, 471.805, 471.810, 471.817, 473.020,
17 473.030, 473.045, 473.047, 473.050, 473.060, 473.065, 473.070, 473.080, 473.100, 473.110, 473.120,
18 473.130, 473.140, 473.150, 473.160, 473.170, 474.115, 565.515, 576.768, 576.771, 659A.320 and 802.250
19 and sections 5, 7, 8, 9, 10, 11, 15, 18, 19, 20, 21, 22, 23, 25, 27, 28, 29, 30, 31, 33, 34, 35, 36, 38,
20 39, 40, 43, 44, 48, 49, 50, 51, 52, 63, 64, 65 and 82, chapter 1, Oregon Laws 2015.

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

22 **SECTION 1.** ORS 471.705 is amended to read:

23 471.705. (1) There is created the [*Oregon Liquor Control*] **Adult Substances Control** Commis-
24 sion, consisting of five persons appointed by the Governor. One member shall be from among the
25 bona fide residents of each congressional district of the state. One member shall be from the food
26 and alcoholic beverage retail industry. Not more than three commissioners shall be of the same
27 political party and one shall be designated by the Governor to be chairperson of the commission.
28 The commissioners are entitled to compensation and expenses as provided in ORS 292.495. Each
29 commissioner at the time of appointment and qualification shall be a resident of this state and shall
30 have resided in this state for at least five years next preceding appointment and qualification. The
31 commissioner shall be an elector therein and not less than 30 years of age. A commissioner shall

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 cease to hold office if the commissioner ceases to possess the residency or industry qualification for
 2 appointment and the Governor shall appoint a qualified individual to complete the unexpired term.

3 (2) The term of office of a commissioner shall be four years from the time of appointment and
 4 qualification and until a successor qualifies. The terms of the commissioners shall commence April
 5 1. In case any commissioner is allowed to hold over after the expiration of the term, the successor
 6 shall be appointed for the balance of the unexpired term. Vacancies in the commission shall be filled
 7 by the Governor for the unexpired term. Each commissioner is eligible for reappointment but no
 8 person shall be eligible to serve for more than two full terms.

9 (3) All appointments of commissioners by the Governor are subject to confirmation by the Sen-
 10 ate pursuant to section 4, Article III, Oregon Constitution.

11 **SECTION 2.** ORS 471.805 is amended to read:

12 471.805. (1) Except as otherwise provided in ORS 471.810 (2), all money collected by the [*Oregon*
 13 *Liquor Control*] **Adult Substances Control** Commission under this chapter and ORS chapter 473 and
 14 privilege taxes shall be remitted to the State Treasurer who shall credit it to a suspense account
 15 of the commission. Whenever the commission determines that moneys have been received by it in
 16 excess of the amount legally due and payable to the commission or that it has received money to
 17 which it has no legal interest, or that any license fee or deposit is properly refundable, the com-
 18 mission is authorized and directed to refund such money by check drawn upon the State Treasurer
 19 and charged to the suspense account of the commission. After withholding refundable license fees
 20 and such sum, not to exceed \$250,000, as it considers necessary as a revolving fund for a working
 21 cash balance for the purpose of paying travel expenses, advances, other miscellaneous bills and ex-
 22 traordinary items which are payable in cash immediately upon presentation, the commission shall
 23 direct the State Treasurer to transfer the money remaining in the suspense account to the Oregon
 24 Liquor Control [*Commission*] Account in the General Fund. Moneys in the Oregon Liquor Control
 25 [*Commission*] Account are continuously appropriated to the commission to be distributed and used
 26 as required or allowed by law.

27 (2) All necessary expenditures of the commission incurred in carrying out the purposes required
 28 of the commission by law, including the salaries of its employees, purchases made by the commission
 29 and such sums necessary to reimburse the \$250,000 revolving fund, shall be audited and paid from
 30 the Oregon Liquor Control [*Commission*] Account in the General Fund, upon warrants drawn by the
 31 Oregon Department of Administrative Services, pursuant to claims duly approved by the commission.

32 **SECTION 3. (1)(a) The amendments to ORS 471.705 by section 1 of this 2015 Act are in-**
 33 **tended to change the name of the “Oregon Liquor Control Commission” to the “Adult Sub-**
 34 **stances Control Commission.”**

35 **(b) The amendments to ORS 471.805 by section 2 of this 2015 Act are intended to change**
 36 **the name of the “Oregon Liquor Control Commission Account” to the “Oregon Liquor Con-**
 37 **trol Account.”**

38 **(2)(a) For the purpose of harmonizing and clarifying statutory law, the Legislative**
 39 **Counsel may substitute for words designating the “Oregon Liquor Control Commission,”**
 40 **wherever they occur in statutory law, other words designating the “Adult Substances Con-**
 41 **trol Commission.”**

42 **(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**
 43 **may substitute for words designating the “Oregon Liquor Control Commission Account,”**
 44 **wherever they occur in statutory law, other words designating the “Oregon Liquor Control**
 45 **Account.”**

SECTION 4. ORS 181.715 is amended to read:

181.715. (1) The Department of State Police or another criminal justice agency designated by the Director of the Oregon Department of Administrative Services shall operate a Criminal Justice Information Standards program that coordinates information among state criminal justice agencies. The program shall:

(a) Ensure that in developing new information systems, data can be retrieved to support evaluation of criminal justice planning and programs, including, but not limited to, the ability of the programs to reduce future criminal conduct;

(b) Ensure that maximum effort is made for the safety of public safety officers;

(c) Establish methods and standards for data interchange and information access between criminal justice information systems, in compliance with the technology standards and policies of the Oregon Department of Administrative Services;

(d) Design and implement improved applications for exchange of agency information; and

(e) Implement the capability to exchange images between criminal justice agencies.

(2) The program shall develop a plan to accelerate data sharing and information integration among criminal justice agencies. The plan shall include, but is not limited to, priorities, timelines, development costs, resources needed, the projected ongoing cost of support, critical success factors and any known barriers to accomplishing the plan. Representatives of criminal justice agencies and public safety agencies, including but not limited to local law enforcement agencies, courts of criminal jurisdiction, district attorneys, city attorneys with criminal prosecutive functions, public defender organizations established under ORS chapter 151, community corrections directors, jail managers and county juvenile departments, shall be invited to participate in the planning process. The program shall present the plan to the Director of the Oregon Department of Administrative Services no later than May 30 of each even-numbered year for development of the Governor's budget report. The program shall submit the plan to the Joint Legislative Committee on Information Management and Technology no later than December 31 of each even-numbered year.

(3) Notwithstanding the meaning given "criminal justice agency" in ORS 181.010, as used in this section and ORS 181.720, "criminal justice agency" includes, but is not limited to:

(a) The Judicial Department;

(b) The Attorney General;

(c) The Department of Corrections;

(d) The Department of State Police;

(e) Any other state agency with law enforcement authority designated by order of the Governor;

(f) The Department of Transportation;

(g) The State Board of Parole and Post-Prison Supervision;

(h) The Department of Public Safety Standards and Training;

(i) The State Department of Fish and Wildlife;

(j) The [*Oregon Liquor Control*] **Adult Substances Control** Commission;

(k) The Oregon Youth Authority;

(L) The Youth Development Division; and

(m) A university that has established a police department under ORS 352.383 or 353.125.

SECTION 5. ORS 181.725 is amended to read:

181.725. (1) There is established a Criminal Justice Information Standards Advisory Board to advise the Department of State Police or the criminal justice agency designated by the Director of the Oregon Department of Administrative Services under ORS 181.715 (1) about the department's

1 or the agency's duties under ORS 181.715. The board consists of the following members:

2 (a) The State Court Administrator or the administrator's designee;

3 (b) The Director of the Department of Corrections or the director's designee;

4 (c) The Superintendent of State Police or the superintendent's designee;

5 (d) The executive director of the Oregon Criminal Justice Commission or the executive
6 director's designee;

7 (e) The Director of Transportation or the director's designee;

8 (f) The chairperson of the State Board of Parole and Post-Prison Supervision or the
9 chairperson's designee;

10 (g) The Director of the Department of Public Safety Standards and Training or the director's
11 designee;

12 (h) A chief of police designated by the Oregon Association Chiefs of Police;

13 (i) A sheriff designated by the Oregon State Sheriffs' Association;

14 (j) A jail manager designated by the Oregon Sheriff's Jail Command Council;

15 (k) A county juvenile department director designated by the Oregon Juvenile Department
16 Directors' Association;

17 (L) A community corrections agency director designated by the Oregon Association of Commu-
18 nity Corrections Directors;

19 (m) A district attorney designated by the Oregon District Attorneys Association;

20 (n) The administrator of the Enterprise Information Strategy and Policy Division of the Oregon
21 Department of Administrative Services or the administrator's designee;

22 (o) The Director of the Oregon Youth Authority or the director's designee;

23 (p) The State Fish and Wildlife Director or the director's designee;

24 (q) The administrator of the [*Oregon Liquor Control*] **Adult Substances Control** Commission or
25 the administrator's designee; and

26 (r) The Youth Development Director or the director's designee.

27 (2) The board shall meet at such times and places as the board deems necessary.

28 (3) The members of the board are not entitled to compensation but are entitled to expenses as
29 provided in ORS 292.495.

30 **SECTION 6.** ORS 181.870 is amended to read:

31 181.870. As used in ORS 181.620, 181.870 to 181.887, 181.991 and 203.090:

32 (1) "Certification" means recognition by the Department of Public Safety Standards and Training
33 that a private security professional meets all of the qualifications listed in ORS 181.875.

34 (2) "Executive manager" means a person:

35 (a) Who is authorized to act on behalf of a company or business in matters of licensure and
36 certification;

37 (b) Who is authorized to hire and terminate personnel;

38 (c) Whose primary responsibility is the management of certified private security professionals;
39 and

40 (d) Who has final responsibility for a company's or business's compliance with ORS 181.870 to
41 181.887.

42 (3) "Instructor" means any person who has been certified by the department as meeting the re-
43 quirements to provide instruction to private security providers or applicants.

44 (4) "License" means recognition by the department that an executive manager or supervisory
45 manager meets the requirements adopted by the Board on Public Safety Standards and Training as

1 necessary to provide private security services.

2 (5) "Primary responsibility" means an activity that is fundamental to, and required or expected
3 in, the regular course of employment and is not merely incidental to employment.

4 (6) "Private security professional" means an individual who performs, as the individual's primary
5 responsibility, private security services for consideration, regardless of whether the individual, while
6 performing the private security services, is armed or unarmed or wears a uniform or plain clothes,
7 and regardless of whether the individual is employed part-time or full-time to perform private secu-
8 rity services.

9 (7) "Private security provider" means any individual who performs the functions of a private
10 security professional, executive manager, supervisory manager or instructor.

11 (8) "Private security services" means the performance of at least one of the following activities:

12 (a) Observing and reporting unlawful activity.

13 (b) Preventing or detecting theft or misappropriation of goods, money or other items of value.

14 (c) Protecting individuals or property, including but not limited to proprietary information, from
15 harm or misappropriation.

16 (d) Controlling access to premises being protected or, with respect to a licensee of the [*Oregon*
17 *Liquor Control*] **Adult Substances Control** Commission, controlling access to premises at an entry
18 to the premises or any portion of the premises where minors are prohibited.

19 (e) Securely moving prisoners.

20 (f) Taking enforcement action by detaining persons or placing persons under arrest under ORS
21 133.225.

22 (g) Providing canine services for guarding premises or for detecting unlawful devices or sub-
23 stances.

24 (9) "Supervisory manager" means an employee of or a person supervised by an executive man-
25 ager who has as a primary responsibility the supervision of certified private security professionals.

26 **SECTION 7.** ORS 181.871 is amended to read:

27 181.871. (1) ORS 181.870 to 181.887 do not apply to:

28 (a) A person certified by the Department of Public Safety Standards and Training as a police
29 officer or a parole and probation officer.

30 (b) A law enforcement officer of the United States.

31 (c) An officer or employee of this state, Oregon Health and Science University established by
32 ORS 353.020 or the United States while performing duties of the office or employment.

33 (d) A person appointed or commissioned by the Governor to perform law enforcement or security
34 services.

35 (e) An attorney admitted to practice law in this state while engaged in the practice of law.

36 (f) An insurance adjuster licensed in this state while performing duties authorized by the license.

37 (g) A person who monitors alarm systems that are not designed to detect threats to public safety
38 or personal well-being.

39 (h) A person while protecting the person's property.

40 (i) A person who repairs and installs intrusion alarms while repairing or installing intrusion
41 alarms.

42 (j) A person acting as an investigator as defined in ORS 703.401.

43 (k) A person performing crowd management or guest services, including, but not limited to, a
44 person described as a ticket taker, an usher, a parking attendant or event staff.

45 (L) A person who has a valid service permit issued by the [*Oregon Liquor Control*] **Adult Sub-**

1 **stances Control** Commission pursuant to ORS 471.360 and who is an employee of a licensee of the
2 commission when the person is performing age verification and controlling access to premises of the
3 licensee, if the person is not:

4 (A) Armed;

5 (B) Permitted to initiate confrontational activities, including physical contact and the confis-
6 cation of property; or

7 (C) Hired with the primary responsibility of taking enforcement action as described in ORS
8 181.870 (8)(f).

9 (m) A person performing security services at a facility regulated by the United States Nuclear
10 Regulatory Commission if the facility is operated by the person's employer.

11 (n) An individual while on active duty as a member of the armed services or while performing
12 duties as a law enforcement officer.

13 (o) An employee of a financial institution who has been designated as a security officer for the
14 financial institution pursuant to the Bank Protection Act of 1968 (12 U.S.C. 1881 et seq.) and regu-
15 lations adopted under the act.

16 (p) A person who provides security services as a volunteer or for de minimis consideration other
17 than money for an event operated for the benefit of a corporation that is organized not for profit
18 pursuant to ORS chapter 65 or any predecessor of ORS chapter 65 or that is exempt from taxation
19 under section 501(a) of the Internal Revenue Code as an organization described in section 501(c) of
20 the Internal Revenue Code.

21 (q) A student enrolled in a community college as defined in ORS 341.005 while engaged in non-
22 confrontational activities that contribute to campus safety under the direct or indirect supervision
23 of a law enforcement professional or private security professional certified or licensed by the De-
24 partment of Public Safety Standards and Training, provided the community college has conducted
25 a criminal background check on the student.

26 (2) The exemption provided by subsection (1)(k) of this section applies only:

27 (a) To a person who is not:

28 (A) Armed;

29 (B) Permitted to initiate confrontational activities, including physical contact and the confis-
30 cation of property; or

31 (C) Hired with the primary responsibility of taking enforcement action as described in ORS
32 181.870 (8)(f);

33 (b) If there is at least one person on-site who is certified or licensed under ORS 181.878 for ev-
34 ery 10 or fewer uncertified persons performing the services described in subsection (1)(k) of this
35 section;

36 (c) If any enforcement action, as described in ORS 181.870 (8)(f), other than incidental or tem-
37 porary action, is taken by or under the supervision of a person certified or licensed under ORS
38 181.878; and

39 (d) During the time when a crowd has assembled for the purpose of attending or taking part in
40 an organized event, including pre-event assembly, event operation hours and post-event departure
41 activities.

42 (3) The exemption provided by subsection (1)(L) of this section does not apply during an organ-
43 ized event that is on a scale substantially outside the ordinary course of the licensee's business.

44 **SECTION 8.** ORS 221.770 is amended to read:

45 221.770. (1) A share of certain revenues of this state shall be apportioned among and distributed

1 to the cities of this state for general purposes as provided in this section. A city shall not be in-
2 cluded in apportionments or receive distributions under this section for a fiscal year commencing
3 on July 1 unless the city:

4 (a) Elects to receive distributions under this section for the fiscal year by enactment of an or-
5 dinance or resolution expressing that election and filing a copy of that ordinance or resolution with
6 the Oregon Department of Administrative Services not later than July 31 of the fiscal year;

7 (b) Holds at least one public hearing, after adequate public notice, at which citizens have the
8 opportunity to provide written and oral comment to the authority responsible for approving the
9 proposed budget of the city for the fiscal year on the possible uses of the distributions, including
10 offset against property tax levies by the city for the fiscal year, and certifies its compliance with
11 this paragraph to the Oregon Department of Administrative Services not later than July 31 of the
12 fiscal year;

13 (c) Holds at least one public hearing, after adequate public notice, at which citizens have the
14 opportunity to provide written and oral comment to, and ask questions of, the authority responsible
15 for adopting the budget of the city for the fiscal year on the proposed use of the distributions in
16 relation to the entire budget of the city for the fiscal year, including possible offset of the distrib-
17 utions against property tax levies by the city for the fiscal year, and certifies its compliance with
18 this paragraph to the Oregon Department of Administrative Services not later than July 31 of the
19 fiscal year; and

20 (d) Levied a property tax for the year preceding the year in which revenue sharing is due under
21 ORS 471.810 and this section.

22 (2) Not later than 35 days after the last day of each calendar quarter ending March 31, June
23 30, September 30 and December 31, the [*Oregon Liquor Control*] **Adult Substances Control** Com-
24 mission shall determine the amount of the net revenue under ORS 471.805, received during the pre-
25 ceding calendar quarter and shall certify that amount to the Oregon Department of Administrative
26 Services.

27 (3) In addition to amounts otherwise apportioned to cities under ORS 471.810, not later than 20
28 days after the date the Oregon Department of Administrative Services receives a certification under
29 subsection (2) of this section, the department shall apportion among the cities of this state in the
30 manner provided in subsection (4) of this section an amount equal to 14 percent of the amount so
31 certified, and shall pay to each city the amount so apportioned to the city. Payments shall be made
32 from the Oregon Liquor Control [*Commission*] Account.

33 (4) The amount apportioned to each city under subsection (3) of this section shall be a percent-
34 age of the total amount to be apportioned among the cities determined by dividing the adjusted
35 population of the city by the sum of the adjusted populations of all cities. The adjusted population
36 of a city shall be determined by multiplying the city's population by the sum of:

37 (a) The city's local consolidated property taxes per capita divided by the average consolidated
38 property taxes per capita for all cities in the state; and

39 (b) The amount of state income per capita divided by the amount of city income per capita.

40 (5) The amount apportioned to each city shall be further limited to an amount no greater than
41 the amount of all property taxes levied by the city during the year previous to the year in which
42 distributions are made.

43 (6) For purposes of the formula set forth in subsection (4) of this section, "city population" is
44 the population of a city as last determined under ORS 190.510 to 190.590.

45 (7)(a) For purposes of the formula set forth in subsection (4) of this section, "local consolidated

1 property taxes” has the meaning given in subsection (8) of this section, for a city divided by the
2 population of the city as last determined under ORS 190.510 to 190.590.

3 (b) The Oregon Department of Administrative Services shall determine the amounts of property
4 taxes for each city during the fiscal year closing on June 30 preceding the fiscal year commencing
5 on July 1 for which calendar quarter apportionments are made, and that determination shall be used
6 for each calendar quarter apportionment for that fiscal year commencing on July 1.

7 (8) For purposes of subsection (7) of this section “consolidated property taxes” are the total of
8 all compulsory contributions in the form of ad valorem taxes on property located within a city levied
9 during a one-year period by the city, a county, any school district and any special governmental
10 district for public purposes and in amounts as compiled by the Department of Revenue on the basis
11 of application of consolidated tax rates to assessor code area valuations.

12 (9) For purposes of the formula set forth in subsection (4) of this section, “income per capita”
13 is the estimated average annual money income of residents of this state and of residents of each city
14 of this state, respectively, based upon the latest information available from the most recent federal
15 decennial census.

16 (10) A city receiving a distribution under this section may return all or any part of the distrib-
17 ution to the Oregon Department of Administrative Services, which shall deposit the returned dis-
18 tribution or part thereof in the General Fund to be available for payment of the general expenses
19 of the state.

20 **SECTION 9.** ORS 221.785 is amended to read:

21 221.785. (1) Notwithstanding ORS 221.770, 323.455, 366.785 to 366.820 and 471.810, when a pro-
22 ceeding challenging the validity of the incorporation of a city is commenced before a court or ad-
23 ministrative agency of this state within two years after the incorporation, if the court or agency
24 determines that the incorporation is invalid, moneys otherwise payable to the city under ORS
25 221.770, 323.455, 366.785 to 366.820 and 471.810 shall not be distributed to the city, but shall be de-
26 posited with the State Treasurer as provided in subsection (3) of this section.

27 (2) Not later than 30 days after the issuance of an order or judgment declaring the incorporation
28 of a city invalid, the party challenging the incorporation shall send a certified copy of the order or
29 judgment to the State Treasurer, Department of Transportation, Department of Revenue and the
30 [*Oregon Liquor Control*] **Adult Substances Control** Commission.

31 (3) Upon receiving a certified copy of the order or judgment under subsection (2) of this section,
32 the state officer or department having responsibility for the distribution of moneys under ORS
33 221.770, 323.455, 366.785 to 366.820 and 471.810 shall deposit those moneys in an escrow account
34 administered by the State Treasurer.

35 (4) Upon final determination of the validity of an incorporation by judgment rendered by the
36 highest court in which a decision could be had, the moneys in the escrow account established under
37 subsection (3) of this section shall be distributed as follows:

38 (a) If the incorporation is determined to be valid, to the city.

39 (b) If the incorporation is determined to be invalid, each city in this state shall receive such
40 share of the moneys as its population bears to the total population of the cities of the state.

41 (5) The State Treasurer, upon receiving a certified copy of the judgment of the court which
42 constitutes the final determination of the validity of the challenged incorporation shall distribute
43 moneys in the escrow account as provided in subsection (4) of this section.

44 (6) The State Treasurer shall retain interest earned on moneys deposited in the escrow account
45 and shall distribute the interest in the same manner as other moneys in the account are distributed.

1 **SECTION 10.** ORS 238.005, as amended by section 2, chapter 107, Oregon Laws 2014, is
2 amended to read:

3 238.005. For purposes of this chapter:

4 (1) "Active member" means a member who is presently employed by a participating public em-
5 ployer in a qualifying position and who has completed the six-month period of service required by
6 ORS 238.015.

7 (2) "Annuity" means payments for life derived from contributions made by a member as provided
8 in this chapter.

9 (3) "Board" means the Public Employees Retirement Board.

10 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
11 cember 31 following.

12 (5) "Continuous service" means service not interrupted for more than five years, except that
13 such continuous service shall be computed without regard to interruptions in the case of:

14 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
15 who remained in that employment until having established membership in the Public Employees
16 Retirement System.

17 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
18 of the employer within one year of the date of being otherwise than dishonorably discharged and
19 remained in that employment until having established membership in the Public Employees Retire-
20 ment System.

21 (6) "Creditable service" means any period of time during which an active member is being paid
22 a salary by a participating public employer and for which benefits under this chapter are funded by
23 employer contributions and earnings on the fund. For purposes of computing years of "creditable
24 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
25 and shall be added to all full years. "Creditable service" includes all retirement credit received by
26 a member.

27 (7) "Earliest service retirement age" means the age attained by a member when the member
28 could first make application for retirement under the provisions of ORS 238.280.

29 (8) "Employee" includes, in addition to employees, public officers, but does not include:

30 (a) Persons engaged as independent contractors.

31 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
32 ployer or public employers do not total 600 hours in any calendar year.

33 (c) Persons provided sheltered employment or made-work by a public employer in an employment
34 or industries program maintained for the benefit of such persons.

35 (d) Persons employed and paid from federal funds received under a federal program intended
36 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
37 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
38 to have the person so considered by an irrevocable written notice to the board.

39 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
40 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
41 shall be deemed to have been in effect since the inception of the system.

42 (9) "Final average salary" means whichever of the following is greater:

43 (a) The average salary per calendar year paid by one or more participating public employers to
44 an employee who is an active member of the system in three of the calendar years of membership
45 before the effective date of retirement of the employee, in which three years the employee was paid

1 the highest salary. The three calendar years in which the employee was paid the largest total salary
2 may include calendar years in which the employee was employed for less than a full calendar year.
3 If the number of calendar years of active membership before the effective date of retirement of the
4 employee is three or fewer, the final average salary for the employee is the average salary per cal-
5 endar year paid by one or more participating public employers to the employee in all of those years,
6 without regard to whether the employee was employed for the full calendar year.

7 (b) One-third of the total salary paid by a participating public employer to an employee who is
8 an active member of the system in the last 36 calendar months of active membership before the ef-
9 fective date of retirement of the employee.

10 (10) "Firefighter" does not include a volunteer firefighter, but does include:

11 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

12 (b) An employee of the State Forestry Department who is certified by the State Forester as a
13 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
14 fires as described in ORS 477.064.

15 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
16 lowing.

17 (12) "Fund" means the Public Employees Retirement Fund.

18 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
19 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
20 for service or disability.

21 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
22 Oregon Health and Science University and a community college, as defined in ORS 341.005.

23 (15) "Member" means a person who has established membership in the system and whose mem-
24 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
25 and retired members.

26 (16) "Member account" means the regular account and the variable account.

27 (17) "Normal retirement age" means:

28 (a) For a person who establishes membership in the system before January 1, 1996, as described
29 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
30 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

31 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
32 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
33 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
34 firefighter.

35 (18) "Pension" means annual payments for life derived from contributions by one or more public
36 employers.

37 (19) "Police officer" includes:

38 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
39 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
40 persons committed to the custody of or transferred to the Department of Corrections and employees
41 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
42 whether or not such classification was authorized by law.

43 (b) Employees of the Department of State Police who are classified as police officers by the
44 Superintendent of State Police.

45 (c) Employees of the [Oregon Liquor Control] **Adult Substances Control** Commission who are

1 classified as liquor enforcement inspectors by the administrator of the commission.

2 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
3 by the sheriff, are the regular duties of police officers or corrections officers.

4 (e) Police chiefs and police personnel of a city who are classified as police officers by the
5 council or other governing body of the city.

6 (f) Police officers who are commissioned by a university under ORS 352.383 or 353.125 and who
7 are classified as police officers by the university.

8 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
9 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
10 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
11 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
12 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
13 ented by a labor organization, any proposal by the county to change that classification or to cease
14 to classify adult parole and probation officers as police officers for the purposes of this chapter is
15 a mandatory subject of bargaining.

16 (h) Police officers appointed under ORS 276.021 or 276.023.

17 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
18 missioners of the Port of Portland.

19 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
20 ficers by the Director of Agriculture.

21 (k) Employees of the Department of Public Safety Standards and Training who are classified by
22 the department as other than secretarial or clerical personnel.

23 (L) Investigators of the Criminal Justice Division of the Department of Justice.

24 (m) Corrections officers as defined in ORS 181.610.

25 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
26 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

27 (o) The Director of the Department of Corrections.

28 (p) An employee who for seven consecutive years has been classified as a police officer as de-
29 fined by this section, and who is employed or transferred by the Department of Corrections to fill
30 a position designated by the Director of the Department of Corrections as being eligible for police
31 officer status.

32 (q) An employee of the Department of Corrections classified as a police officer on or prior to
33 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
34 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
35 tem implemented pursuant to ORS 240.190 does not affect police officer status.

36 (r) Employees of a school district who are appointed and duly sworn members of a law
37 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
38 police officers commissioned by the district.

39 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
40 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
41 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
42 Department of Corrections or the Oregon Youth Authority.

43 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
44 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
45 in such facilities.

1 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
2 bation officers.

3 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
4 to (6) (1999 Edition).

5 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
6 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
7 created by one or more such governmental organizations to provide governmental services. For
8 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
9 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
10 sue and be sued.

11 (22) "Qualifying position" means one or more jobs with one or more participating public em-
12 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
13 any service in a job for which a participating public employer does not provide benefits under this
14 chapter pursuant to an application made under ORS 238.035.

15 (23) "Regular account" means the account established for each active and inactive member un-
16 der ORS 238.250.

17 (24) "Retired member" means a member who is retired for service or disability.

18 (25) "Retirement credit" means a period of time that is treated as creditable service for the
19 purposes of this chapter.

20 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
21 employer in return for services to the employer, plus the monetary value, as determined by the
22 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
23 other advantages the employer furnishes the employee in return for services.

24 (b) "Salary" includes but is not limited to:

25 (A) Payments of employee and employer money into a deferred compensation plan, which are
26 deemed salary paid in each month of deferral;

27 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
28 paid in each month of participation;

29 (C) Retroactive payments described in ORS 238.008; and

30 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
31 652.190.

32 (c) "Salary" or "other advantages" does not include:

33 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
34 employer;

35 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
36 dependents, for which the employee has no cash option;

37 (C) Payments made on account of an employee's death;

38 (D) Any lump sum payment for accumulated unused sick leave;

39 (E) Any accelerated payment of an employment contract for a future period or an advance
40 against future wages;

41 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
42 gratuitous payment;

43 (G) Payments for periods of leave of absence after the date the employer and employee have
44 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
45 sick leave and vacation;

1 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or
 2 the Oregon Health and Science University when such services are in excess of full-time employment
 3 subject to this chapter. A person employed under a contract for less than 12 months is subject to
 4 this subparagraph only for the months to which the contract pertains; or

5 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
 6 employee.

7 (27) "School year" means the period beginning July 1 and ending June 30 next following.

8 (28) "System" means the Public Employees Retirement System.

9 (29) "Variable account" means the account established for a member who participates in the
 10 Variable Annuity Account under ORS 238.260.

11 (30) "Vested" means being an active member of the system in each of five calendar years.

12 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
 13 hours of service per year.

14 **SECTION 11.** ORS 244.045 is amended to read:

15 244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Depart-
 16 ment of Consumer and Business Services, the Administrator of the Division of Finance and Corpo-
 17 rate Securities, the Administrator of the Insurance Division, the Administrator of the [*Oregon Liquor*
 18 *Control*] **Adult Substances Control** Commission or the Director of the Oregon State Lottery shall
 19 not:

20 (a) Within one year after the public official ceases to hold the position become an employee of
 21 or receive any financial gain, other than reimbursement of expenses, from any private employer
 22 engaged in the activity, occupation or industry over which the former public official had authority;
 23 or

24 (b) Within two years after the public official ceases to hold the position:

25 (A) Be a lobbyist for or appear as a representative before the agency over which the person
 26 exercised authority as a public official;

27 (B) Influence or try to influence the actions of the agency; or

28 (C) Disclose any confidential information gained as a public official.

29 (2) A person who has been a Deputy Attorney General or an assistant attorney general shall
 30 not, within two years after the person ceases to hold the position, lobby or appear before an agency
 31 that the person represented while employed by the Department of Justice.

32 (3) A person who has been the State Treasurer or the Deputy State Treasurer shall not, within
 33 one year after ceasing to hold office:

34 (a) Accept employment from or be retained by any private entity with whom the office of the
 35 State Treasurer or the Oregon Investment Council negotiated or to whom either awarded a contract
 36 providing for payment by the state of at least \$25,000 in any single year during the term of office
 37 of the treasurer;

38 (b) Accept employment from or be retained by any private entity with whom the office of the
 39 State Treasurer or the Oregon Investment Council placed at least \$50,000 of investment moneys in
 40 any single year during the term of office of the treasurer; or

41 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the of-
 42 fice of the State Treasurer or Oregon Investment Council as a representative of an investment in-
 43 stitution, manager or consultant.

44 (4) A public official who as part of the official's duties invested public funds shall not within two
 45 years after the public official ceases to hold the position:

1 (a) Be a lobbyist or appear as a representative before the agency, board or commission for which
 2 the former public official invested public funds;

3 (b) Influence or try to influence the agency, board or commission; or

4 (c) Disclose any confidential information gained as a public official.

5 (5)(a) A person who has been a member of the Department of State Police, who has held a po-
 6 sition with the department with the responsibility for supervising, directing or administering pro-
 7 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been
 8 designated by the Superintendent of State Police by rule shall not, within one year after the member
 9 of the Department of State Police ceases to hold the position:

10 (A) Accept employment from or be retained by or receive any financial gain related to gaming
 11 from the Oregon State Lottery or any Native American tribe;

12 (B) Accept employment from or be retained by or receive any financial gain from any private
 13 employer selling or offering to sell gaming products or services;

14 (C) Influence or try to influence the actions of the Department of State Police; or

15 (D) Disclose any confidential information gained as a member of the Department of State Police.

16 (b) This subsection does not apply to:

17 (A) Appointment or employment of a person as an Oregon State Lottery Commissioner or as a
 18 Tribal Gaming Commissioner or regulatory agent thereof;

19 (B) Contracting with the Oregon State Lottery as a lottery game retailer;

20 (C) Financial gain received from personal gaming activities conducted as a private citizen; or

21 (D) Subsequent employment in any capacity by the Department of State Police.

22 (c) As used in this subsection, "Native American tribe" means any recognized Native American
 23 tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public
 24 Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

25 (6) A person who has been a member of the Legislative Assembly may not receive money or any
 26 other consideration for lobbying as defined in ORS 171.725 performed during the period beginning
 27 on the date the person ceases to be a member of the Legislative Assembly and ending on the date
 28 of adjournment sine die of the next regular session of the Legislative Assembly that begins after the
 29 date the person ceases to be a member of the Legislative Assembly.

30 **SECTION 12.** ORS 244.050 is amended to read:

31 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
 32 Government Ethics Commission a verified statement of economic interest as required under this
 33 chapter:

34 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
 35 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

36 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem
 37 judicial officer who does not otherwise serve as a judicial officer.

38 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

39 (d) The Deputy Attorney General.

40 (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the
 41 Secretary of the Senate and the Chief Clerk of the House of Representatives.

42 (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
 43 vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.

44 (g) The following state officers:

45 (A) Adjutant General.

- 1 (B) Director of Agriculture.
- 2 (C) Manager of State Accident Insurance Fund Corporation.
- 3 (D) Water Resources Director.
- 4 (E) Director of Department of Environmental Quality.
- 5 (F) Director of Oregon Department of Administrative Services.
- 6 (G) State Fish and Wildlife Director.
- 7 (H) State Forester.
- 8 (I) State Geologist.
- 9 (J) Director of Human Services.
- 10 (K) Director of the Department of Consumer and Business Services.
- 11 (L) Director of the Department of State Lands.
- 12 (M) State Librarian.
- 13 (N) Administrator of [*Oregon Liquor Control*] **Adult Substances Control** Commission.
- 14 (O) Superintendent of State Police.
- 15 (P) Director of the Public Employees Retirement System.
- 16 (Q) Director of Department of Revenue.
- 17 (R) Director of Transportation.
- 18 (S) Public Utility Commissioner.
- 19 (T) Director of Veterans' Affairs.
- 20 (U) Executive director of Oregon Government Ethics Commission.
- 21 (V) Director of the State Department of Energy.
- 22 (W) Director and each assistant director of the Oregon State Lottery.
- 23 (X) Director of the Department of Corrections.
- 24 (Y) Director of the Oregon Department of Aviation.
- 25 (Z) Executive director of the Oregon Criminal Justice Commission.
- 26 (AA) Director of the Oregon Business Development Department.
- 27 (BB) Director of the Office of Emergency Management.
- 28 (CC) Director of the Employment Department.
- 29 (DD) Chief of staff for the Governor.
- 30 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 31 (FF) Director of the Housing and Community Services Department.
- 32 (GG) State Court Administrator.
- 33 (HH) Director of the Department of Land Conservation and Development.
- 34 (II) Board chairperson of the Land Use Board of Appeals.
- 35 (JJ) State Marine Director.
- 36 (KK) Executive director of the Oregon Racing Commission.
- 37 (LL) State Parks and Recreation Director.
- 38 (MM) Public defense services executive director.
- 39 (NN) Chairperson of the Public Employees' Benefit Board.
- 40 (OO) Director of the Department of Public Safety Standards and Training.
- 41 (PP) Executive director of the Higher Education Coordinating Commission.
- 42 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 43 (RR) Director of the Oregon Youth Authority.
- 44 (SS) Director of the Oregon Health Authority.
- 45 (TT) Deputy Superintendent of Public Instruction.

- 1 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 2 (i) Every elected city or county official.
- 3 (j) Every member of a city or county planning, zoning or development commission.
- 4 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 5 cipal administrator of the city or county.
- 6 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 7 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 8 ficer thereof.
- 9 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 10 (o) The chief administrative officer and the financial officer of each common and union high
- 11 school district, education service district and community college district.
- 12 (p) Every member of the following state boards and commissions:
- 13 (A) Board of Geologic and Mineral Industries.
- 14 (B) Oregon Business Development Commission.
- 15 (C) State Board of Education.
- 16 (D) Environmental Quality Commission.
- 17 (E) Fish and Wildlife Commission of the State of Oregon.
- 18 (F) State Board of Forestry.
- 19 (G) Oregon Government Ethics Commission.
- 20 (H) Oregon Health Policy Board.
- 21 (I) State Board of Higher Education.
- 22 (J) Oregon Investment Council.
- 23 (K) Land Conservation and Development Commission.
- 24 (L) [*Oregon Liquor Control*] **Adult Substances Control** Commission.
- 25 (M) Oregon Short Term Fund Board.
- 26 (N) State Marine Board.
- 27 (O) Mass transit district boards.
- 28 (P) Energy Facility Siting Council.
- 29 (Q) Board of Commissioners of the Port of Portland.
- 30 (R) Employment Relations Board.
- 31 (S) Public Employees Retirement Board.
- 32 (T) Oregon Racing Commission.
- 33 (U) Oregon Transportation Commission.
- 34 (V) Water Resources Commission.
- 35 (W) Workers' Compensation Board.
- 36 (X) Oregon Facilities Authority.
- 37 (Y) Oregon State Lottery Commission.
- 38 (Z) Pacific Northwest Electric Power and Conservation Planning Council.
- 39 (AA) Columbia River Gorge Commission.
- 40 (BB) Oregon Health and Science University Board of Directors.
- 41 (CC) Capitol Planning Commission.
- 42 (DD) Higher Education Coordinating Commission.
- 43 (EE) Oregon Growth Board.
- 44 (FF) Early Learning Council.
- 45 (q) The following officers of the State Treasurer:

1 (A) Deputy State Treasurer.

2 (B) Chief of staff for the office of the State Treasurer.

3 (C) Director of the Investment Division.

4 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
5 or 777.915 to 777.953.

6 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

7 (t) Every member of a governing board of a public university with a governing board listed in
8 ORS 352.054.

9 (2) By April 15 next after the date an appointment takes effect, every appointed public official
10 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
11 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
12 and 244.090.

13 (3) By April 15 next after the filing deadline for the primary election, each candidate described
14 in subsection (1) of this section shall file with the commission a statement of economic interest as
15 required under ORS 244.060, 244.070 and 244.090.

16 (4) Within 30 days after the filing deadline for the general election, each candidate described in
17 subsection (1) of this section who was not a candidate in the preceding primary election, or who
18 was nominated for public office described in subsection (1) of this section at the preceding primary
19 election by write-in votes, shall file with the commission a statement of economic interest as re-
20 quired under ORS 244.060, 244.070 and 244.090.

21 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
22 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
23 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
24 filing deadline for the statewide general election.

25 (6) If a statement required to be filed under this section has not been received by the commis-
26 sion within five days after the date the statement is due, the commission shall notify the public of-
27 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
28 requirements of this section. If the public official or candidate fails to comply by the date set by the
29 commission, the commission may impose a civil penalty as provided in ORS 244.350.

30 **SECTION 13.** ORS 279A.025 is amended to read:

31 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
32 Code applies to all public contracting.

33 (2) The Public Contracting Code does not apply to:

34 (a) Contracts between a contracting agency and:

35 (A) Another contracting agency;

36 (B) The Oregon Health and Science University;

37 (C) A public university listed in ORS 352.002;

38 (D) The Oregon State Bar;

39 (E) A governmental body of another state;

40 (F) The federal government;

41 (G) An American Indian tribe or an agency of an American Indian tribe;

42 (H) A nation, or a governmental body in a nation, other than the United States; or

43 (I) An intergovernmental entity formed between or among:

44 (i) Governmental bodies of this or another state;

45 (ii) The federal government;

- 1 (iii) An American Indian tribe or an agency of an American Indian tribe;
- 2 (iv) A nation other than the United States; or
- 3 (v) A governmental body in a nation other than the United States;
- 4 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or
- 5 other authority for establishing agreements between or among governmental bodies or agencies or
- 6 tribal governing bodies or agencies;
- 7 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
- 8 414.145 for purposes of source selection;
- 9 (d) Grants;
- 10 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony
- 11 relating to existing or potential litigation or legal matters in which a public body is or may become
- 12 interested;
- 13 (f) Acquisitions or disposals of real property or interest in real property;
- 14 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
- 15 lection;
- 16 (h) Contracts for the procurement or distribution of textbooks;
- 17 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- 18 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
- 19 or the appointment of agents under ORS 471.750 by the [*Oregon Liquor Control*] **Adult Substances**
- 20 **Control** Commission;
- 21 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private
- 22 counsel or special legal assistants;
- 23 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
- 24 and the State Forestry Department;
- 25 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
- 26 the State Forester or the State Board of Forestry;
- 27 (n) Contracts entered into by the Housing and Community Services Department in exercising the
- 28 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
- 29 contracting for goods and services is subject to ORS chapter 279B;
- 30 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
- 31 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-
- 32 ment contracts and agreements, banking services, clearing house services and collateralization
- 33 agreements, bond documents, certificates of participation and other debt repayment agreements, and
- 34 any associated contracts, agreements and documents, regardless of whether the obligations that the
- 35 contracts, agreements or documents establish are general, special or limited, except that the State
- 36 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;
- 37 (p) Contracts, agreements or other documents entered into, issued or established in connection
- 38 with:
- 39 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;
- 40 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
- 41 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
- 42 activities or programs authorized by law; or
- 43 (C) The investment of funds by a public body as authorized by law, and other financial trans-
- 44 actions of a public body that by their character cannot practically be established under the com-
- 45 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

1 (q) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
2 243.275, 243.291, 243.303 and 243.565;

3 (r) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

4 (s) Any other public contracting of a public body specifically exempted from the code by another
5 provision of law.

6 (3) The Public Contracting Code does not apply to the contracting activities of:

7 (a) The Oregon State Lottery Commission;

8 (b) The legislative department;

9 (c) The judicial department;

10 (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to
11 279.855 and 279A.250 to 279A.290;

12 (e) Oregon Corrections Enterprises;

13 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to
14 279A.290;

15 (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

16 (h) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

17 (i) The Oregon Innovation Council;

18 (j) The Oregon Utility Notification Center; or

19 (k) Any other public body specifically exempted from the code by another provision of law.

20 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
21 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-
22 der ORS 279.835 to 279.855.

23 **SECTION 14.** ORS 297.210 is amended to read:

24 297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial
25 affairs of state departments, boards, commissions, institutions and state-aided institutions and agen-
26 cies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

27 (b) The Secretary of State, as State Auditor, may conduct performance audits of school districts
28 and education service districts. For audits conducted under this paragraph:

29 (A) The Secretary of State shall identify by rule factors and standards by which the secretary
30 will determine whether to initiate an audit as authorized under this paragraph or to enter into a
31 contract with the Department of Education to conduct an audit as provided by ORS 327.141.

32 (B) Prior to initiating an audit, the Secretary of State shall:

33 (i) Give notice to the school district or the education service district of the secretary's intent
34 to initiate the audit; and

35 (ii) Provide the school district or the education service district with the opportunity to provide
36 to the secretary any information related to the subject of the audit.

37 (C) Following the review of any information provided under subparagraph (B) of this paragraph,
38 the Secretary of State may:

39 (i) Decline to proceed with the audit; or

40 (ii) Cause the audit to be conducted.

41 (D) The Secretary of State may charge a school district or an education service district for a
42 portion of the costs incurred for an audit authorized by this paragraph. Amounts charged as pro-
43 vided by this subparagraph shall be in lieu of any amounts that may be charged as provided by ORS
44 297.230.

45 (c) The Secretary of State, as State Auditor, may conduct audits of the use of fund transfers

1 from the state to counties, including but not limited to transfers of video lottery revenues, state
 2 highway funds, cigarette tax revenues and [*Oregon Liquor Control*] **Adult Substances Control**
 3 Commission funds.

4 (d) The Secretary of State may subpoena witnesses, require the production of books and papers
 5 and rendering of reports in such manner and form as the Secretary of State requires and may do
 6 all things necessary to secure a full and thorough investigation.

7 (e) The Secretary of State shall report, in writing, to the Governor. The report shall include a
 8 copy of the report on each audit.

9 (f) In addition to the report described in paragraph (e) of this subsection, the Secretary of State
 10 shall provide a report to a school district board or the board of directors of an education service
 11 district following an audit conducted as provided by paragraph (b) of this subsection.

12 (2) The Secretary of State may audit or review any institution or department of the state gov-
 13 ernment at any time the executive head of the institution or department, for any reason, retires from
 14 the head's office or position. The secretary need not conduct an audit or review under this sub-
 15 section if:

16 (a) The institution or department has been the subject of an audit or review of financial controls
 17 within the six months immediately preceding the retirement of the executive head of the institution
 18 or department; or

19 (b) The secretary has not received a report within the 12 months immediately preceding the
 20 retirement of the executive head of the institution or department indicating that the executive head
 21 of the institution or department was unable or unwilling to follow state law, rules, policies or pro-
 22 cedures.

23 (3) The Secretary of State shall employ auditors upon such terms and for such compensation as
 24 the Secretary of State determines are advantageous and advisable.

25 (4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a
 26 judge of the circuit court of any county, on application of the Secretary of State, shall compel obe-
 27 dience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena
 28 issued from the circuit court.

29 **SECTION 15.** ORS 430.241 is amended to read:

30 430.241. (1) As used in this section and ORS 430.242:

31 (a) "Local government" means a local government as defined in ORS 174.116 that receives state
 32 or federal funding for programs that provide alcohol or drug prevention or treatment services.

33 (b) "Participating state agency" means the Youth Development Division, the Department of
 34 Corrections, the Department of Human Services, the Oregon Health Authority, the Department of
 35 Education, the Oregon Criminal Justice Commission, the Oregon State Police, the Oregon Youth
 36 Authority or any other state agency that is approved by the Alcohol and Drug Policy Commission
 37 to license, contract for, provide or coordinate alcohol or drug prevention or treatment services.

38 (c) "Provider" means any person that is licensed by the Oregon Health Authority to provide
 39 alcohol or drug prevention or treatment services.

40 (2) There is created the Alcohol and Drug Policy Commission, which is charged with planning,
 41 evaluating and coordinating policies for the funding and effective delivery of alcohol and drug pre-
 42 vention and treatment services.

43 (3) The membership of the commission consists of:

44 (a) Sixteen members appointed by the Governor, subject to confirmation by the Senate in the
 45 manner prescribed in ORS 171.562 and 171.565, including:

- 1 (A) An elected district attorney;
 2 (B) An elected county sheriff;
 3 (C) A county commissioner;
 4 (D) A representative of an Indian tribe;
 5 (E) A provider;
 6 (F) A chief of police;
 7 (G) An alcohol or drug treatment researcher or epidemiologist;
 8 (H) A criminal defense attorney;
 9 (I) A representative of the health insurance industry;
 10 (J) A representative of hospitals;
 11 (K) An alcohol or treatment professional who is highly experienced in the treatment of persons
 12 with a dual diagnosis of mental illness and substance abuse;
 13 (L) An alcohol or drug abuse prevention representative;
 14 (M) A consumer of alcohol or drug treatment who is in recovery;
 15 (N) A representative of the business community;
 16 (O) An alcohol or drug prevention representative who specializes in youth; and
 17 (P) A person with expertise in and experience working with information technology systems used
 18 in complex intergovernmental or corporate settings.
- 19 (b) Two members of the Legislative Assembly appointed to the commission as nonvoting mem-
 20 bers of the commission, acting in an advisory capacity only and including:
- 21 (A) One member from among members of the Senate appointed by the President of the Senate;
 22 and
 23 (B) One member from among members of the House of Representatives appointed by the Speaker
 24 of the House of Representatives.
- 25 (c) The following voting ex officio members:
- 26 (A) The Governor or the Governor's designee;
 27 (B) The Attorney General;
 28 (C) The Director of the Oregon Health Authority;
 29 (D) The Director of the Department of Corrections;
 30 (E) The Deputy Superintendent of Public Instruction or the deputy superintendent's designee;
 31 (F) The Director of Human Services;
 32 (G) The Director of the Oregon Youth Authority;
 33 (H) The Youth Development Director; and
 34 (I) The administrator of the [*Oregon Liquor Control*] **Adult Substances Control** Commission.
- 35 (d) A judge of a circuit court appointed to the commission as a nonvoting member by the Chief
 36 Justice of the Supreme Court.
- 37 (4) The Alcohol and Drug Policy Commission shall select one of its members as chairperson and
 38 another as vice chairperson, for such terms and with duties and powers necessary for the perform-
 39 ance of the functions of such offices as the commission determines.
- 40 (5) A majority of the voting members of the commission constitutes a quorum for the transaction
 41 of business.
- 42 (6) Official action of the commission requires the approval of a majority of a quorum.
- 43 (7) The commission may establish a steering committee and subcommittees. These committees
 44 may be continuing or temporary.
- 45 (8) The term of office of each commission member appointed by the Governor is four years, but

1 a member serves at the pleasure of the Governor. If there is a vacancy for any cause, the Governor
2 shall make an appointment to become immediately effective.

3 (9) The Oregon Health Authority shall provide staff support to the commission. Subject to
4 available funding, the commission may contract with a public or private entity to provide staff sup-
5 port.

6 (10) Members of the commission who are not members of the Legislative Assembly are entitled
7 to compensation and expenses incurred by them in the performance of their official duties in the
8 manner and amounts provided for in ORS 292.495. Claims for compensation and expenses shall be
9 paid out of funds appropriated to the Oregon Health Authority or funds appropriated to the com-
10 mission for purposes of the commission.

11 (11) The commission shall establish a budget advisory committee composed of the individuals
12 listed in subsection (3)(a)(C), (c)(B) to (I) and (d) of this section. The individual described in sub-
13 section (3)(d) of this section is a nonvoting member of the committee. The committee shall recom-
14 mend budget policy priorities to the commission:

15 (a) Regarding the allocation of funding for alcohol and drug prevention and treatment services
16 across state agencies and throughout this state;

17 (b) That identify additional funding from federal and private sources for alcohol and drug pre-
18 vention and treatment services; and

19 (c) For authorizing a suspension of the payment of state funds, or funds administered by this
20 state, to programs that do not comply with the commission's rules or the budget priority policy or
21 that do not provide effective prevention or treatment services.

22 (12)(a) The Governor shall appoint a Director of the Alcohol and Drug Policy Commission who
23 shall serve at the pleasure of the Governor and be responsible for the dissemination and implemen-
24 tation of the commission's policies and the performance of the duties, functions and powers of the
25 commission that are delegated to the director by the commission.

26 (b) The director shall be paid a salary as provided by law or, if not so provided, as prescribed
27 by the Governor.

28 **SECTION 16.** ORS 430.242 is amended to read:

29 430.242. (1) The Alcohol and Drug Policy Commission established under ORS 430.241 shall:

30 (a) Establish priorities and policies for alcohol and drug prevention and treatment services as
31 part of a long-term strategic prevention and treatment plan for this state.

32 (b) In consultation with the budget advisory committee described in ORS 430.241, adopt budget
33 policy priorities including recommendations for state agency budget allocations, in the Governor's
34 proposed budget, for alcohol and drug prevention and treatment services.

35 (c) For alcohol and drug prevention and treatment services that use state funds or that use
36 private or federal funds administered by this state, establish, as the commission deems appropriate,
37 minimum standards for licensing, contracting for, providing and coordinating the services.

38 (2) To promote the effective and efficient use of resources and to reduce unnecessary adminis-
39 trative requirements, the commission, in consultation with participating state agencies, the Judicial
40 Department, local governments, providers and the Oregon Department of Administrative Services,
41 shall develop and implement a plan for structuring Oregon's data collection and reporting systems
42 for alcohol and drug prevention and treatment programs to enable participating state agencies, the
43 Judicial Department, local governments and providers to share data to:

44 (a) Improve client care;

45 (b) Improve and ensure the fidelity of evidence-based treatment practices;

- 1 (c) Improve alcohol and drug prevention and treatment programs;
- 2 (d) Ensure the accountability of publicly funded programs;
- 3 (e) Establish high-level, statewide performance measures for Oregon’s alcohol and drug pre-
- 4 vention and treatment programs; and
- 5 (f) Advance the science of alcohol and drug prevention and treatment.
- 6 (3) The plan established under subsection (2) of this section must:
- 7 (a) Include protocols and procedures to improve data collection, sharing and analysis and the
- 8 interoperability of data and information systems;
- 9 (b) Include safeguards for protecting the confidentiality of information consistent with state and
- 10 federal privacy and security requirements;
- 11 (c) Include safeguards for protecting trade secret information of providers;
- 12 (d) Include a review of the data collection, sharing and analysis functions of participating state
- 13 agencies with respect to alcohol and drug prevention and treatment programs to identify duplicative,
- 14 inefficient, wasteful or unnecessary functions and include recommendations for improvements to the
- 15 functions described in this paragraph; and
- 16 (e) Be published no later than six months after the appointment, under ORS 430.241, of the first
- 17 Director of the Alcohol and Drug Policy Commission and shall be revised as frequently as the
- 18 commission determines is appropriate.
- 19 (4) Consistent with the plan established under subsection (2) of this section, the commission may:
- 20 (a) Designate a statewide data repository for data related to alcohol and drug prevention and
- 21 treatment services and require participating state agencies, local governments and providers to
- 22 furnish data to the designated statewide data repository in the form and manner prescribed by the
- 23 commission.
- 24 (b) Direct participating state agencies, local governments and providers to furnish other data,
- 25 information and reports that the commission considers necessary to perform its duties.
- 26 (c) Furnish data to participating state agencies, local governments, providers and the Judicial
- 27 Department.
- 28 (d) Direct the unit within the Oregon Health Authority that conducts analyses and evaluations
- 29 of alcohol and drug prevention and treatment programs to:
- 30 (A) Modify systems and business processes to conform to the plan established under subsection
- 31 (2) of this section; and
- 32 (B) Change or stop data collection, data sharing or data analysis functions that are duplicative,
- 33 inefficient, wasteful or unnecessary.
- 34 (5) All participating state agencies shall:
- 35 (a) Provide staff support and financial resources to assist the commission in the performance of
- 36 its duties, which may include making reasonable modifications to the information systems of the
- 37 state agencies to conform the systems to the plan established under subsection (2) of this section.
- 38 (b) Furnish such information, assistance and advice as the commission considers necessary to
- 39 perform its duties.
- 40 (c) Coordinate grant applications that seek funding for alcohol or drug prevention or treatment
- 41 programs.
- 42 (d) Coordinate with research entities to obtain current information about issues related to al-
- 43cohol and drug use and to encourage research to evaluate and refine prevention and treatment ef-
- 44forts.
- 45 (e) Educate the general public about issues related to alcohol and drug use and the effectiveness

1 of evidence-based prevention and treatment services, to increase public awareness and the allocation
2 of resources.

3 (f) Promote a treatment delivery infrastructure that will meet anticipated increases in demand
4 for services, ensure a skilled addictions treatment workforce and provide effective treatment as-
5 sessment mechanisms.

6 (g) Assess funding priorities and explore opportunities for additional federal resources for alco-
7 hol and drug prevention and treatment services.

8 (h) Solicit from agencies, associations, individuals and all political subdivisions of this state
9 program proposals that address identified priorities.

10 (i) Evaluate and report to the commission, in the manner and at intervals prescribed by the
11 commission, on the cost and effectiveness of the state agency's treatment programs.

12 (6) The commission may:

13 (a) Establish up to 10 pilot programs, located in diverse Oregon communities including at least
14 one tribe, to:

15 (A) Phase in the long-term strategic prevention and treatment plan developed under subsection
16 (1)(a) of this section; and

17 (B) Implement prevention programs developed under subsection (7) of this section.

18 (b) Delegate to the Director of the Alcohol and Drug Policy Commission the authority to carry
19 out the provisions of this section.

20 (c) Apply for and receive gifts and grants from any public or private source. All moneys received
21 by the commission under this paragraph are continuously appropriated to the commission for the
22 purposes of carrying out the duties, functions and powers of the commission.

23 (d) Award grants from funds appropriated to the commission by the Legislative Assembly, or
24 from funds otherwise available from any other source, for the purpose of carrying out the duties of
25 the commission.

26 (7) No later than six months after the appointment of the first Director of the Alcohol and Drug
27 Policy Commission, the director shall develop a science-based model alcohol and drug prevention
28 program for use in conjunction with the pilot programs, if any, established under subsection (6) of
29 this section and as otherwise directed by the commission. The director shall develop the model
30 program in consultation with:

31 (a) The Oregon Health Authority;

32 (b) The Department of Human Services;

33 (c) The Department of Education;

34 (d) The [*Oregon Liquor Control*] **Adult Substances Control** Commission;

35 (e) The Youth Development Division;

36 (f) Organizations that represent or advocate on behalf of consumers of alcohol and drug pre-
37 vention and treatment programs; and

38 (g) Behavioral scientists.

39 (8) The commission and participating state agencies shall enter into interagency agreements to:

40 (a) Provide staff and financial resources to assist the commission in carrying out its duties;

41 (b) Share computer systems and technologies between participating state agencies' staff;

42 (c) Collect and analyze data related to the performance of alcohol and drug prevention and
43 treatment programs; and

44 (d) Investigate the impacts of drug and alcohol abuse on Oregonians.

45 (9) The commission may adopt rules to carry out its duties under this section.

SECTION 17. ORS 459.992 is amended to read:

459.992. (1) The following are Class A misdemeanors:

- (a) Violation of rules or ordinances adopted under ORS 459.005 to 459.105 and 459.205 to 459.385.
- (b) Violation of ORS 459.205.
- (c) Violation of ORS 459.270.
- (d) Violation of ORS 459A.080.
- (e) Violation of ORS 459.272.

(2) Each day a violation referred to by subsection (1) of this section continues constitutes a separate offense. Such separate offenses may be joined in one indictment or complaint or information in several counts.

(3) Violation of ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720 is a Class A misdemeanor.

(4) In addition to the penalty prescribed by subsection (3) of this section, the [*Oregon Liquor Control*] **Adult Substances Control** Commission or the State Department of Agriculture may revoke or suspend the license of any person who willfully violates ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720, who is required by ORS chapter 471 or 635, respectively, to have a license.

SECTION 18. ORS 459A.700 is amended to read:

459A.700. As used in ORS 459.992 (3) and (4) and 459A.700 to 459A.740, unless the context requires otherwise:

- (1) “Beverage” means a fluid described in ORS 459A.702.
- (2) “Beverage container” means a container described in ORS 459A.702.
- (3) “Commission” means the [*Oregon Liquor Control*] **Adult Substances Control** Commission.
- (4) “Consumer” means every person who purchases a beverage in a beverage container for use or consumption.
- (5) “Dealer” means every person in this state who engages in the sale of beverages in beverage containers to a consumer, or means a redemption center certified under ORS 459A.735.
- (6) “Distributor” means every person who engages in the sale of beverages in beverage containers to a dealer in this state including any manufacturer who engages in such sales.
- (7) “Importer” means any dealer or manufacturer who directly imports beverage containers into this state.
- (8) “In this state” means within the exterior limits of the State of Oregon and includes all territory within these limits owned by or ceded to the United States of America.
- (9) “Manufacturer” means every person bottling, canning or otherwise filling beverage containers for sale to distributors, importers or dealers.
- (10) “Place of business of a dealer” means the location at which a dealer sells or offers for sale beverages in beverage containers to consumers.
- (11) “Use or consumption” includes the exercise of any right or power over a beverage incident to the ownership thereof, other than the sale or the keeping or retention of a beverage for the purposes of sale.

(12) “Water and flavored water” means any beverage identified through the use of letters, words or symbols on its product label as a type of water.

SECTION 19. ORS 459A.702 is amended to read:

459A.702. (1) Except as provided in subsection (2) of this section, ORS 459A.700 to 459A.740 apply to any individual, separate, sealed glass, metal or plastic bottle or can, except for cartons, foil pouches and drink boxes, that contains the following beverages, intended for human consumption and in a quantity less than or equal to three fluid liters:

- 1 (a) Water and flavored water;
 2 (b) Beer or other malt beverages; and
 3 (c) Mineral waters, soda water and similar carbonated soft drinks.

4 (2) One year after the date on which the [*Oregon Liquor Control*] **Adult Substances Control**
 5 Commission determines that at least 60 percent of the beverage containers returned for the refund
 6 value specified in ORS 459A.705 are returned statewide to redemption centers approved under ORS
 7 459A.735, or on January 1, 2018, whichever comes first, ORS 459A.700 to 459A.740 apply to any in-
 8 dividual, separate, sealed glass, metal or plastic bottle or can, except for cartons, foil pouches, drink
 9 boxes and metal containers that require a tool to be opened, that contains:

10 (a) The following beverages, intended for human consumption and in a quantity less than or
 11 equal to three fluid liters:

- 12 (A) Water and flavored water;
 13 (B) Beer or other malt beverages; and
 14 (C) Mineral waters, soda water and similar carbonated soft drinks.

15 (b) Any beverage other than those specified in paragraph (a) of this subsection that is intended
 16 for human consumption and is in a quantity more than or equal to four fluid ounces and less than
 17 or equal to one and one-half fluid liters, except distilled liquor, wine, dairy or plant-based milks,
 18 infant formula and any other exemptions set forth in rule of the [*Oregon Liquor Control*] **Adult**
 19 **Substances Control** Commission.

20 **SECTION 20.** ORS 459A.705 is amended to read:

21 459A.705. (1) Except as provided in subsections (2) and (3) of this section, every beverage con-
 22 tainer sold or offered for sale in this state shall have a refund value of not less than five cents.

23 (2)(a) Every beverage container sold or offered for sale in this state shall have a refund value
 24 of not less than 10 cents, beginning on the later of:

25 (A) Eight months after the [*Oregon Liquor Control*] **Adult Substances Control** Commission de-
 26 termines that, in each of the two previous calendar years, the number of beverage containers re-
 27 turned for the refund value specified in this section was less than 80 percent of the total number
 28 of beverage containers that were sold in this state; or

29 (B) January 1 of the calendar year following the determination by the commission described in
 30 subparagraph (A) of this paragraph.

31 (b) The commission may not make a determination under this subsection before January 1, 2016.

32 (c) In making a determination under this subsection, the commission may not include the
 33 beverage containers and beverages described in ORS 459A.702 (2)(b) before January 1, 2021.

34 (3) Every beverage container certified as provided in ORS 459A.725, sold or offered for sale in
 35 this state, shall have a refund value of not less than two cents.

36 **SECTION 21.** ORS 459A.715 is amended to read:

37 459A.715. (1) A dealer may refuse to accept from any person, and a distributor or importer may
 38 refuse to accept from a dealer, any empty beverage container that does not state thereon a refund
 39 value as established by ORS 459A.705.

40 (2) A dealer may refuse to accept and to pay the refund value of:

41 (a) Empty beverage containers if the place of business of the dealer and the kind of empty
 42 beverage containers are included in an order of the [*Oregon Liquor Control*] **Adult Substances**
 43 **Control** Commission approving a redemption center under ORS 459A.735.

44 (b) Any beverage container visibly containing or contaminated by a substance other than water,
 45 residue of the original contents or ordinary dust.

1 (c)(A) More than 144 individual beverage containers returned by any one person during one day,
2 if the dealer occupies a space of 5,000 or more square feet in a single area.

3 (B) More than 50 individual beverage containers returned by any one person during one day, if
4 the dealer occupies a space of less than 5,000 square feet in a single area.

5 (d) Any beverage container that is damaged to the extent that the brand appearing on the con-
6 tainer cannot be identified.

7 (3)(a) In order to refuse containers under subsection (2)(b), (c)(A) or (d) of this section, if a dealer
8 occupies a space of 5,000 or more square feet in a single area, the dealer must post in each area
9 where containers are received a clearly visible and legible sign containing the following information:

11 NOTICE:

12
13 Oregon Law allows a dealer to refuse to accept:

- 14 1. Beverage containers visibly containing or contaminated by a substance other than water,
15 residue of the original contents or ordinary dust;
- 16 2. More than 144 individual beverage containers from any one person during one day; or
- 17 3. Beverage containers that are damaged to the extent that the brand appearing on the con-
18 tainer cannot be identified.

20
21 (b) In order to refuse containers under subsection (2)(b), (c)(B) or (d) of this section, if a dealer
22 occupies a space of less than 5,000 square feet in a single area, the dealer must post in each area
23 where containers are received a clearly visible and legible sign containing the following information:

26 NOTICE:

27
28 Oregon Law allows a dealer to refuse to accept:

- 29 1. Beverage containers visibly containing or contaminated by a substance other than water,
30 residue of the original contents or ordinary dust;
- 31 2. More than 50 individual beverage containers from any one person during one day; or
- 32 3. Beverage containers that are damaged to the extent that the brand appearing on the con-
33 tainer cannot be identified.

36 **SECTION 22.** ORS 471.315 is amended to read:

37 471.315. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may cancel or
38 suspend any license issued under this chapter, or impose a civil penalty in lieu of or in addition to
39 suspension as provided by ORS 471.322, if the commission finds or has reasonable ground to believe
40 any of the following to be true:

41 (a) That the licensee:

42 (A) Has violated any provision of this chapter or ORS 474.115 or any rule of the commission
43 adopted pursuant thereto.

44 (B) Has made any false representation or statement to the commission in order to induce or
45

1 prevent action by the commission.

2 (C) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the
3 insurance or bond required by ORS 471.168.

4 (D) Has maintained an insanitary establishment.

5 (E) Is insolvent or incompetent or physically unable to carry on the management of the estab-
6 lishment of the licensee.

7 (F) Is in the habit of using alcoholic liquor, habit-forming drugs or controlled substances to ex-
8 cess.

9 (G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly
10 intoxicated at the time of sale.

11 (H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who
12 is visibly intoxicated at the time of consumption.

13 (I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.

14 (J) Since the granting of the license, has been convicted of a felony, of violating any of the li-
15 quor laws of this state, general or local, or of any misdemeanor or violation of any municipal ordi-
16 nance committed on the licensed premises.

17 (b) That any person licensed to sell at retail for consumption on the premises is acting as an
18 agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or prop-
19 erty, or has accepted gratuities or rebates, or has obtained the use of equipment from any man-
20 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

21 (c) That there is a history of serious and persistent problems involving disturbances, lewd or
22 unlawful activities or noise either in the premises or involving patrons of the establishment in the
23 immediate vicinity of the premises if the activities in the immediate vicinity of the premises are
24 related to the sale or service of alcohol under the exercise of the license privilege. Behavior that
25 is grounds for cancellation or suspension of a license under this section, where so related to the sale
26 or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vi-
27 brations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or re-
28 lated litter; trespassing on private property; and public urination. Mitigating factors include a
29 showing by the licensee that the problems are not serious or persistent or that the licensee has
30 demonstrated a willingness and ability to control adequately the licensed premises and patrons' be-
31 havior in the immediate vicinity of the premises which is related to the licensee's sale or service
32 of alcohol under the licensee's exercise of the license privilege.

33 (d) That there is any other reason that, in the opinion of the commission, based on public con-
34 venience or necessity, warrants canceling or suspending such license.

35 (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

36 **SECTION 23.** ORS 471.316 is amended to read:

37 471.316. (1) Notwithstanding any other provision of this chapter, the [*Oregon Liquor Control*]
38 **Adult Substances Control** Commission shall suspend the license of a licensed premises listed in
39 subsection (4) of this section if the commission determines that:

40 (a) Unlawful drug use or sales are occurring on the licensed premises;

41 (b) The licensee is aware of the unlawful drug use or sales because of arrests for unlawful drug
42 sales on the licensed premises or seizures of unlawful drugs on the licensed premises, or because the
43 licensee or employees of the licensee have personally witnessed unlawful drug use or sales on the
44 licensed premises; and

45 (c) The licensee fails to take immediate and effective action to prevent unlawful drug use or

1 sales on the licensed premises.

2 (2) In addition to any suspension imposed under this section, the commission may impose a civil
3 penalty under the circumstances described in subsection (1) of this section not to exceed the maxi-
4 mum amount established under ORS 471.322 (2). Notwithstanding ORS 471.322 (1), the commission
5 shall not allow payment of a civil penalty under this subsection in lieu of the suspension provided
6 for in subsection (1) of this section. A civil penalty under this section shall be imposed in the man-
7 ner provided by ORS 183.745.

8 (3) The commission may cancel a license listed in subsection (4) of this section if the license is
9 suspended under the provisions of this section two or more times within a two-year period.

10 (4) This section applies only to premises licensed under:

11 (a) A full on-premises sales license.

12 (b) A limited on-premises sales license.

13 (c) A brewery-public house license.

14 **SECTION 24.** ORS 471.322 is amended to read:

15 471.322. (1) If a license issued under this chapter or a service permit issued under ORS 471.360
16 is suspended for a period of 30 days or less, the [*Oregon Liquor Control*] **Adult Substances Control**
17 Commission may impose against the affected licensee or permittee in lieu of or in addition to the
18 suspension a civil penalty fixed by the commission in accordance with subsection (2) of this section
19 if the commission is satisfied that such a penalty in lieu of or in addition to suspension is consistent
20 with the purposes of the Liquor Control Act and the Oregon Distilled Liquor Control Act. Upon
21 payment of the penalty in lieu of suspension, the commission shall cancel the suspension.

22 (2) Except as provided in ORS 471.327, the penalty which the commission may impose pursuant
23 to subsection (1) of this section against a licensee shall not be less than \$100 nor more than \$5,000.
24 The penalty which the commission may impose pursuant to subsection (1) of this section against a
25 service permittee shall not be less than \$25 nor more than \$500.

26 (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

27 **SECTION 25.** ORS 471.326 is amended to read:

28 471.326. If the action of the [*Oregon Liquor Control*] **Adult Substances Control** Commission in
29 suspending a license or permit issued under this chapter is not sustained upon judicial review under
30 ORS chapter 183, the commission shall promptly refund the amount paid pursuant to ORS 471.322
31 (1) by check or order drawn on the State Treasurer from the Oregon Liquor Control [*Commission*]
32 Account.

33 **SECTION 26.** ORS 471.327 is amended to read:

34 471.327. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission, in suspending
35 any brewery license, wholesale wine license, wholesale malt beverage license, or certificate of ap-
36 proval, may further impose against the licensee or the holder of the certificate of approval a civil
37 penalty not to exceed \$5,000, or, in its discretion, may impose such civil penalty without suspending
38 the license or the certificate of approval.

39 (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

40 **SECTION 27.** ORS 471.329 is amended to read:

41 471.329. (1) For the purpose of determining whether there is a history of serious and persistent
42 problems involving noise under the provisions of ORS 471.313 (5) and 471.315 (1)(c), or whether the
43 licensee maintains a noisy establishment in violation of the provisions of ORS 471.425:

44 (a) Noise from the inside of a licensed premises located within the boundaries of a city or county
45 that has an ordinance regulating excessive noise may be considered obtrusive or excessive only if

1 the noise violates the ordinance;

2 (b) Noise caused by patrons outside a licensed premises located within the boundaries of a city
3 or county that has an ordinance regulating excessive noise may be considered obtrusive or excessive
4 only if the noise violates the ordinance or if the noise is of a type that a reasonable person would
5 not expect to hear outside a premises licensed for the sale of alcoholic beverages; and

6 (c) Noise caused by patrons inside or outside a licensed premises located within the boundaries
7 of a city or county that does not have an ordinance regulating excessive noise may be considered
8 obtrusive or excessive only if the noise is of the type that a reasonable person would not expect to
9 hear inside or outside a premises licensed for the sale of alcoholic beverages.

10 (2) For the purpose of determining whether noise is obtrusive under the provisions of ORS
11 471.313 (5) and 471.315 (1)(c), or whether the licensee maintains a noisy establishment in violation
12 of the provisions of ORS 471.425, the [*Oregon Liquor Control*] **Adult Substances Control** Commis-
13 sion shall consider whether persons complaining about the noise have taken any action to mitigate
14 the disturbance alleged to have been caused by the noise.

15 **SECTION 28.** ORS 471.331 is amended to read:

16 471.331. (1) Whenever the [*Oregon Liquor Control*] **Adult Substances Control** Commission pro-
17 poses to refuse to renew or to suspend or cancel any license issued under this chapter because of
18 adverse neighborhood impact of the licensee's operation, notwithstanding ORS 183.435, the commis-
19 sion shall grant the affected licensee 20 days from notification of the proposed commission action
20 to request a hearing.

21 (2) Notwithstanding ORS 183.482 (3), the [*Oregon Liquor Control*] **Adult Substances Control**
22 Commission shall not stay any order refusing a license or suspending or canceling any license if the
23 order was entered on grounds stated in ORS 471.313 (5) or 471.315 (1)(c).

24 **SECTION 29.** ORS 471.333 is amended to read:

25 471.333. (1) Except as provided in subsections (2) and (3) of this section, the [*Oregon Liquor*
26 *Control*] **Adult Substances Control** Commission shall not refuse to issue, cancel or suspend a li-
27 cense under ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establishment.

28 (2) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315
29 or 471.425 for maintaining an insanitary establishment in violation of a city ordinance relating to
30 sanitation only if the licensee is convicted of violating the ordinance.

31 (3) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315
32 or 471.425 for maintaining an insanitary establishment in violation of ORS 447.010 to 447.156 and
33 447.992 or the laws, orders or rules relating to public health of the Oregon Health Authority or the
34 State Department of Agriculture only when the agency charged with enforcing those laws, orders
35 or rules finds that the licensee is in violation of them and renders a final order adverse to the
36 licensee.

37 **SECTION 30.** ORS 471.341 is amended to read:

38 471.341. (1) An employee of an off-premises sales licensee who has been found by the [*Oregon*
39 *Liquor Control*] **Adult Substances Control** Commission to have sold alcoholic beverages to a minor,
40 or to have failed to properly verify identification of a person who purchased alcoholic beverages,
41 must attend a clerk training course approved by the commission as a condition of making sales of
42 alcoholic beverages to members of the public under an off-premises sales license.

43 (2) The commission shall by rule establish times for employees to complete a required clerk
44 training course under this section. An employee required to complete a clerk training course under
45 this section may continue to make sales of alcoholic beverages to members of the public until taking

1 such training, but may not make any sales of alcoholic beverages after the expiration of the time
2 allowed by commission rule if the employee has not completed the training before the expiration of
3 that time.

4 (3) Except as provided in subsection (2) of this section, the holder of an off-premises sales license
5 may not allow an employee who has been found by the [*Oregon Liquor Control*] **Adult Substances**
6 **Control** Commission to have sold alcoholic beverages to a minor, or to have failed to properly verify
7 identification of a person who purchased alcoholic beverages, to sell alcoholic beverages under the
8 license unless the employee completes a clerk training course as required by this section.

9 (4) The [*Oregon Liquor Control*] **Adult Substances Control** Commission, as part of the Alcohol
10 Education Program established under ORS 471.541, shall approve all clerk training courses offered
11 for the purpose of this section. The holder of an off-premises sales license may establish a clerk
12 training course for employees of the licensee, but the course must be approved by the commission
13 to meet the requirements of this section. Clerk training courses approved under this section must
14 address at least the following topics:

15 (a) The importance of not selling alcoholic beverages to minors and visibly intoxicated persons.

16 (b) Guidelines for recognizing minors and visibly intoxicated persons.

17 (c) Guidelines for checking and verifying identification, and for recognizing false or altered
18 identification.

19 (d) Recommended approaches for refusing sales of alcoholic beverages to minors and visibly
20 intoxicated persons.

21 (5) If an employee of an off-premises sales licensee is found to have sold alcoholic beverages to
22 a minor, or to have failed to properly verify identification of a person who purchased alcoholic
23 beverages, the commission shall notify the licensee that the employee must complete a clerk training
24 course approved under this section and may not sell alcoholic beverages to members of the public
25 after the time established by the commission unless the employee completes the training within the
26 time allowed. If the off-premises sales licensee offers a clerk training course to new employees, and
27 the employee has previously completed that course, the requirements of this section may be met by
28 retaking the clerk training course if the course has been approved by the commission for the pur-
29 poses of this section.

30 (6) Upon completion of a clerk training course by an employee of an off-premises sales licensee
31 pursuant to the requirements of this section, the off-premises sales licensee that employs the person
32 must notify the commission in writing that the employee has successfully completed the training.
33 The notification must include the name and address of the employee, the name of the clerk training
34 course attended by the employee, and the date or dates on which the course was attended. The no-
35 tification shall be kept by the commission in the licensee's file.

36 (7) The commission shall assess and collect a fee not to exceed \$13 from each person required
37 to attend a clerk training course under this section. Amounts collected under this section shall be
38 used for the administrative expenses incurred by the commission in the performance of the
39 commission's duties under the Alcohol Education Program.

40 (8) In addition to any other penalty provided for by law, the commission may impose a civil
41 penalty against any employee of an off-premises sales licensee who sells alcoholic beverages to
42 members of the public and who is prohibited from making those sales under this section. A civil
43 penalty under this subsection may not exceed \$500. Civil penalties under this subsection shall be
44 imposed by the commission in the manner provided by ORS 183.745.

45 **SECTION 31.** ORS 471.342 is amended to read:

1 471.342. Upon finding that a retail licensee, as defined in ORS 471.392, or an employee of a retail
2 licensee has sold alcoholic beverages to a minor, or has failed to properly verify identification of a
3 person who purchased alcoholic beverages, the [*Oregon Liquor Control*] **Adult Substances Control**
4 Commission may allow the licensee, in lieu of a civil penalty or denial, suspension or cancellation
5 of the license, to acquire and use equipment designed to prevent sales of alcoholic beverages to
6 minors.

7 **SECTION 32.** ORS 471.038 is amended to read:

8 471.038. (1) Nonbeverage food products described in subsection (6) of this section may be sold
9 at retail by any holder of a license issued by the [*Oregon Liquor Control*] **Adult Substances Control**
10 Commission that authorizes the sale of alcoholic liquor at retail, or in any store operated by the
11 commission under the provisions of ORS 471.750. Any nonbeverage food product containing more
12 than one-half of one percent of alcohol by volume must be clearly labeled to reflect the alcohol
13 content of the product and clearly labeled on the front of the package to indicate that the product
14 may not be sold to persons under 21 years of age.

15 (2) Except as provided by this section, sales of nonbeverage food products described in sub-
16 section (6) of this section are subject to all provisions of this chapter, including the prohibitions on
17 sales to persons under 21 years of age and the prohibitions on sales to persons who are visibly
18 intoxicated.

19 (3) Nonbeverage food products described in subsection (6) of this section may be imported,
20 stored and distributed in this state without a license issued by the commission. Nonbeverage food
21 products described in subsection (6) of this section are not subject to the privilege taxes imposed
22 by ORS chapter 473.

23 (4) Manufacturers of nonbeverage food products described in subsection (6) of this section are
24 not subject to the provisions of ORS 471.392 to 471.400, 471.485, 471.490 or 471.495 or any other
25 provision of this chapter relating to manufacturers of alcoholic liquor. A manufacturer of
26 nonbeverage food products described in subsection (6) of this section may sell and deliver the
27 product directly to a licensee authorized under this section to sell the product at retail.

28 (5) The holder of a distillery license issued under ORS 471.230 who is also a manufacturer of
29 nonbeverage food products described in subsection (6) of this section may purchase distilled liquor
30 directly from other distilleries.

31 (6) The provisions of this section apply only to nonbeverage food products that contain not more
32 than five percent alcohol by weight or 10 percent alcohol by volume, whichever is greater.

33 **SECTION 33.** ORS 471.039 is amended to read:

34 471.039. (1) Notwithstanding any provision of this chapter, the [*Oregon Liquor Control*] **Adult**
35 **Substances Control** Commission may not require the owners, operators and employees of a cruise
36 ship to have a license or permit issued under the provisions of this chapter for the purpose of pos-
37 sessed, transporting, storing, selling or serving alcoholic beverages that are described in subsection
38 (3) of this section.

39 (2) The provisions of ORS 471.740 do not apply to alcoholic beverages that are described in
40 subsection (3) of this section.

41 (3) The provisions of this section apply only to alcoholic beverages that are served aboard a
42 cruise ship and that are served solely for the purpose of onboard consumption by a cruise ship's
43 passengers, guests, officers and employees.

44 (4) For the purposes of this section, "cruise ship" means a marine vessel used primarily for
45 nonfishing purposes that is licensed to carry at least 500 passengers, provides overnight accommo-

1 dations for those passengers and operates on the rivers or waterways within the boundaries of the
2 State of Oregon, including docking and dry docking, fewer than 45 days during a calendar year.

3 **SECTION 34.** ORS 471.040 is amended to read:

4 471.040. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission has the powers
5 and duties specified in this chapter and ORS 474.105 and 474.115, and also the powers necessary or
6 proper to enable it to carry out fully and effectually all the purposes of this chapter and ORS
7 474.105 and 474.115. It shall make such rules and regulations pertaining to natural and fortified
8 wines as will prevent the importation and sale in Oregon of blended, rectified, adulterated or low-
9 quality wines. The jurisdiction, supervision, powers and duties of the commission extend to any
10 person who buys, sells, manufactures, imports or transports any alcoholic liquor within this state.
11 The commission may sue and be sued.

12 (2) Except for the power to adopt rules, the commission may delegate any of the commission's
13 powers or duties to the administrator appointed under ORS 471.720.

14 **SECTION 35.** ORS 471.105 is amended to read:

15 471.105. Before being qualified to purchase alcoholic liquor from the [*Oregon Liquor Control*]
16 **Adult Substances Control** Commission, a person must be at least 21 years of age.

17 **SECTION 36.** ORS 471.115 is amended to read:

18 471.115. The [*Oregon Liquor Control*] **Adult Substances Control** Commission may limit the
19 quantity of alcoholic liquor purchased at any one time by any person. It may limit the amount of
20 purchases within any length of time so as effectually to prevent the resale of such liquors.

21 **SECTION 37.** ORS 471.130 is amended to read:

22 471.130. (1) All licensees and permittees of the [*Oregon Liquor Control*] **Adult Substances**
23 **Control** Commission, before selling or serving alcoholic liquor to any person about whom there is
24 any reasonable doubt of the person's having reached 21 years of age, shall require such person to
25 produce one of the following pieces of identification:

- 26 (a) The person's passport.
- 27 (b) The person's motor vehicle operator's license, whether issued in this state or by any other
28 state, so long as the license has a picture of the person.
- 29 (c) An identification card issued under ORS 807.400.
- 30 (d) A United States military identification card.
- 31 (e) Any other identification card issued by a state that bears a picture of the person, the name
32 of the person, the person's date of birth and a physical description of the person.

33 (2) If a person does not have identification as described in subsection (1) of this section, the
34 permittee or licensee shall require such person to make a written statement of age and furnish ev-
35 idence of the person's true age and identity. The written statement of age shall be on a form fur-
36 nished or approved by the commission, including but not limited to the following information:

37 _____

38
39 Date _____

40 I am 21 years of age or over. _____

41 Signature

42 Description of evidence in support of age and identity:

43 _____ Identification No. (if any) _____

44 _____ Identification No. (if any) _____

45 (Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

1 I hereby certify that I have accurately recorded identification of the evidence submitted to
 2 complete this form.

3 _____
 4 Signature of permittee or licensee

5 ORS 165.805 provides as follows:

6 165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

7 (a) Being less than a certain, specified age, the person knowingly purports to be of any age other
 8 than the person's true age with the intent of securing a right, benefit or privilege which by law is
 9 denied to persons under that certain, specified age; or

10 (b) (Not applicable.)

11 (2) Misrepresentation of age by a minor is a Class C misdemeanor.

12 _____
 13
 14 **SECTION 38.** ORS 471.155 is amended to read:

15 471.155. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall provide
 16 for the licensing of persons and cities within the state to manufacture, distribute, take orders for
 17 and sell spirits, wines, beer and other alcoholic liquors. Except as provided in subsection (2) of this
 18 section, the holder of a brewery, winery, wholesale, warehouse, grower sales privilege or brewery-
 19 public house license or the holder of a wine self-distribution permit shall give, and at all times
 20 maintain on file with the commission, a bond with a corporate surety authorized to transact business
 21 in this state. The bond shall be in form and amount acceptable to the commission, shall be payable
 22 to the commission and conditioned that the licensee or permittee will pay any fine imposed for any
 23 violation of any provision of the Liquor Control Act and that the licensee or permittee will pay all
 24 license fees, privilege taxes, taxes imposed under ORS 473.045 and other taxes on alcoholic liquors,
 25 together with penalties and interest thereon, levied or assessed against the licensee or permittee
 26 under statutes relating to the importation, manufacture, distribution, sale or taxation of alcoholic
 27 liquors in the State of Oregon.

28 (2) Under such conditions as the commission may prescribe, the holder of a brewery, winery,
 29 wholesale, warehouse, grower sales privilege or brewery-public house license or the holder of a wine
 30 self-distribution permit may deposit, in lieu of the bond required by subsection (1) of this section, the
 31 equivalent value in cash, bank letters of credit recognized by the State Treasurer or negotiable se-
 32 curities of a character approved by the State Treasurer. The deposit is to be made in a bank or trust
 33 company for the benefit of the commission. Interest on deposited funds or securities shall accrue to
 34 the depositor.

35 **SECTION 39.** ORS 471.157 is amended to read:

36 471.157. The licenses described in this chapter may be issued by the [*Oregon Liquor Control*]
 37 **Adult Substances Control** Commission, subject to its regulations and restrictions and the pro-
 38 visions of the Liquor Control Act.

39 **SECTION 40.** ORS 471.159 is amended to read:

40 471.159. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may not license
 41 a location that does not have defined boundaries.

42 (2) A licensed premises need not be enclosed by a wall, fence or other structure, but the com-
 43 mission may require that any licensed premises be enclosed as a condition of issuing or renewing
 44 a license.

45 (3) Except as provided in ORS 471.182, the commission may not license premises that are mobile.

1 **SECTION 41.** ORS 471.162 is amended to read:

2 471.162. (1) Hospitals, sanitariums, convalescent homes, rest homes, retirement homes and facil-
3 ities for the care of the elderly that have been licensed or registered by the state may sell and serve
4 alcoholic beverages to patients, inmates and residents, and to bona fide visitors and guests of pa-
5 tients, inmates and residents, without a license issued under this chapter. Facilities authorized to
6 sell and serve alcoholic beverages without a license under this subsection may not sell or serve al-
7 coholic beverages after 10 p.m. except upon a physician's prescription.

8 (2) A person who operates a private residence that is not a boarding house but that accommo-
9 dates transient guests for a limited duration may sell and serve wine, malt beverages and cider to
10 registered overnight guests without a license. Facilities authorized to sell and serve alcoholic
11 beverages without a license under this subsection must have six or fewer guest units.

12 (3) A person who is an employee or agent of the holder of a license issued under this chapter
13 that authorizes wholesale distribution of alcoholic beverages may, on behalf of the licensee, sell al-
14 coholic beverages in factory-sealed containers to retail licensees and wholesalers.

15 (4) A pharmacist licensed under the laws of this state may sell alcoholic beverages without a
16 license. Pharmacists may only sell alcoholic beverages under the provisions of this section if the
17 alcoholic beverages are drugs as defined in ORS 689.005. A pharmacist may sell alcoholic beverages
18 under the provisions of this subsection pursuant to a prescription, in containers of not more than
19 one quart capacity.

20 (5) A wine collector, or the agent of a wine collector, may sell wine in factory-sealed containers
21 at auction without a license. Any wine sold under this subsection must have been held by the col-
22 lector for at least a six-month period. A wine collector must receive written approval from the
23 [*Oregon Liquor Control*] **Adult Substances Control** Commission before conducting a sale under this
24 subsection. No more than one sale in a 12-month period may be conducted by a wine collector under
25 the provisions of this subsection.

26 (6) A nonprofit or charitable organization registered in this state may sell wine, malt beverages
27 and cider, and a total of not more than four liters of distilled liquor, in factory-sealed containers at
28 an auction or through a raffle without a license. The organization must receive written approval
29 from the commission before conducting an auction or raffle under this subsection. The organization
30 may conduct no more than one auction or raffle under this subsection in a 12-month period. The
31 auction or raffle may not have a duration of more than one day. The organization may sell under
32 this subsection wine, malt beverages, cider and distilled liquor purchased by or donated to the or-
33 ganization. The purchased or donated wine, malt beverages, cider and distilled liquor must be im-
34 ported into this state by the commission or be manufactured in or imported into this state under a
35 brewery, brewery-public house, distillery, grower sales privilege, winery or wholesale malt beverage
36 and wine license.

37 (7) A manufacturer may sell proprietary or patent medicines, perfumes, lotions, flavoring ex-
38 tracts, medicinal tinctures and other preparations unfit for beverage purposes without a license.

39 **SECTION 42.** ORS 471.166 is amended to read:

40 471.166. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may require
41 that every applicant for issuance or renewal of a license under this chapter acquire a written rec-
42 ommendation from the governing body of the county if the place of business of the applicant is
43 outside an incorporated city, and from the city council if the place of business of the applicant is
44 within an incorporated city. The commission may take such written recommendation into consider-
45 ation before granting or refusing the license.

1 (2) If the commission requires that an applicant for issuance of a new license acquire the written
2 recommendation of a local government, the applicant must give notice to the local government when
3 an application is made for issuance of the license. If the local government files a favorable recom-
4 mendation with the commission within 45 days after the notice is given, the commission shall pro-
5 ceed with consideration of the application. The commission shall proceed with consideration of the
6 application as though the local government had made a favorable recommendation unless, within 45
7 days after notice is given to the local government:

8 (a) The local government files an unfavorable recommendation with the commission with a
9 statement of the grounds for the unfavorable recommendation; or

10 (b) The local government files a request for additional time with the commission that sets forth
11 the reason additional time is needed by the local government, a statement that the local government
12 is considering making an unfavorable recommendation on the application, and the specific grounds
13 on which the local government is considering making an unfavorable recommendation.

14 (3) If the commission requires that an applicant for renewal of a license acquire the written
15 recommendation of a local government under this section, the commission shall give notice to the
16 local government when an application is due for renewal of the license. If the local government files
17 a favorable recommendation with the commission within 60 days after the notice is given, the com-
18 mission shall proceed with consideration of the application. The commission shall proceed with
19 consideration of the application as though the local government had made a favorable recommen-
20 dation unless within 60 days after notice is given to the local government:

21 (a) The local government files an unfavorable recommendation with the commission with a
22 statement of the grounds for the unfavorable recommendation; or

23 (b) The local government files a request for additional time with the commission that sets forth
24 the reason additional time is needed by the local government, a statement that the local government
25 is considering making an unfavorable recommendation on the application, and the specific grounds
26 on which the local government is considering making an unfavorable recommendation.

27 (4) The commission shall suspend consideration of an application subject to this section for a
28 reasonable period of time if a local government requests additional time under subsection (2)(b) or
29 (3)(b) of this section and the grounds given by the local government are valid grounds for an unfa-
30 vorable determination under this chapter or rules adopted by the commission. The commission shall
31 by rule establish the period of time that shall be granted to a local government pursuant to a re-
32 quest under subsections (2)(b) and (3)(b) of this section.

33 (5) The commission shall by rule establish valid grounds for unfavorable recommendations by
34 local governments under this section. Valid grounds established by the commission under this sec-
35 tion for an unfavorable recommendation by a local government must be limited to those grounds
36 considered by the commission in making an unfavorable determination on a license application.

37 (6) A person filing an application for issuance or renewal of a license that is subject to this
38 section must remit to the local government the fees established under subsections (7) and (8) of this
39 section. The commission shall give notice to the applicant for license renewal of the amount of the
40 fees and the name of the local government collecting the fees. The commission is not responsible for
41 collecting the fees charged by the local government or for ensuring that the fees have been paid.
42 An applicant for a license renewal shall certify in the application form filed with the commission
43 that the applicant has paid any fees required under this section.

44 (7) An applicant required to seek a written recommendation from a local government must pay
45 an application fee to the local government, in an amount determined by the governing body of the

1 city or county, for each application for a license. The application fee established by a local gov-
2 ernment under this subsection may not exceed \$25.

3 (8) After public notice and hearing, the governing body of a city or county may adopt an ordi-
4 nance, rule or resolution prescribing licensing guidelines to be followed in making recommendations
5 on license applications under this chapter and in allowing opportunity for public comment on ap-
6 plications. If the guidelines are approved by the commission as consistent with commission rules,
7 after public notice and hearing the governing body may adopt an ordinance, rule or regulation es-
8 tablishing a system of fees that is reasonable and necessary to pay expenses of processing the
9 written recommendation. Processing fees under this subsection are in lieu of fees under subsection
10 (7) of this section. In no case shall the processing fee under this subsection be greater than \$100 for
11 an original application, \$75 for a change in ownership, change in location or change in privilege
12 application, and \$35 for a renewal or temporary application.

13 **SECTION 43.** ORS 471.168 is amended to read:

14 471.168. (1) For the purpose of providing coverage for injuries suffered by persons by reason of
15 the conduct of intoxicated persons who were served alcoholic beverages on licensed premises while
16 visibly intoxicated, all persons holding a license described in this section must either:

17 (a) Maintain liquor liability insurance of not less than \$300,000; or

18 (b) Maintain a bond with a corporate surety authorized to transact business in this state in the
19 amount of not less than \$300,000.

20 (2) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may by rule require
21 liquor liability insurance or bond in an amount larger than the minimum amount provided for in
22 subsection (1) of this section.

23 (3) The requirements of this section apply to full on-premises sales licenses, limited on-premises
24 sales licenses and brewery-public house licenses. The requirements of this section apply to tempo-
25 rary sales licenses, special events winery licenses, special events grower sales privilege licenses,
26 special events brewery-public house licenses and special events distillery licenses if the event that
27 is licensed is open to the public and attendance at the event is anticipated to exceed 300 individuals
28 per day.

29 (4) The requirements of this section apply to winery licenses, brewery licenses and grower sales
30 privilege licenses unless an applicant for issuance of the license or renewal of the license submits
31 with the application for issuance or renewal of the license an affidavit that states that the licensee
32 will not allow consumption of alcoholic beverages on the premises.

33 (5) All licensees subject to the requirements of this section must supply proof of compliance at
34 the time the license is issued or renewed. The commission by rule shall determine the manner in
35 which proof of compliance may be made under the provisions of this subsection. The commission
36 may require a licensee to present proof of compliance with liquor liability insurance and bond re-
37 quirements at any time upon request of the commission.

38 (6) Failure of a licensee to comply with liquor liability insurance or bond requirements imposed
39 under this section constitutes a serious threat to public health and safety. In addition to any action
40 available to the commission under ORS 471.313 or 471.315, the commission may immediately suspend
41 or refuse renewal of a license as provided under ORS 183.430 (2) if the licensee fails to comply with
42 those insurance or bond requirements.

43 (7) If a licensee fails to provide proof of compliance with liquor liability insurance or bond re-
44 quirements imposed under this section at the time of license renewal or when requested by the
45 commission, the failure is sufficient reason for the commission to find for purposes of ORS 183.430

1 (2) that the licensee has failed to comply with the insurance or bond requirements.

2 **SECTION 44.** ORS 471.175 is amended to read:

3 471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,
4 malt beverages, cider and distilled liquor. Except as provided in this section, all alcoholic beverages
5 sold under a full on-premises sales license must be consumed on the licensed premises.

6 (2) A full on-premises sales license may be issued only to:

7 (a) A nonprofit private club, as described in subsection (8) of this section.

8 (b) A public passenger carrier as provided in ORS 471.182.

9 (c) A commercial establishment, as defined in ORS 471.001 (2).

10 (d) A public location that does not qualify for licensing under paragraphs (a) to (c) of this sub-
11 section if:

12 (A) Food is cooked and served at the location;

13 (B) The predominant business activity at the location is other than the preparation or serving
14 of food or the serving of alcohol; and

15 (C) The location meets any minimum food service requirements established by [*Oregon Liquor*
16 *Control*] **Adult Substances Control** Commission rule.

17 (e) A caterer, subject to the requirements of ORS 471.184.

18 (3) The holder of a full on-premises sales license shall allow a patron to remove a partially
19 consumed bottle of wine from the licensed premises if the wine is served in conjunction with the
20 patron's meal, the patron is not a minor and the patron is not visibly intoxicated.

21 (4) The holder of a full on-premises sales license is entitled to purchase any distilled liquor from
22 an agent of the commission appointed pursuant to ORS 471.750 at a discount of not more than five
23 percent off the regular listed price fixed by the commission, together with all taxes, in a manner
24 prescribed by commission rule. For purposes of compensation by the commission, the appointed
25 agent shall be credited with such sales at full retail cost. The commission may not require the
26 licensee to purchase more than one container of distilled liquor at a time if the distilled liquor:

27 (a) Except as provided in subsection (9) of this section, has a retail sales price of \$30 or more
28 per container;

29 (b) Is available through a distributor in the United States that does not require the commission
30 to acquire more than one case of the distilled liquor in a single transaction;

31 (c) Is not regularly stocked by the commission; and

32 (d) Is ordered in a 750 milliliter container size if available in that size.

33 (5) The holder of a full on-premises sales license may purchase distilled liquor only from a retail
34 sales agent of the commission or from another person licensed under this section who has purchased
35 the distilled liquor from a retail sales agent of the commission.

36 (6) The holder of a full on-premises sales license may sell factory-sealed containers of wine to
37 a person who organizes a private gathering on the licensee's premises if the wine was acquired as
38 part of a larger purchase of wine by the licensee for the purpose of the gathering and only part of
39 the larger purchase was consumed at the gathering. Wine sold under this subsection may be sold
40 only for an amount adequate to compensate the licensee for the amounts paid by the licensee for
41 the wine.

42 (7) The holder of a full on-premises sales license may sell for consumption off the licensed
43 premises malt beverages, wines and cider in securely covered containers provided by the consumer
44 and having capacities of not more than two gallons each.

45 (8) A nonprofit private club, including but not limited to a fraternal or veterans organization,

1 may qualify for a full on-premises sales license under this section only if the club meets any mini-
2 mum membership, nonprofit status and food service requirements established by commission rule.

3 (9) The commission may annually adjust the price threshold established in subsection (4)(a) of
4 this section by a percentage equal to the percentage change in the Portland-Salem, OR-WA Con-
5 sumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor
6 Statistics of the United States Department of Labor. However, the commission may not adjust the
7 price threshold to be less than \$30.

8 **SECTION 45.** ORS 471.180 is amended to read:

9 471.180. A full or limited on-premises sales license issued to a hotel or arena under the pro-
10 visions of this chapter authorizes the person to whom the license is issued to provide for in-room
11 supplies of the alcoholic beverages otherwise authorized to be sold under the license. Any in-room
12 supply of alcoholic beverages that are available for purchase by patrons of the hotel or arena shall
13 be kept in a locked cabinet, and shall conform with any rules that the [*Oregon Liquor Control*] **Adult**
14 **Substances Control** Commission may promulgate to ensure the enforcement of other provisions of
15 this chapter.

16 **SECTION 46.** ORS 471.182 is amended to read:

17 471.182. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may grant a
18 full or limited on-premises sales license to the owner or operator of a licensed public passenger
19 carrier only as specified in this section. A public passenger carrier licensed by the commission under
20 this section must serve food as required by rules of the commission.

21 (2) The commission may issue a full on-premises sales license to:

22 (a) An airline for use in operating aircraft that are licensed to carry at least 40 passengers and
23 that arrive at or depart from an airport in this state.

24 (b) A railroad corporation for use in operating passenger trains in this state.

25 (c) The owner or operator of one or more tour boats that are licensed to carry at least 40 pas-
26 sengers to or from any port of this state and that are primarily used for nonfishing purposes.

27 (3) The commission may issue a limited on-premises sales license to any of the persons specified
28 in subsection (2) of this section. In addition, the commission may issue a limited on-premises sales
29 license to the owner or operator of a licensed public passenger carrier not described in subsection
30 (2) of this section if the carrier is a mobile vehicle that is licensed to carry at least 40 passengers.

31 **SECTION 47.** ORS 471.184 is amended to read:

32 471.184. (1) The holder of a full or limited on-premises sales license may cater a temporary event
33 at a location other than the licensed premises if the event is not open to the general public.
34 Catering of an event under this subsection must be pursuant to a contract with a client. The con-
35 tract must provide that the licensee will furnish food and beverage services for no more than 100
36 patrons. The licensee must serve food as required by rules of the commission. The licensee may
37 cater events under this subsection without giving advance notice to the [*Oregon Liquor Control*]
38 **Adult Substances Control** Commission if, before the event occurs, the commission gives written
39 approval to the licensee authorizing catering pursuant to this subsection. Events catered under the
40 provisions of this subsection must meet all requirements for enclosure of premises that may be im-
41 posed by the commission for the purposes of this section. Notwithstanding ORS 471.175 (3) and (7)
42 and 471.178 (2) to (4), the licensee may not permit patrons of the event to remove any alcoholic
43 beverages from the premises of the event.

44 (2) In addition to catered events under subsection (1) of this section, the commission may by rule
45 allow the exercise of the privileges of a full or limited on-premises sales license at temporary events

1 held at locations other than the licensed premises. The commission may:

2 (a) Require notice to the commission before the exercise of license privileges at temporary
3 events under this subsection;

4 (b) Require that written approval by the commission be obtained before the exercise of license
5 privileges at temporary events under this subsection;

6 (c) Establish eligibility criteria for the exercise of license privileges at temporary events under
7 this subsection; and

8 (d) Establish fees reasonably calculated to cover administrative expenses incurred by the com-
9 mission in administering this subsection.

10 **SECTION 48.** ORS 471.190 is amended to read:

11 471.190. (1) The holder of a temporary sales license may:

12 (a) Sell at retail by the drink wine, malt beverages, cider and distilled liquor.

13 (b) Sell for consumption off the licensed premises wine, malt beverages and cider in factory-
14 sealed containers.

15 (c) Sell for consumption off the licensed premises wine, malt beverages and cider in securely
16 covered containers supplied by the consumer and having capacities of not more than two gallons
17 each.

18 (2) Distilled liquor served by the holder of a temporary sales license must be purchased from a
19 retail sales agent of the [*Oregon Liquor Control*] **Adult Substances Control** Commission. The holder
20 of a temporary sales license must provide food service as required by commission rule.

21 (3) A temporary sales license may be issued only to:

22 (a) Nonprofit or charitable organizations that are registered with the state.

23 (b) A political committee that has filed a statement of organization under ORS 260.039 or
24 260.042.

25 (c) State agencies.

26 (d) Local governments, and agencies and departments of local governments.

27 (e) Persons not otherwise described in this subsection, as long as the applicant submits a plan
28 that is approved by the commission detailing how minors will be prevented from gaining access to
29 alcoholic beverages and how minors will be prevented from gaining access to any portion of the li-
30 censed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.

31 (4) The commission may by rule establish additional eligibility requirements for temporary sales
32 licenses.

33 (5) Subject to such qualifications as the commission may establish by rule, persons who hold a
34 full or limited on-premises sales license are eligible for temporary sales licenses.

35 (6) A person holding a temporary sales license is not required to obtain an intermittent tempo-
36 rary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mobile
37 unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service con-
38 tainers are served and only nonperishable food items that are exempted from licensure by the
39 Oregon Health Authority are served.

40 (7) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organ-
41 ization licensed under this section are not required to have service permits or to complete an alco-
42 hol server education program and examination under ORS 471.542. The commission by rule may
43 establish education requirements for servers described in this subsection.

44 (8) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a
45 nonprofit trade association that has a membership primarily composed of persons that hold winery

1 licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

2 **SECTION 49.** ORS 471.200 is amended to read:

3 471.200. (1) A brewery-public house license allows the licensee:

4 (a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage
5 and wine licensees of the [*Oregon Liquor Control*] **Adult Substances Control** Commission and ex-
6 port malt beverages;

7 (b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption
8 on or off the premises;

9 (c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for
10 consumption off the premises;

11 (d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed
12 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the
13 premises, delivery of which may be made in a securely covered container supplied by the consumer;

14 (e) To sell wine and cider at retail for consumption on or off the premises;

15 (f) To sell for consumption off the premises wines and cider in securely covered containers
16 supplied by the consumer and having capacities of not more than two gallons each;

17 (g) To conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this
18 subsection at one location other than the premises where the manufacturing occurs; and

19 (h) To obtain a special events brewery-public house license entitling the holder to conduct the
20 activities allowed under paragraphs (b) to (f) of this subsection at a designated location other than
21 the location set forth in the brewery-public house license for a period not exceeding five days.

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

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

35 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
36 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS
37 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from
38 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any
39 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398
40 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-
41 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS
42 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance
43 between manufacturing and retail businesses licensed to the same person under the provisions of
44 this section.

45 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person

1 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
 2 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
 3 warehouse license authorized by ORS 471.242.

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

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

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

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

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

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

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

33 (11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to
 34 be a manufacturer.

35 **SECTION 50.** ORS 471.220 is amended to read:

36 471.220. (1) A brewery license shall allow the manufacture, importation, storage, transportation,
 37 wholesale sale and distribution to licensees of the [*Oregon Liquor Control*] **Adult Substances Con-**
 38 **trol** Commission, and the export of malt beverages. A brewery licensee may not sell within the State
 39 of Oregon any beer containing more than six percent alcohol by volume. Except as provided in
 40 subsection (2) of this section, a brewery licensee may not sell malt beverages for consumption on
 41 the licensed premises.

42 (2) A brewery licensee may:

43 (a) Sell malt beverages brewed on the licensed premises for consumption on the licensed prem-
 44 ises; and

45 (b) Sell malt beverages brewed on the licensed premises, in quantities of not less than four gal-

1 lons, to an unlicensed organization, lodge, picnic party or private gathering. An unlicensed organ-
 2 ization, lodge, picnic party or private gathering may not resell the malt beverages that a brewery
 3 licensee sells under this paragraph.

4 **SECTION 51.** ORS 471.223 is amended to read:

5 471.223. (1) As used in this section, “control” means that the licensee:

6 (a) Owns the brand under which the wine or cider is labeled; or

7 (b) Performs or has the legal right to perform all of the acts common to a brand owner under
 8 the terms of a trademark license or similar agreement that for the brand under which the wine or
 9 cider is labeled has a term of at least three years.

10 (2) A winery license shall allow the licensee:

11 (a) To import wine or cider in containers that have a capacity of more than four liters.

12 (b) To import wine or cider in containers that have a capacity of four liters or less if the brand
 13 of wine or cider is under the control of the licensee.

14 (c) To bottle, produce, blend, store, transport or export wines or cider.

15 (d) To sell wines or cider at wholesale to the [*Oregon Liquor Control*] **Adult Substances Con-**
 16 **trol** Commission or to licensees of the commission.

17 (e) To sell wines or cider at retail directly to the consumer for consumption on or off the li-
 18 censed premises.

19 (f) To sell malt beverages at retail for consumption on or off the licensed premises.

20 (g) To sell for consumption off the premises malt beverages, wines and cider in securely covered
 21 containers supplied by the consumer and having capacities of not more than two gallons each.

22 (h) To conduct any activities described in paragraphs (a) to (g) of this subsection at a second
 23 or third premises as may be designated by the commission.

24 (i) To purchase from or through the commission brandy or other distilled liquors for fortifying
 25 wines.

26 (j) To obtain a special events winery license that shall entitle the holder to conduct the activ-
 27 ities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the
 28 one set forth in the winery license for a period not to exceed five days.

29 (3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from
 30 the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

31 (4) In order to hold a winery license the licensee shall:

32 (a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued
 33 by the federal Alcohol and Tobacco Tax and Trade Bureau; or

34 (b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol
 35 and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under par-
 36 agraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine
 37 or cider that is under the control of the licensee.

38 (5) A winery licensee may sell and ship wine or cider directly to a resident of this state only
 39 if the licensee has a direct shipper permit issued under ORS 471.282.

40 (6)(a) Except as provided in paragraph (b) of this subsection, a winery licensee, or any person
 41 having an interest in the licensee, may also hold a full on-premises sales license. If a person holds
 42 both a winery license and a full on-premises sales license, nothing in this chapter shall prevent the
 43 sale by the licensee of both distilled liquor and wine or cider bottled and produced under the winery
 44 license.

45 (b) The commission may not issue a full on-premises sales license to a winery licensee under the

1 provisions of this subsection if the winery licensee, or any person having an interest in the licensee
2 or exercising control over the licensee, is a brewery that brews more than 200,000 barrels of malt
3 beverages annually or a winery that produces more than 200,000 gallons of wine or cider annually.

4 (7) More than one winery licensee may exercise the privileges of a winery license at a single
5 location. The commission may not refuse to issue a winery license to a person for the production
6 of wine or cider on specified premises based on the fact that other winery licensees also produce
7 wine or cider on those premises.

8 (8) If a winery licensee does not possess at a bonded premises within Oregon a valid producer
9 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the
10 licensee may exercise the privileges described in this section only for wine and cider brands that
11 are under the control of the licensee.

12 **SECTION 52.** ORS 471.227 is amended to read:

13 471.227. (1) A grower sales privilege license shall allow the licensee to perform the following
14 activities only for fruit or grape wine or cider where all of the fruit or grapes used to make the
15 wine or cider are grown in Oregon under the control of the licensee:

16 (a) To import, store, transport or export such wines or cider.

17 (b) To sell such wines or cider at wholesale to the [*Oregon Liquor Control*] **Adult Substances**
18 **Control** Commission or licensees of the commission.

19 (c) To sell such wines or cider at retail directly to the consumer for consumption on or off the
20 licensed premises.

21 (d) To sell at retail for consumption off the licensed premises malt beverages and such wines
22 and cider in securely covered containers provided by the consumer and having capacities of not
23 more than two gallons each.

24 (e) To conduct some or all of the activities allowed under paragraphs (a) to (d) of this subsection
25 at a second or third premises as may be designated by the commission.

26 (f) To obtain a special events grower sales privilege license which shall entitle the holder to
27 conduct the activities allowed under paragraphs (c) and (d) of this subsection at a designated lo-
28 cation other than the one set forth in the grower sales privilege license for a period not to exceed
29 five days.

30 (2) A grower sales privilege licensee shall allow a patron to remove a partially consumed bottle
31 of wine from the licensed premises if the patron is not a minor and the patron is not visibly
32 intoxicated.

33 (3) For purposes of ORS 471.392 to 471.400, a grower sales privilege licensee shall be considered
34 a manufacturer.

35 (4) A person holding a winery license in another state is not eligible for a license under this
36 section.

37 (5) A person licensed under this section is not eligible for a limited on-premises sales license
38 or an off-premises sales license.

39 (6) As used in this section, "control" means the grower either owns the land upon which the
40 fruit or grapes are grown or has a legal right to perform or does perform all of the acts common
41 to fruit farming or viticulture under terms of a lease or similar agreement of at least three years'
42 duration.

43 (7) For the purposes of tax reporting, payment and record keeping, the provisions of law that
44 shall apply to a manufacturer under ORS chapter 473 shall apply to a grower sales privilege
45 licensee, but such a licensee is not a manufacturer for purposes of ORS 473.050 (5).

1 **SECTION 53.** ORS 471.230 is amended to read:

2 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,
3 denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell
4 the spirits to the [*Oregon Liquor Control*] **Adult Substances Control** Commission and to transport
5 the spirits out of this state for sale outside this state. Distillery licensees are permitted to purchase
6 from and through the commission alcoholic beverages for blending and manufacturing purposes upon
7 such terms and conditions as the commission may provide. A distillery licensee may not sell any
8 alcoholic beverage within this state except to the commission or as provided in this section. How-
9 ever, any agricultural producer or association of agricultural producers or the legal agents of an
10 agricultural producer or association of agricultural producers that manufactures and converts agri-
11 cultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the
12 arts and industry are not required to obtain a license from the commission.

13 (2) A distillery licensee may:

14 (a) Permit tastings of the distilled liquor manufactured by the distillery licensee. The tastings
15 may be conducted on the licensed premises of the distillery and at no more than five other premises
16 owned or leased by the licensee. The licensee must purchase the distilled liquor from the commis-
17 sion.

18 (b) Obtain a special events distillery license.

19 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of
20 retailing only distilled liquor that the licensee manufactured in Oregon at locations where tastings
21 are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section.

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

26 (4)(a) A distillery licensee that holds a special events distillery license may conduct an event
27 on a premises at a designated location other than the location set forth in the distillery license for
28 a period not exceeding five days. A distillery licensee conducting an event may:

29 (A) Permit tastings of distilled liquor manufactured by the distillery.

30 (B) Permit sales by the drink of distilled liquor manufactured by the distillery.

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

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

35 (A) Must purchase distilled liquor that the licensee uses for conducting tastings at the event
36 from the commission at the price set by the commission for distilled liquor removed from bond for
37 tastings.

38 (B) Must purchase distilled liquor that the licensee uses for sales by the drink at the event at
39 the retail price set by the commission for the month in which the distilled liquor is sold by the
40 drink.

41 (C) Must purchase distilled liquor that the licensee sells in factory sealed containers at the
42 event at the retail price set by the commission for the month in which the licensee makes the pur-
43 chase.

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

1 **SECTION 54.** ORS 471.235 is amended to read:

2 471.235. (1) A wholesale malt beverage and wine license shall allow the importation, storage,
3 transportation, wholesale sale and distribution to licensees of the [*Oregon Liquor Control*] **Adult**
4 **Substances Control** Commission, and the export of wine, cider and malt beverages, and the
5 importation and sale to the commission and the export of wine of alcoholic content in excess of 21
6 percent alcohol by volume. A wholesale malt beverage and wine licensee may not sell any alcoholic
7 liquor for consumption upon the licensed premises. However, a wholesale malt beverage and wine
8 licensee may sell naturally fermented wine or cider in quantities of not less than four gallons nor
9 more than 55 gallons at any one time to consumers for consumption not on the licensed premises.
10 Wholesale malt beverage and wine licensees may sell malt beverages containing not more than nine
11 percent alcohol by volume in quantities not less than four gallons to any unlicensed organization,
12 lodge, picnic party or private gathering. The unlicensed organization, lodge, picnic party or private
13 gathering may not sell the malt beverages. A wholesale malt beverage and wine license shall permit
14 the licensee also to sell malt beverages at wholesale only, to persons holding licenses authorizing
15 the persons to resell such beverages at retail. Employees of wholesale malt beverage and wine
16 licensees may serve sample tastings of malt beverages, cider and wine at alcoholic beverage industry
17 trade shows, seminars and conventions and at alcoholic beverage industry sample tastings for em-
18 ployees of retail licensees.

19 (2) Subsection (1) of this section does not prohibit the transportation or wholesale sale or dis-
20 tribution of malt beverage or wine by a wholesale malt beverage and wine licensee to any alcoholic
21 treatment center licensed by the Oregon Health Authority.

22 (3) A wholesale malt beverage and wine licensee may impose an additional handling fee on any
23 wine sold to any retailer in this state if the quantity of wine sold to the retailer is less than the
24 smallest multiple-package case available to be sold and the handling fee is uniform for all licensees.

25 **SECTION 55.** ORS 471.242 is amended to read:

26 471.242. (1) A warehouse license shall allow the licensee to store, import, bottle, produce, blend,
27 transport and export nontax paid, bonded wine or wine on which the tax is paid and to store, import
28 and export nontax paid malt beverages and cider, or malt beverages and cider on which the tax is
29 paid. Wine, cider and malt beverages may be removed from the licensed premises only for:

30 (a) Sale for export;

31 (b) Sale or shipment to a wholesale malt beverage and wine licensee;

32 (c) Sale or shipment to another warehouse licensee;

33 (d) Sale or shipment to a winery licensee;

34 (e) Shipment of wine or cider produced by a winery licensee to a licensee of the [*Oregon Liquor*
35 *Control*] **Adult Substances Control** Commission authorized to sell wine or cider at retail if the
36 shipment is made pursuant to a sale to the retail licensee by the holder of a winery license issued
37 under ORS 471.223, a grower sales privilege license issued under ORS 471.227 or a wholesale malt
38 beverage and wine license issued under ORS 471.235; or

39 (f) Shipment of wine or cider to a person for personal use, as described in subsection (7) of this
40 section.

41 (2) A license applicant must hold an approved registration for a bonded wine cellar or winery
42 under federal law.

43 (3) For the purposes of tax reporting, payment and record keeping, the provisions that shall
44 apply to a manufacturer under ORS chapter 473 shall apply to a warehouse licensee.

45 (4) A warehouse must be physically secure in an area zoned for the intended use and be phys-

1 ically separated from any other use.

2 (5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall be considered a man-
3 ufacturer.

4 (6) For purposes of ORS 473.045, a warehouse licensee shall be considered a winery licensee.

5 (7) Wine or cider may be removed from the premises licensed under this section for shipment
6 pursuant to a sale under ORS 471.282. The warehouse licensee shall take reasonable steps to ensure
7 that shipments are made in containers that are conspicuously labeled with the words: "CONTAINS
8 ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR
9 DELIVERY." In addition, the warehouse licensee shall take reasonable steps to ensure that any
10 carrier used by the licensee does not deliver any wine or cider unless the carrier:

11 (a) Obtains the signature of the recipient of the wine or cider upon delivery;

12 (b) Verifies by inspecting government-issued photo identification that the recipient is at least
13 21 years of age; and

14 (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

15 **SECTION 56.** ORS 471.244 is amended to read:

16 471.244. (1) No licensee of the [*Oregon Liquor Control*] **Adult Substances Control** Commission
17 shall manufacture, import into, or purchase in the State of Oregon for resale therein any malt
18 beverages, cider or wine unless the manufacturer of such malt beverages, cider or wine has first
19 obtained from the commission a certificate of approval, except that with respect to malt beverages,
20 cider or wine manufactured outside the United States, the certificate of approval may be obtained
21 by the person importing same into the United States. Such certificate of approval shall be granted
22 only to manufacturers or importers who shall have entered into an agreement with the commission
23 to furnish a report to the commission, on or before the 20th day of each month, showing the quantity
24 of malt beverages, cider or wine delivered to each licensee of the commission during the preceding
25 calendar month, and to faithfully comply with all laws of the State of Oregon pertaining to traffic
26 in malt beverages, cider or wine. If any holder of such certificate, or any officer, agent or employee
27 of such holder, shall violate any term or provision of such agreement, or submit any false or ficti-
28 tious report, the commission may, in its discretion, suspend or revoke such certificate.

29 (2) The commission may grant special certificates of approval to manufacturers and importers
30 of malt beverages, cider or wine. A special certificate of approval has the effect of a certificate of
31 approval granted under subsection (1) of this section, but is valid only for a period of 30 days.

32 **SECTION 57.** ORS 471.251 is amended to read:

33 471.251. The [*Oregon Liquor Control*] **Adult Substances Control** Commission may issue a man-
34 ufacturer or other person a certificate of approval authorizing the import of distilled liquor manu-
35 factured by a distillery not licensed under ORS 471.230. The commission may establish by rule:

36 (1) The conditions under which a manufacturer or other person may qualify for a certificate of
37 approval;

38 (2) The products covered by the certificate of approval;

39 (3) Any conditions or limitations placed on imports under the certificate of approval; and

40 (4) The grounds for suspension or revocation of a certificate of approval.

41 **SECTION 58.** ORS 471.268 is amended to read:

42 471.268. (1) In addition to any other privilege granted to a licensee under this chapter, a licensee
43 may conduct an organized judging, tasting, exhibition, contest or competition of malt beverages and
44 wines produced under ORS 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices,
45 or related events, at the premises described in a full or limited on-premises sales license, off-premises

1 sales license, brewery-public house license, brewery license, winery license or warehouse license of
 2 the licensee. However, the [*Oregon Liquor Control*] **Adult Substances Control** Commission may
 3 restrict the portion of the licensed premises that may be used for the judging, tasting, exhibition,
 4 contest, competition or related events and may restrict or prohibit sales of alcoholic beverages on
 5 the portion of the premises that is being used for conducting the judging, tasting, exhibition, contest,
 6 competition or related events.

7 (2) In addition to any other privilege granted to a licensee under this chapter, a licensee may
 8 allow malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines
 9 and fermented fruit juices to be stored at the premises described in a full or limited on-premises
 10 sales license, off-premises sales license, brewery-public house license, brewery license, winery license
 11 or warehouse license of the licensee. The malt beverages or wines and the homemade beers, wines
 12 or fermented fruit juices must be clearly identified by owner and kept separate from the alcoholic
 13 beverage stock of the licensee.

14 (3) A licensee may not acquire any ownership interest in malt beverages and wines produced
 15 under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices stored under this
 16 section. However, this subsection does not prohibit a licensee from using malt beverages and wines
 17 produced under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices in con-
 18 ducting an organized judging, tasting, exhibition, contest or competition of the malt beverages and
 19 wines or homemade beers, wines or fermented fruit juices, or related events, if the malt beverages
 20 and wines or the homemade beers, wines or fermented fruit juices are stored with the licensee for
 21 that purpose.

22 **SECTION 59.** ORS 471.274 is amended to read:

23 471.274. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may issue a
 24 wine self-distribution permit to a United States manufacturer of wine or cider. The commission may
 25 issue a wine self-distribution permit only to a manufacturer of wine or cider that:

- 26 (a) Holds a license issued by another state that authorizes the manufacture of wine or cider; and
- 27 (b) Holds a certificate of approval issued under ORS 471.244.

28 (2) The holder of a wine self-distribution permit may sell at wholesale and transport wine or
 29 cider that the manufacturer produces directly to the commission, or to retail licensees in the manner
 30 provided by this section. A wine self-distribution permit allows the holder to sell wine or cider that
 31 the holder produces only to retail licensees who hold a valid endorsement issued by the commission
 32 authorizing receipt of wine or cider from the holder of a wine self-distribution permit.

33 (3) In addition to the information required by ORS 471.311 for licenses, an applicant for a wine
 34 self-distribution permit shall provide the commission with a copy of the license held by the applicant
 35 or with sufficient information to allow verification of the license by electronic means or other means
 36 acceptable to the commission. The applicant also shall provide the commission with any information
 37 required by the commission to establish that the license held by the applicant authorizes the man-
 38 ufacture of wine or cider.

39 (4) A person holding a wine self-distribution permit is responsible for paying all taxes imposed
 40 under ORS chapter 473, and for complying with all reporting requirements imposed by ORS chapter
 41 473, for all wine and cider sold and transported to retail licensees in this state. The commission may
 42 revoke, or refuse to issue, a wine self-distribution permit if the holder of a permit fails to pay taxes
 43 or make reports as required by ORS chapter 473.

44 (5) A retail licensee may receive wine or cider from the holder of a wine self-distribution permit
 45 only if the licensee has received prior authorization from the commission. Prior authorization under

1 this subsection must be made by an endorsement to the license for the premises where the wine or
 2 cider will be received. The commission may not charge or collect a fee for an endorsement under
 3 this subsection.

4 (6)(a) Except as provided in paragraph (b) of this subsection, a retail licensee that receives wine
 5 or cider from holders of wine self-distribution permits must make a monthly report to the commis-
 6 sion, using a form prescribed by the commission, listing the amount of all wine or cider received
 7 from permit holders in the previous month, and the names of the permit holders from whom the wine
 8 or cider was received. Retail licensees shall retain such purchase records for products received from
 9 permit holders as may be required by the commission.

10 (b) The holder of a full or limited on-premises sales license is not required to file a report under
 11 this subsection for any month in which the licensee receives two or fewer cases of wine from holders
 12 of wine self-distribution permits.

13 (7) A manufacturer that is not licensed by the commission may sell and transport wine or cider
 14 directly to a retail licensee, and a retail licensee may receive wine or cider directly from a man-
 15 ufacturer that is not licensed by the commission, only if the manufacturer holds a wine self-
 16 distribution permit issued under this section.

17 (8) The holder of a wine self-distribution permit consents to the jurisdiction of the commission
 18 and the courts of this state for the purpose of enforcing the provisions of this chapter, ORS chapter
 19 473 and any related laws or rules.

20 (9) The holder of a wine self-distribution permit must post a bond or other security, as described
 21 in ORS 471.155.

22 (10) The commission may revoke, or refuse to issue, a wine self-distribution permit if the holder
 23 of a permit fails to comply with any provision of this section.

24 **SECTION 60.** ORS 471.282 is amended to read:

25 471.282. (1) Notwithstanding any other provision of this chapter and except as provided by ORS
 26 471.186 (6), a person may sell and ship wine or cider directly to a resident of Oregon only if the
 27 person holds a direct shipper permit. The [*Oregon Liquor Control*] **Adult Substances Control**
 28 Commission shall issue a direct shipper permit only to:

29 (a) A person that holds a license issued by this state or another state that authorizes the man-
 30 ufacture of wine or cider;

31 (b) A person that holds a license issued by this state or another state that authorizes the sale
 32 of wine or cider produced only from grapes or other fruit grown under the control of the person;

33 (c) A person that holds a license authorizing the sale of wine or cider at retail; or

34 (d) A nonprofit trade association that holds a temporary sales license under ORS 471.190 and
 35 that has a membership primarily composed of persons holding winery licenses issued under ORS
 36 471.223 or grower sales privilege licenses issued under ORS 471.227.

37 (2)(a) A person may apply for a direct shipper permit by filing an application with the commis-
 38 sion. The application must be made in such form as may be prescribed by the commission.

39 (b) If the application is based on a license issued by this state, the person must include in the
 40 application the number of the license issued to the person.

41 (c) If the application is based on a license issued by another state, the person must include in
 42 the application a true copy of the license issued to the person by the other state or include sufficient
 43 information to allow verification of the license by electronic means or other means acceptable to the
 44 commission.

45 (d) If the application is based on a license issued by another state, or the application is by a

1 nonprofit trade association described in subsection (1)(d) of this section, the person or association
2 must pay a \$50 registration fee and maintain a bond or other security described in ORS 471.155 in
3 the minimum amount of \$1,000.

4 (3) Sales and shipments under a direct shipper permit:

5 (a) May be made only to a person who is at least 21 years of age;

6 (b) May be made only for personal use and not for the purpose of resale; and

7 (c) May not exceed two cases, containing not more than nine liters per case, to any resident per
8 month.

9 (4) Sales and shipments under a direct shipper permit must be made directly to a resident of this
10 state in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIG-
11 NATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

12 (5) A person holding a direct shipper permit must take all actions necessary to ensure that a
13 carrier used by the permit holder does not deliver any wine or cider unless the carrier:

14 (a) Obtains the signature of the recipient of the wine or cider upon delivery;

15 (b) Verifies by inspecting government-issued photo identification that the recipient is at least
16 21 years of age; and

17 (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

18 (6)(a) A person holding a direct shipper permit must report to the commission all shipments of
19 wine or cider made to Oregon residents under the permit as required by ORS chapter 473. The re-
20 port must be made in a form prescribed by the commission.

21 (b) A person holding a direct shipper permit must allow the commission to audit the permit
22 holder's records upon request and shall make those records available to the commission in this state.

23 (c) A person holding a direct shipper permit consents to the jurisdiction of the commission and
24 the courts of this state for the purpose of enforcing the provisions of this section and any related
25 laws or rules.

26 (7)(a) A person holding a direct shipper permit must timely pay to the commission all taxes im-
27 posed under ORS chapter 473 on wine and cider sold and shipped under the permit. For the purpose
28 of the privilege tax imposed under ORS chapter 473, all wine or cider sold and shipped pursuant to
29 a direct shipper permit is sold in this state.

30 (b) A person holding a direct shipper permit based on a license issued by another state must
31 timely pay to the commission all taxes imposed under ORS chapter 473 on all wine or cider sold and
32 shipped directly to Oregon residents under the permit. The permit holder, not the purchaser, is re-
33 sponsible for the tax.

34 (8) A direct shipper permit must be renewed annually. If the person holds the permit based on
35 an annual license issued by another state, the person may renew the permit by paying a \$50 renewal
36 fee and providing the commission with a true copy of a current license issued to the person by the
37 other state or with sufficient information to allow verification of the license by electronic means
38 or other means acceptable to the commission. If the person holds the permit based on an annual li-
39 cense issued by this state, the person may renew the permit at the same time that the person renews
40 the license.

41 (9) The commission may refuse to issue or may suspend or revoke a direct shipper permit if the
42 permit holder fails to comply with the provisions of this section. A person may sell and ship wine
43 or cider under a direct shipper permit only for as long as the person has the license issued by this
44 state or another state that authorizes the person to hold a direct shipper permit.

45 (10) Any person who knowingly or negligently delivers wine or cider under the provisions of this

1 section to a person under 21 years of age, or who knowingly or negligently delivers wine or cider
2 under the provisions of this section to a visibly intoxicated person, violates ORS 471.410.

3 (11) A person may not make sales and shipments of wine or cider directly to Oregon residents
4 unless the person holds a direct shipper permit issued under this section. Any person who knowingly
5 makes, participates in, transports, imports or receives a shipment of wine or cider that is in vio-
6 lation of this section commits a misdemeanor as provided in ORS 471.990 (1).

7 **SECTION 61.** ORS 471.292 is amended to read:

8 471.292. (1) A license granted under the Liquor Control Act or the Oregon Distilled Liquor
9 Control Act shall:

10 (a) Be a purely personal privilege.

11 (b) Be valid for the period stated in the license.

12 (c) Be renewable in the manner provided in ORS 471.311, except for a cause which would be
13 grounds for refusal to issue such license under ORS 471.313.

14 (d) Be revocable or suspendible as provided in ORS 471.315.

15 (e) Be transferable from the place for which the license was originally issued to another location
16 subject to the provisions of the Liquor Control Act, the Oregon Distilled Liquor Control Act, any
17 rules of the [*Oregon Liquor Control*] **Adult Substances Control** Commission and any municipal or-
18 dinance or local regulation.

19 (f) Cease upon the death of the licensee, except as provided in subsection (2) of this section.

20 (g) Not constitute property.

21 (h) Not be alienable.

22 (i) Not be subject to attachment or execution.

23 (j) Not descend by the laws of testate or intestate devolution.

24 (2) The commission may, by order, provide for the manner and conditions under which:

25 (a) Alcoholic liquors left by any deceased, insolvent or bankrupt person or licensee, or subject
26 to a security interest, may be foreclosed, sold under execution or otherwise disposed of.

27 (b) The business of any deceased, insolvent or bankrupt licensee may be operated for a reason-
28 able period following the death, insolvency or bankruptcy.

29 (c) A business licensed pursuant to this chapter subject to a security interest may be continued
30 in business by a secured party as defined in ORS 79.0102 for a reasonable period after default on
31 the indebtedness by the debtor.

32 (d) A license granted under this chapter may be transferred from the place for which the license
33 was originally issued to another location.

34 **SECTION 62.** ORS 471.294 is amended to read:

35 471.294. (1) Except as otherwise provided in this section, all licenses under this chapter and
36 renewals thereof shall be issued for a period of one year which shall expire at 12 midnight on March
37 31, June 30, September 30 or December 31 of each year.

38 (2) Notwithstanding subsection (1) of this section, a license issued for the first time to an ap-
39 plicant may be issued for less than a year. The fee for a license issued for less than a year under
40 this subsection is the annual license fee prescribed by ORS 471.311.

41 (3) The term of a temporary letter of authority or license issued under ORS 471.302 or any
42 temporary sales license is the period fixed by the [*Oregon Liquor Control*] **Adult Substances Con-**
43 **trol** Commission when the letter or license is issued.

44 **SECTION 63.** ORS 471.297 is amended to read:

45 471.297. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may grant a

1 temporary letter of authority for a period not to exceed 90 days on change of ownership applications
 2 for licenses granted under this chapter if the applicant pays the fee prescribed by the commission
 3 for a temporary letter of authority. The administrator appointed by the commission under ORS
 4 471.720 may extend a temporary letter of authority granted under the provisions of this section for
 5 a period not to exceed 30 days if the commission has not granted or denied the application at the
 6 end of the 90-day period. A temporary letter of authority issued under this section does not consti-
 7 tute a license for the purposes of ORS chapter 183.

8 (2) The commission summarily and without prior administrative proceedings may revoke a tem-
 9 porary letter of authority any time if the commission finds that any of the grounds for refusing a
 10 license under ORS 471.313 or canceling or suspending a license under ORS 471.315 exist.

11 (3) A person subject to subsection (2) of this section shall be given an interview under the di-
 12 rection of the commission if the person requests an interview prior to revocation of a temporary
 13 letter of authority. However, the proceedings are not a contested case under ORS chapter 183.

14 **SECTION 64.** ORS 471.302 is amended to read:

15 471.302. (1) Upon receiving an application for an off-premises sales license, the [*Oregon Liquor*
 16 *Control*] **Adult Substances Control** Commission may grant a temporary letter of authority for a
 17 period not exceeding 90 days, if it finds:

18 (a) The applicant is located in an area presently zoned for commercial use and presents doc-
 19 umentation of such zoning to the commission.

20 (b) The applicant pays the fee prescribed by the commission for a temporary letter of authority.

21 (2) The administrator appointed by the commission under ORS 471.720 may extend a temporary
 22 letter of authority granted under the provisions of this section for a period not to exceed 30 days
 23 if the commission has not granted or denied the application at the end of the 90-day period provided
 24 for in subsection (1) of this section.

25 (3) A temporary letter of authority issued under this section does not constitute a license for
 26 the purposes of ORS chapter 183. The commission summarily and without prior administrative
 27 proceedings may revoke a temporary letter of authority at any time if:

28 (a) The commission finds that any of the grounds for refusing a license under ORS 471.313 exist;
 29 or

30 (b) The city or county in which the applicant is located provides evidence of reasonable grounds
 31 to the commission:

32 (A) That the temporary letter of authority should be revoked; or

33 (B) That an off-premises sales license should not be issued.

34 **SECTION 65.** ORS 471.305 is amended to read:

35 471.305. A brewery or a wholesale malt beverage and wine licensee shall deliver malt beverages
 36 only to or on a licensed premises. The sale of alcoholic liquors under any license issued by the
 37 [*Oregon Liquor Control*] **Adult Substances Control** Commission authorizing retail sales by a
 38 licensee shall be restricted to the premises described in the license, but deliveries may be made by
 39 the licensee to customers pursuant to bona fide orders received on the licensed premises prior to
 40 delivery.

41 **SECTION 66.** ORS 471.311 is amended to read:

42 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make
 43 application to the [*Oregon Liquor Control*] **Adult Substances Control** Commission upon forms to
 44 be furnished by the commission showing the name and address of the applicant, location of the place
 45 of business that is to be operated under the license, and such other pertinent information as the

1 commission may require. No license shall be granted or renewed until the applicant has complied
 2 with the provisions of this chapter and the rules of the commission.

3 (2) The commission may reject any application that is not submitted in the form required by
 4 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
 5 A hearing under this subsection is not subject to the requirements for contested case proceedings
 6 under ORS chapter 183.

7 (3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for
 8 processing a renewal application for any license authorized by this chapter only if the renewal ap-
 9 plication is received by the commission less than 20 days before expiration of the license. If the
 10 renewal application is received prior to expiration of the license but less than 20 days prior to ex-
 11 piration, this fee shall be 25 percent of the annual license fee. If a renewal application is received
 12 by the commission after expiration of the license but no more than 30 days after expiration, this fee
 13 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-
 14 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

15 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that
 16 failure to submit a timely application was due to unforeseen circumstances or to a delay in pro-
 17 cessing the application by the local governing authority that is no fault of the licensee.

18 (5) The license fee is nonrefundable and shall be paid by each applicant upon the granting or
 19 committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the
 20 minimum bond required of each class of license under this chapter are as follows:

License	Minimum Fee	Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None
Wholesale Malt Beverage		
and Wine	\$ 275	\$ 1,000
Warehouse	\$ 100	\$ 1,000
Special events winery		
license	\$ 10 per day	
Brewery-Public House,		
including Certificate		
of Approval	\$ 250	\$ 1,000
Limited On-Premises Sales	\$ 200	None
Off-Premises Sales	\$ 100	None
Temporary Sales	\$ 50 per day	
Grower sales privilege		
license	\$ 250	\$ 1,000
Special events grower		
sales privilege		
license	\$ 10 per day	
Special events		

1	brewery-public house	
2	license	\$ 10 per day
3	Special events	
4	distillery	
5	license	\$ 10 per day

6
7

8 (6) The fee for a certificate of approval or special certificate of approval granted under ORS
9 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a
10 certificate of approval or special certificate of approval. No bond is required for the granting of a
11 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-
12 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-
13 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special
14 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval
15 is \$10.

16 (7) Except as provided in subsection (8) of this section, the annual license fee for a full on-
17 premises sales license is \$400. No bond is required for any full on-premises sales license.

18 (8) The annual license fee for a full on-premises sales license held by a nonprofit private club
19 as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered
20 with the state, is \$200.

21 (9) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.

22 **SECTION 67.** ORS 471.313 is amended to read:

23 471.313. The [*Oregon Liquor Control*] **Adult Substances Control** Commission may refuse to li-
24 cense any applicant under the provisions of this chapter if the commission has reasonable ground
25 to believe any of the following to be true:

26 (1) That there are sufficient licensed premises in the locality set out in the application, or that
27 the granting of a license in the locality set out in the application is not demanded by public interest
28 or convenience. In determining whether there are sufficient licensed premises in the locality, the
29 commission shall consider seasonal fluctuations in the population of the locality and shall ensure
30 that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

31 (2) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is
32 not maintaining the insurance or bond required by ORS 471.168.

33 (3) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for con-
34 sumption on the premises has been financed or furnished with money or property by, or has any
35 connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

36 (4) That the applicant:

37 (a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to
38 excess.

39 (b) Has made false statements to the commission.

40 (c) Is incompetent or physically unable to carry on the management of the establishment pro-
41 posed to be licensed.

42 (d) Has been convicted of violating a general or local law of this state or another state, or of
43 violating a federal law, if the conviction is substantially related to the fitness and ability of the
44 applicant to lawfully carry out activities under the license.

45 (e) Has maintained an insanitary establishment.

1 (f) Is not of good repute and moral character.

2 (g) Did not have a good record of compliance with the alcoholic liquor laws of this state and
3 the rules of the commission when previously licensed.

4 (h) Is not the legitimate owner of the business proposed to be licensed, or other persons have
5 ownership interests in the business which have not been disclosed.

6 (i) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately
7 meet the requirements of the business proposed to be licensed.

8 (j) Is unable to read or write the English language or to understand the laws of Oregon relating
9 to alcoholic liquor or the rules of the commission.

10 (5) That there is a history of serious and persistent problems involving disturbances, lewd or
11 unlawful activities or noise either in the premises proposed to be licensed or involving patrons of
12 the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity
13 of the premises are related to the sale or service of alcohol under the exercise of the license privi-
14 lege. Behavior which is grounds for refusal of a license under this section, where so related to the
15 sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound
16 vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or re-
17 lated litter; trespassing on private property; and public urination. Histories from premises currently
18 or previously operated by the applicant may be considered when reasonable inference may be made
19 that similar activities will occur as to the premises proposed to be licensed. The applicant may
20 overcome the history by showing that the problems are not serious or persistent or that the appli-
21 cant demonstrates a willingness and ability to control adequately the premises proposed to be li-
22 censed and patrons' behavior in the immediate vicinity of the premises which is related to the
23 licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

24 **SECTION 68.** ORS 471.186 is amended to read:

25 471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of wine,
26 malt beverages and cider. Factory-sealed containers of malt beverages sold under the license may
27 not hold more than two and one-quarter gallons.

28 (2) The holder of an off-premises sales license may sell for consumption off the licensed premises
29 malt beverages, wines and cider in securely covered containers supplied by the consumer and having
30 capacities of not more than two gallons each.

31 (3) The holder of an off-premises sales license may provide sample tasting of alcoholic beverages
32 on the licensed premises if the licensee makes written application to the [*Oregon Liquor Control*]
33 **Adult Substances Control** Commission and receives approval from the commission to conduct
34 tastings on the premises. Tastings must be limited to the alcoholic beverages that may be sold under
35 the privileges of the license.

36 (4) An off-premises sales license may not be issued for use at a premises that is mobile.

37 (5) Except as provided in ORS 471.402, a manufacturer or wholesaler may not provide or pay for
38 sample tastings of alcoholic beverages for the public on premises licensed under an off-premises
39 sales license.

40 (6) The holder of an off-premises sales license may deliver wine or cider that is sold under the
41 privileges of the license to retail customers in this state without a direct shipper permit issued un-
42 der ORS 471.282. Any deliveries by the holder of an off-premises sales license are subject to any
43 rules adopted by the commission relating to deliveries made under this subsection. Deliveries under
44 this subsection:

45 (a) May be made only to a person who is at least 21 years of age;

1 (b) May be made only for personal use and not for the purpose of resale; and

2 (c) Must be made in containers that are conspicuously labeled with the words: "CONTAINS
3 ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR
4 DELIVERY."

5 (7) The holder of an off-premises sales license that makes deliveries of wine or cider under
6 subsection (6) of this section must take all actions necessary to ensure that a carrier used by the
7 licensee does not deliver any wine or cider unless the carrier:

8 (a) Obtains the signature of the recipient of the wine or cider upon delivery;

9 (b) Verifies by inspecting government-issued photo identification that the recipient is at least
10 21 years of age; and

11 (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

12 (8) Any person who knowingly or negligently delivers wine or cider under the provisions of this
13 section to a person under 21 years of age, or who knowingly or negligently delivers wine or cider
14 under the provisions of this section to a visibly intoxicated person, violates ORS 471.410.

15 (9) If a court determines that deliveries of wine or cider under subsection (6) of this section
16 cannot be restricted to holders of off-premises sales licenses, and the decision is a final judgment
17 that is no longer subject to appeal, the holder of an off-premises sales license may not make deliv-
18 eries of wine or cider under the provisions of subsection (6) of this section after entry of the final
19 judgment.

20 **SECTION 69.** ORS 459A.717 is amended to read:

21 459A.717. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may impose
22 a civil penalty of at least \$50, but not more than \$500, for a violation of any provision of ORS
23 459A.700 to 459A.740. Each day a violation occurs constitutes a separate violation. The authority
24 to impose a civil penalty under this section is in addition to and not in lieu of the revocation and
25 suspension authority under ORS 459.992 (4) and the criminal penalty authorized by ORS 459.992.

26 (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

27 (3) All penalties recovered under this section shall be paid into the State Treasury and credited
28 to the General Fund and are available for general governmental expenses.

29 **SECTION 70.** ORS 459A.718 is amended to read:

30 459A.718. (1) Two or more distributors or importers may establish a distributor cooperative for
31 the purposes of:

32 (a) Collecting the refund value of beverage containers specified in ORS 459A.705 from distribu-
33 tors or importers and refunding to dealers the amount the dealers paid for the refund value of empty
34 beverage containers;

35 (b) Paying the refund value specified in ORS 459A.705 for beverage containers sold in this state;
36 and

37 (c) Processing beverage containers sold in this state.

38 (2) A distributor cooperative established under this section must service a majority of the deal-
39 ers in this state.

40 (3) If a distributor cooperative is established, a dealer that uses the distributor cooperative to
41 redeem and process beverage containers sold in this state is not required to return beverage con-
42 tainers to a distributor or importer that does not participate in the distributor cooperative, provided
43 that the dealer or the distributor cooperative provides an accounting to the distributor or importer
44 of the beverage containers by brand and kind that were distributed by the distributor or importer
45 and subsequently redeemed by the dealer or distributor cooperative.

1 (4) Upon receipt of the accounting required by subsection (3) of this section, a distributor or
2 importer that does not participate in the distributor cooperative must pay the refund value of the
3 redeemed beverage containers specified in the accounting to the dealer or distributor cooperative
4 that provided the accounting.

5 (5)(a) For purposes of this subsection, beverage container return data is the number of beverage
6 containers returned for the refund value specified in ORS 459A.705 in Oregon during the calendar
7 year and the number of beverage containers that carry a refund value specified in ORS 459A.705
8 sold in Oregon during the calendar year, calculated separately.

9 (b) By July 1 of each calendar year, a distributor cooperative shall provide the [*Oregon Liquor*
10 *Control*] **Adult Substances Control** Commission with a report that lists, in aggregate form for all
11 distributors and importers that participate in the distributor cooperative, the previous calendar
12 year's beverage container return data, calculated separately for glass, metal and plastic beverage
13 containers.

14 (c) By July 1 of each calendar year, a distributor or importer that does not participate in a
15 distributor cooperative shall provide the commission with a report that lists the distributor's or the
16 importer's beverage container return data for the previous calendar year, calculated separately for
17 glass, metal and plastic beverage containers.

18 (6)(a) By August 1 of each calendar year, using the beverage container return data provided in
19 subsection (5)(b) of this section, the [*Oregon Liquor Control*] **Adult Substances Control** Commission
20 shall calculate the previous calendar year's percentage of beverage containers returned for the re-
21 fund value specified in ORS 459A.705 for each distributor cooperative. The commission shall carry
22 out the calculation separately for glass, metal and plastic beverage containers and shall post the
23 percentages on the commission's website.

24 (b) By August 1 of each calendar year, using the beverage container return data provided in
25 subsection (5)(c) of this section, the commission shall calculate the previous calendar year's per-
26 centage of beverage containers returned for the refund value specified in ORS 459A.705 for each
27 distributor or importer that does not participate in a distributor cooperative. The commission shall
28 carry out the calculation separately for glass, metal and plastic beverage containers and shall post
29 the percentages on the commission's website.

30 (c) By August 1 of each calendar year, using the beverage container return data provided in
31 subsection (5)(b) and (c) of this section, the commission shall calculate the previous calendar year's
32 percentage of beverage containers returned for the refund value specified in ORS 459A.705 for all
33 distributors and importers in Oregon. The commission shall carry out the calculation for all
34 beverage containers, and separately for glass, metal and plastic beverage containers, and shall post
35 the percentages on the commission's website.

36 (d) Except for the percentages described in paragraphs (a) to (c) of this subsection or in a pro-
37 ceeding under ORS 459A.717 for a violation of subsection (5) of this section, the commission may
38 not disclose any information provided by a distributor, an importer or a distributor cooperative un-
39 der subsection (5) of this section.

40 (7)(a) In order to determine compliance with the provisions of subsection (5) of this section,
41 within six months of the date that the commission receives a report described in subsection (5)(b)
42 and (c) of this section, the commission may review or audit the records of each reporting distributor
43 cooperative, or each reporting distributor or importer that does not participate in a distributor co-
44 operative.

45 (b)(A) If in the course of a review described in paragraph (a) of this subsection the commission

1 determines that an audit of a distributor cooperative, distributor or importer is necessary, the
2 commission shall require the distributor cooperative, distributor or importer to retain an independ-
3 ent financial audit firm to determine the accuracy of information contained in the report. The dis-
4 tributor cooperative, distributor or importer that is the subject of review shall pay the costs of the
5 audit. The audit must be limited to the records described in paragraph (a) of this subsection.

6 (B) The commission shall adopt rules to carry out the provisions of this paragraph.

7 **SECTION 71.** ORS 459A.725 is amended to read:

8 459A.725. (1) To promote the use in this state of reusable beverage containers of uniform design,
9 and to facilitate the return of containers to manufacturers for reuse as a beverage container, the
10 [*Oregon Liquor Control*] **Adult Substances Control** Commission may certify beverage containers
11 which satisfy the requirements of this section.

12 (2) A beverage container may be certified if:

13 (a) It is reusable as a beverage container by more than one manufacturer in the ordinary course
14 of business; and

15 (b) More than one manufacturer will in the ordinary course of business accept the beverage
16 container for reuse as a beverage container and pay the refund value of the container.

17 (3) The commission may by rule establish appropriate liquid capacities and shapes for beverage
18 containers to be certified or decertified in accordance with the purposes set forth in subsection (1)
19 of this section.

20 (4) A beverage container shall not be certified under this section if by reason of its shape or
21 design, or by reason of words or symbols permanently inscribed thereon, whether by engraving,
22 embossing, painting or other permanent method, it is reusable as a beverage container in the ordi-
23 nary course of business only by a manufacturer of a beverage sold under a specific brand name.

24 **SECTION 72.** ORS 459A.730 is amended to read:

25 459A.730. (1) Unless an application for certification under ORS 459A.725 is denied by the
26 [*Oregon Liquor Control*] **Adult Substances Control** Commission within 60 days after the filing of
27 the application, the beverage container shall be deemed certified.

28 (2) The commission may review at any time certification of a beverage container. If after such
29 review, with written notice and hearing afforded to the person who filed the application for certi-
30 fication under ORS 459A.725, the commission determines the container is no longer qualified for
31 certification, it shall withdraw certification.

32 (3) Withdrawal of certification shall be effective not less than 30 days after written notice to the
33 person who filed the application for certification under ORS 459A.725 and to the manufacturers re-
34 ferred to in ORS 459A.725 (2).

35 **SECTION 73.** ORS 459A.735 is amended to read:

36 459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of
37 beverages, any person may establish a redemption center, subject to the approval of the [*Oregon*
38 *Liquor Control*] **Adult Substances Control** Commission, at which any person may return empty
39 beverage containers and receive payment of the refund value of such beverage containers.

40 (2) Application for approval of a redemption center shall be filed with the commission. The ap-
41 plication shall state the name and address of the person responsible for the establishment and op-
42 eration of the redemption center, the kind of beverage containers that will be accepted at the
43 redemption center, the names and addresses of the dealers to be served by the redemption center
44 and proposals for up to two convenience zones described in ORS 459A.737. The application shall
45 include such additional information as the commission may require.

1 (3) The commission shall approve a redemption center if it finds the redemption center will
2 provide a convenient service to persons for the return of empty beverage containers. The order of
3 the commission approving a redemption center shall state the dealers to be served by the redemption
4 center and the kind of empty beverage containers that the redemption center must accept. The
5 order may contain such other provisions to ensure the redemption center will provide a convenient
6 service to the public as the commission may determine.

7 (4) The commission may review at any time approval of a redemption center. After written no-
8 tice to the person responsible for the establishment and operation of the redemption center, and to
9 the dealers served by the redemption center, the commission may, after hearing, withdraw approval
10 of a redemption center if the commission finds there has not been compliance with its order ap-
11 proving the redemption center, or if the redemption center no longer provides a convenient service
12 to the public.

13 **SECTION 74.** ORS 459A.737 is amended to read:

14 459A.737. (1)(a) Pursuant to the provisions of ORS 459A.735, the [*Oregon Liquor Control*] **Adult**
15 **Substances Control** Commission:

16 (A) Shall approve one beverage container redemption center in a city having a population of less
17 than 300,000, operated by a distributor cooperative serving a majority of the dealers in this state;
18 and

19 (B) May approve one or more additional beverage container redemption centers.

20 (b) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a beverage container re-
21 demption center:

22 (A) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage
23 containers, as established by ORS 459A.705, returned by any one person during one day;

24 (B) Must provide hand counting of up to 50 individual empty beverage containers returned by
25 any one person during one day for the refund value established by ORS 459A.705;

26 (C) May provide drop off service for at least 125 individual empty beverage containers returned
27 by any one person during one day for the refund value established by ORS 459A.705, and may pro-
28 vide an accounting mechanism by which the person may redeem the refund value of the beverage
29 containers at a later date; and

30 (D) May provide other services as determined necessary by the person responsible for the op-
31 eration of the beverage container redemption center.

32 (2)(a) For each beverage container redemption center, the commission shall specify up to two
33 convenience zones. The first convenience zone shall be the sector within a radius of not more than
34 two miles around the beverage container redemption center. The second convenience zone shall be
35 the sector beginning at the border of the first convenience zone and continuing to a radius of not
36 more than three and one-half miles around the beverage container redemption center. The conven-
37 ience zones shall be based to the greatest extent practicable upon the proposals submitted as part
38 of the application for approval of the redemption center under ORS 459A.735.

39 (b) All dealers doing business within the first convenience zone that occupy a space of 5,000 or
40 more square feet in a single area may participate in, be served by and be charged the cost of par-
41 ticipation in the beverage container redemption center and, if such a dealer participates in, is served
42 by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any
43 other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of empty
44 beverage containers.

45 (c) All dealers doing business within the second convenience zone that occupy a space of 5,000

1 or more square feet in a single area may participate in, be served by and be charged the cost of
 2 participation in the beverage container redemption center and, if such a dealer participates in, is
 3 served by and pays the cost of participation in the redemption center, the dealer may,
 4 notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the
 5 refund value of more than 24 individual empty beverage containers returned by any one person
 6 during one day.

7 (d) All dealers doing business within either convenience zone that occupy a space of less than
 8 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to
 9 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage
 10 containers returned by any one person during one day.

11 (e)(A) Any dealer doing business in either convenience zone that occupies a space of 5,000 or
 12 more square feet in a single area that does not participate in, and is not served by, the beverage
 13 container redemption center may not refuse to accept and to pay the refund value of up to 350 in-
 14 dividual empty beverage containers, as established by ORS 459A.705, returned by any one person
 15 during one day and must provide services equivalent to those provided by the redemption center
 16 under subsection (1)(b) of this section, including hand counting and drop off service.

17 (B) In addition to complying with the requirements specified in subparagraph (A) of this para-
 18 graph, a dealer described in subparagraph (A) of this paragraph must:

19 (i) Post in each area where beverage containers are received a clearly visible and legible sign
 20 that contains the list of services that must be provided by the dealer; and

21 (ii) Provide two automated reverse vending machines capable of processing metal, plastic and
 22 glass beverage containers, or one automated reverse vending machine capable of processing metal,
 23 plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the
 24 previous calendar year, whichever is greater.

25 (C) The provisions of subparagraphs (A) and (B) of this paragraph do not apply to a dealer de-
 26 scribed in subparagraph (A) of this paragraph if the dealer sold fewer than 100,000 beverage con-
 27 tainers in the previous calendar year.

28 (3) The provisions of subsection (2) of this section do not apply to any dealer for which the
 29 driving distance from the place of business of the dealer to the beverage container redemption cen-
 30 ter, calculated using the shortest route, is more than two times the radius specified for the second
 31 convenience zone or, if only one convenience zone is specified by the commission, two times the
 32 radius specified for that convenience zone.

33 (4) The commission may adopt all rules necessary to implement and administer the provisions
 34 of this section.

35 **SECTION 75.** ORS 461.217 is amended to read:

36 461.217. (1) As used in this section, "video lottery game retailer" means a contractor under
 37 contract with the Oregon State Lottery to place video lottery game terminals on premises author-
 38 ized by the contract.

39 (2) A video lottery game terminal that offers a video lottery game authorized by the Director
 40 of the Oregon State Lottery:

41 (a) May be placed for operation only in or on the premises of an establishment that has a con-
 42 tract with the Oregon State Lottery as a video lottery game retailer.

43 (b) Must be within the control of an employee of the video lottery game retailer.

44 (c) May not be placed in any other business or location.

45 (3) A video lottery game terminal may be placed only on the premises of an establishment li-

1 censed by the [*Oregon Liquor Control*] **Adult Substances Control** Commission with a full on-
 2 premises sales license, a limited on-premises sales license or a brewery-public house license. A video
 3 lottery game terminal may be placed only in that part of the premises that is posted by the [*Oregon*
 4 *Liquor Control*] **Adult Substances Control** Commission as being closed to minors. In addition to the
 5 requirements of this subsection, the director may by rule establish other criteria and conditions as
 6 the director determines appropriate for the placement of video lottery game terminals in establish-
 7 ments.

8 (4) No more than six video lottery game terminals may be placed in or on premises described
 9 in subsection (3) of this section.

10 (5) No more than 10 video lottery game terminals may be placed in or on the premises of a race
 11 meet licensee licensed under ORS 462.020 that qualifies as a video lottery game retailer.

12 **SECTION 76.** ORS 471.001 is amended to read:

13 471.001. As used in this chapter and ORS chapter 473:

14 (1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than
 15 one-half of one percent alcohol by volume and capable of being consumed by a human being.

16 (2) "Commercial establishment" means a place of business:

17 (a) Where food is cooked and served;

18 (b) That has kitchen facilities adequate for the preparation and serving of meals;

19 (c) That has dining facilities adequate for the serving and consumption of meals; and

20 (d) That:

21 (A) If not a for-profit private club, serves meals to the general public; or

22 (B) If a for-profit private club, serves meals to the club's members and guests and complies with
 23 any minimum membership and food service requirements established by [*Oregon Liquor Control*]
 24 **Adult Substances Control** Commission rules.

25 (3) "Commission" means the [*Oregon Liquor Control*] **Adult Substances Control** Commission.

26 (4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage.
 27 "Distilled liquor" includes distilled spirits.

28 (5) "Licensee" means any person holding a license issued under this chapter.

29 (6) "Liquor enforcement inspector" means a full-time employee of the commission who is au-
 30 thorized to act as an agent of the commission in conducting inspections or investigations, making
 31 arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and other-
 32 wise enforcing this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other
 33 statutes the commission considers related to alcoholic liquor.

34 (7)(a) "Malt beverage" means an alcoholic beverage obtained by the fermentation of grain that
 35 contains not more than 14 percent alcohol by volume.

36 (b) "Malt beverage" includes:

37 (A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent
 38 alcohol by volume;

39 (B) Malt beverages containing six percent or less alcohol by volume and that contain at least
 40 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49
 41 percent of the beverage's overall alcohol content is obtained from flavors and other added
 42 nonbeverage ingredients containing alcohol; and

43 (C) Malt beverages containing more than six percent alcohol by volume that derive not more
 44 than 1.5 percent of the beverage's overall alcohol content by volume from flavors and other added
 45 nonbeverage ingredients containing alcohol.

1 (c) "Malt beverage" does not include cider or an alcoholic beverage obtained primarily by
2 fermentation of rice, such as sake.

3 (8) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends
4 an alcoholic beverage within this state or who imports or causes to be imported into this state an
5 alcoholic beverage for sale or distribution within the state.

6 (9) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.390.

7 (10) "Premises" or "licensed premises" means a location licensed under this chapter and in-
8 cludes all enclosed areas at the location that are used in the business operated at the location, in-
9 cluding offices, kitchens, rest rooms and storerooms, including all public and private areas where
10 patrons are permitted to be present. "Premises" or "licensed premises" includes areas outside of a
11 building that the commission has specifically designated as approved for alcoholic beverage service
12 or consumption.

13 (11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit
14 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of
15 alcohol by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified
16 wine. "Wine" does not include cider.

17 **SECTION 77.** ORS 25.750 is amended to read:

18 25.750. (1) All licenses, certificates, permits or registrations that a person is required by state
19 law to possess in order to engage in an occupation or profession or to use a particular occupational
20 or professional title, all annual licenses issued to individuals by the [*Oregon Liquor Control*] **Adult**
21 **Substances Control** Commission, all driver licenses or permits issued by the Department of Trans-
22 portation and recreational hunting and fishing licenses, as defined by rule of the Department of
23 Justice, are subject to suspension by the respective issuing entities upon certification to the issuing
24 entity by the administrator that a child support case record is being maintained by the Department
25 of Justice, that the case is being enforced by the administrator under the provisions of ORS 25.080
26 and that one or both of the following conditions apply:

27 (a) That the party holding the license, certificate, permit or registration is in arrears under any
28 child support judgment or order, in an amount equal to the greater of three months of support or
29 \$2,500, and:

30 (A) Has not entered into an agreement with the administrator with respect to the child support
31 obligation; or

32 (B) Is not in compliance with an agreement entered into with the administrator; or

33 (b) That the party holding the license, certificate, permit or registration has failed, after re-
34 ceiving appropriate notice, to comply with a subpoena or other procedural order relating to a
35 paternity or child support proceeding and:

36 (A) Has not entered into an agreement with the administrator with respect to compliance; or

37 (B) Is not in compliance with such an agreement.

38 (2) The Department of Justice by rule shall specify the conditions and terms of agreements,
39 compliance with which precludes the suspension of the license, certificate, permit or registration.

40 **SECTION 78.** ORS 25.756 is amended to read:

41 25.756. The Department of Justice shall enter into agreements regarding the identification of
42 persons who are subject to the provisions of ORS 25.750 to 25.783 and who hold licenses, certificates,
43 permits or registrations with:

44 (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission;

45 (2) All entities that issue licenses, certificates, permits or registrations that a person is required

1 by state law to possess to engage in an occupation, profession or recreational hunting or fishing or
2 to use a particular occupational or professional title; and

3 (3) The Department of Transportation.

4 **SECTION 79.** ORS 25.780 is amended to read:

5 25.780. In addition to any other grounds for suspension provided by law:

6 (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission and any entity that is-
7 sues licenses, certificates, permits or registrations that a person is required by state law to possess
8 to engage in an occupation, profession or recreational hunting or fishing or to use a particular oc-
9 cupational or professional title shall suspend without further hearing the licenses, certificates, per-
10 mits or registrations of a person upon certification by the administrator that the person is subject
11 to an order suspending the license, certificate, permit or registration. The certification must include
12 the information specified in ORS 25.750 (1).

13 (2) The Department of Transportation shall suspend without further hearing the driver license
14 or driver permit of a person upon certification by the administrator that the person is subject to
15 an order suspending the license or permit. The certification must include the information specified
16 in ORS 25.750 (1).

17 **SECTION 80.** ORS 165.117 is amended to read:

18 165.117. (1) Before completing a transaction, a scrap metal business engaged in business in this
19 state shall:

20 (a) Create a metal property record for the transaction at the time and in the location where the
21 transaction occurs. The record must:

22 (A) Be accurate and written clearly and legibly in English;

23 (B) Be entered onto a standardized printed form or an electronic form that is securely stored
24 and is capable of ready retrieval and printing; and

25 (C) Contain all of the following information:

26 (i) The signature of the individual with whom the scrap metal business conducts the transaction.

27 (ii) The time, date, location and monetary amount or other value of the transaction.

28 (iii) The name of the employee who conducts the transaction on behalf of the scrap metal busi-
29 ness.

30 (iv) The name and telephone number of the individual with whom the scrap metal business
31 conducts the transaction and a street address or, if a post office box is listed on the government-
32 issued photo identification described in sub-subparagraph (vi) of this subparagraph, a post office box,
33 to which the scrap metal business will mail payment to the individual.

34 (v) A description of, and the license number and issuing state shown on the license plate affixed
35 to, the motor vehicle, if any, used to transport the individual who conducts, or the nonferrous metal
36 property or private metal property that is the subject of, the transaction.

37 (vi) A photocopy of a current, valid driver license or other government-issued photo identifica-
38 tion belonging to the individual with whom the scrap metal business conducts the transaction.

39 (vii) A photograph of, or video surveillance recording depicting, a recognizable facial image of
40 the individual with whom the scrap metal business conducts the transaction.

41 (viii) A general description of the nonferrous metal property or private metal property that
42 constitutes the predominant part of the transaction. The description must include any identifiable
43 marks on the property, if readily discernible, and must specify the weight, quantity or volume of the
44 nonferrous metal property or private metal property.

45 (b) Require the individual with whom the scrap metal business conducts a transaction to sign

1 and date a declaration printed in conspicuous type, either on the record described in this subsection
 2 or on a receipt issued to the individual with whom the scrap metal business conducts the trans-
 3 action, that states:

4 _____
 5
 6 I, _____, AFFIRM UNDER PENALTY OF LAW THAT THE PROPERTY I AM
 7 SELLING IN THIS TRANSACTION IS NOT, TO THE BEST OF MY KNOWLEDGE, STOLEN
 8 PROPERTY.
 9 _____

10
 11 (c) Require the employee of the scrap metal business who conducts the transaction on behalf
 12 of the scrap metal business to witness the individual sign the declaration, and also to sign and date
 13 the declaration in a space provided for that purpose.

14 (d) For one year following the date of the transaction, keep a copy of the record and the signed
 15 and dated declaration described in this subsection. If the scrap metal business uses a video surveil-
 16 lance recording as part of the record kept in accordance with this subsection, the scrap metal
 17 business need not keep the video surveillance recording for one year, but shall retain the video
 18 surveillance recording for a minimum of 30 days following the date of the transaction. The scrap
 19 metal business shall at all times keep the copies at the current place of business for the scrap metal
 20 business.

21 (2) A scrap metal business engaged in business in this state may not do any of the following:

22 (a) Purchase or receive kegs or similar metallic containers used to store or dispense alcoholic
 23 beverages, except from a person that manufactures the kegs or containers or from a person licensed
 24 by the [*Oregon Liquor Control*] **Adult Substances Control** Commission under ORS 471.155.

25 (b) Conduct a transaction with an individual if the individual does not at the time of the trans-
 26 action consent to the creation of the record described in subsection (1) of this section and produce
 27 for inspection a valid driver license or other government-issued photo identification that belongs to
 28 the individual.

29 (c) Conduct a transaction with an individual in which the scrap metal business pays the indi-
 30 vidual other than by mailing a nontransferable check, made payable to the individual, for the
 31 amount of the transaction to the street address or post office box the individual provided under
 32 subsection (1)(a)(C)(iv) of this section not earlier than three business days after the date of the
 33 transaction. The check must be drawn on an account that the scrap metal business maintains with
 34 a financial institution, as defined in ORS 706.008.

35 (d) Purchase metal property from a nonprofit corporation other than by mailing a
 36 nontransferable check, made payable to the nonprofit corporation, for the amount of the purchase
 37 price to the business address provided under subsection (4)(a)(B) of this section not earlier than
 38 three business days after the date of the purchase. The check must be drawn on an account that the
 39 scrap metal business maintains with a financial institution, as defined in ORS 706.008.

40 (e) Cash or release a check issued in payment for a transaction or for a purchase described in
 41 paragraph (d) of this subsection other than as provided in this paragraph or paragraph (c) or (d) of
 42 this subsection. If a check is not delivered to the intended recipient within 10 days of the date of
 43 the transaction or the purchase, the scrap metal business may release the check directly to the in-
 44 dividual or nonprofit corporation with the written approval of a law enforcement agency having ju-
 45 risdiction over the scrap metal business. If a check is returned as undelivered or undeliverable, the

1 scrap metal business shall:

2 (A) Release the check directly to the individual or nonprofit corporation with the written ap-
3 proval of a law enforcement agency having jurisdiction over the scrap metal business; or

4 (B) Retain the check until the individual or nonprofit corporation to which the check was mailed
5 provides a valid address in accordance with subsection (1)(a)(C)(iv) or (4)(a)(B) of this section. If af-
6 ter 30 days following the date of the transaction or the purchase described in paragraph (d) of this
7 subsection the individual or nonprofit corporation fails to provide a valid address, the scrap metal
8 business may cancel the check and the individual or nonprofit corporation shall forfeit to the scrap
9 metal business the amount due as payment.

10 (3) If a scrap metal business obtains the approval of a law enforcement agency under subsection
11 (2)(e) of this section, the scrap metal business shall retain the written approval for one year fol-
12 lowing the date the approval is received.

13 (4) Before purchasing or receiving metal property from a commercial seller, a scrap metal busi-
14 ness shall:

15 (a) Create and maintain a commercial account with the commercial seller. As part of the com-
16 mercial account, the scrap metal business shall enter accurately, clearly and legibly in English onto
17 a standardized printed form, or an electronic form that is securely stored and is capable of ready
18 retrieval and printing, the following information:

19 (A) The full name of the commercial seller;

20 (B) The business address and telephone number of the commercial seller; and

21 (C) The full name of each employee, agent or other individual the commercial seller authorizes
22 to receive payment for metal property from the scrap metal business.

23 (b) Record as part of the commercial account at the time the scrap metal business purchases
24 or receives metal property from a commercial seller the following information:

25 (A) The time, date and location at which the commercial seller delivered the metal property for
26 purchase or receipt;

27 (B) The monetary amount or other value of the metal property;

28 (C) A description of the type of metal property that constitutes the predominant part of the
29 purchase or receipt; and

30 (D) The signature of the individual who delivered the metal property to the scrap metal busi-
31 ness.

32 (5) A scrap metal business may require an individual from whom the business obtains metal
33 property to provide the individual's thumbprint to the scrap metal business.

34 (6) A scrap metal business shall make all records and accounts required to be maintained under
35 this section available to any peace officer on demand.

36 (7)(a) Violation of this section is a specific fine violation, and the presumptive fine for the vio-
37 lation is \$1,000.

38 (b) Notwithstanding paragraph (a) of this subsection, the presumptive fine for a violation of a
39 provision of this section is \$5,000 if the scrap metal business has at least three previous convictions
40 for violations of a provision of this section.

41 **SECTION 81.** ORS 165.805 is amended to read:

42 165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

43 (a) Being less than a certain, specified age, the person knowingly purports to be of any age other
44 than the true age of the person with the intent of securing a right, benefit or privilege which by law
45 is denied to persons under that certain, specified age; or

1 (b) Being unmarried, the person knowingly represents that the person is married with the intent
2 of securing a right, benefit or privilege which by law is denied to unmarried persons.

3 (2) Misrepresentation of age by a minor is a Class C misdemeanor.

4 (3) In addition to and not in lieu of any other penalty established by law, a person who, using
5 a driver permit or license or other identification issued by the Department of Transportation of this
6 state or its equivalent in another state, commits the crime of misrepresentation of age by a minor
7 in order to purchase or consume alcoholic liquor may be required to perform community service and
8 the court shall order that the person's driving privileges and right to apply for driving privileges
9 be suspended for a period not to exceed one year. If a court has issued an order suspending driving
10 privileges under this section, the court, upon petition of the person, may withdraw the order at any
11 time the court deems appropriate. The court notification to the department under this subsection
12 may include a recommendation that the person be granted a hardship permit under ORS 807.240 if
13 the person is otherwise eligible for the permit.

14 (4) The prohibitions of this section do not apply to any person acting under the direction of the
15 [*Oregon Liquor Control*] **Adult Substances Control** Commission or a liquor enforcement inspector
16 or under the direction of state or local law enforcement agencies for the purpose of investigating
17 possible violations of laws prohibiting sales of alcoholic beverages to persons who are under a cer-
18 tain, specified age.

19 (5) The prohibitions of this section do not apply to a person under the age of 21 years who is
20 acting under the direction of a licensee for the purpose of investigating possible violations by em-
21 ployees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the
22 age of 21 years.

23 **SECTION 82.** ORS 167.402 is amended to read:

24 167.402. (1) As used in this section, "vending machine" means a mechanical, electronic or similar
25 device that, upon the insertion of tokens, money or another form of payment, dispenses tobacco
26 products.

27 (2) A person may not sell or dispense tobacco products, as defined in ORS 431.840, from a
28 vending machine, except in an establishment where the premises are posted as permanently and
29 entirely off-limits to minors under rules adopted by the [*Oregon Liquor Control*] **Adult Substances**
30 **Control** Commission.

31 (3) Violation of subsection (2) of this section is a Class B violation. Each day of violation con-
32 stitutes a separate offense.

33 **SECTION 83.** ORS 181.010, as amended by section 1, chapter 119, Oregon Laws 2014, is
34 amended to read:

35 181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires
36 otherwise:

37 (1) "Criminal justice agency" means:

38 (a) The Governor;

39 (b) Courts of criminal jurisdiction;

40 (c) The Attorney General;

41 (d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees
42 of the office of public defense services and nonprofit public defender organizations established under
43 contract with the Public Defense Services Commission;

44 (e) Law enforcement agencies;

45 (f) The Department of Corrections;

1 (g) The Oregon Youth Authority;

2 (h) The State Board of Parole and Post-Prison Supervision;

3 (i) The Department of Public Safety Standards and Training;

4 (j) The enforcement division of the [*Oregon Liquor Control*] **Adult Substances Control** Com-
5 mission;

6 (k) Regional information systems that share programs to track, identify and remove cross-
7 jurisdictional criminal and terrorist conspiracies; and

8 (L) Any other state or local agency with law enforcement authority.

9 (2) "Criminal offender information" includes records and related data as to physical description
10 and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders
11 and alleged offenders, records of arrests and the nature and disposition of criminal charges, includ-
12 ing sentencing, confinement, parole and release.

13 (3) "Department" means the Department of State Police established under ORS 181.020.

14 (4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under
15 ORS 181.220.

16 (5) "Designated agency" means any state, county or municipal government agency where Oregon
17 criminal offender information is required to implement a federal or state statute, executive order
18 or administrative rule that expressly refers to criminal conduct and contains requirements or ex-
19 clusions expressly based on such conduct or for agency employment purposes, licensing purposes or
20 other demonstrated and legitimate needs when designated by order of the Governor.

21 (6) "Disposition report" means a form or process prescribed or furnished by the department,
22 containing a description of the ultimate action taken subsequent to an arrest.

23 (7) "Law enforcement agency" means:

24 (a) County sheriffs, municipal police departments, police departments established by a university
25 under ORS 352.383 or 353.125 and State Police;

26 (b) Other police officers of this state or another state, including humane special agents as de-
27 fined in ORS 181.435;

28 (c) A tribal government as defined in section 1, chapter 644, Oregon Laws 2011, that employs
29 authorized tribal police officers as defined in section 1, chapter 644, Oregon Laws 2011; and

30 (d) Law enforcement agencies of the federal government.

31 (8) "State police" means the sworn members of the state police force appointed under ORS
32 181.250.

33 (9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200.

34 **SECTION 84.** ORS 181.010, as amended by section 49, chapter 644, Oregon Laws 2011, section
35 19, chapter 54, Oregon Laws 2012, section 12, chapter 67, Oregon Laws 2012, section 30, chapter 180,
36 Oregon Laws 2013, and section 2, chapter 119, Oregon Laws 2014, is amended to read:

37 181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires
38 otherwise:

39 (1) "Criminal justice agency" means:

40 (a) The Governor;

41 (b) Courts of criminal jurisdiction;

42 (c) The Attorney General;

43 (d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees
44 of the office of public defense services and nonprofit public defender organizations established under
45 contract with the Public Defense Services Commission;

- 1 (e) Law enforcement agencies;
- 2 (f) The Department of Corrections;
- 3 (g) The Oregon Youth Authority;
- 4 (h) The State Board of Parole and Post-Prison Supervision;
- 5 (i) The Department of Public Safety Standards and Training;
- 6 (j) The enforcement division of the [*Oregon Liquor Control*] **Adult Substances Control** Com-
7 mission;
- 8 (k) Regional information systems that share programs to track, identify and remove cross-
9 jurisdictional criminal and terrorist conspiracies; and
- 10 (L) Any other state or local agency with law enforcement authority.
- 11 (2) "Criminal offender information" includes records and related data as to physical description
12 and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders
13 and alleged offenders, records of arrests and the nature and disposition of criminal charges, includ-
14 ing sentencing, confinement, parole and release.
- 15 (3) "Department" means the Department of State Police established under ORS 181.020.
- 16 (4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under
17 ORS 181.220.
- 18 (5) "Designated agency" means any state, county or municipal government agency where Oregon
19 criminal offender information is required to implement a federal or state statute, executive order
20 or administrative rule that expressly refers to criminal conduct and contains requirements or ex-
21 clusions expressly based on such conduct or for agency employment purposes, licensing purposes or
22 other demonstrated and legitimate needs when designated by order of the Governor.
- 23 (6) "Disposition report" means a form or process prescribed or furnished by the department,
24 containing a description of the ultimate action taken subsequent to an arrest.
- 25 (7) "Law enforcement agency" means:
- 26 (a) County sheriffs, municipal police departments, police departments established by a university
27 under ORS 352.383 or 353.125 and State Police;
- 28 (b) Other police officers of this state or another state, including humane special agents as de-
29 fined in ORS 181.435; and
- 30 (c) Law enforcement agencies of the federal government.
- 31 (8) "State police" means the sworn members of the state police force appointed under ORS
32 181.250.
- 33 (9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200.
- 34 **SECTION 85.** ORS 181.610 is amended to read:
- 35 181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:
- 36 (1) "Abuse" has the meaning given that term in ORS 107.705.
- 37 (2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to
38 ORS 181.620.
- 39 (3) "Certified reserve officer" means a reserve officer who has been designated by a local law
40 enforcement unit, has received training necessary for certification and has met the minimum stan-
41 dards and training requirements established under ORS 181.640.
- 42 (4) "Commissioned" means being authorized to perform various acts or duties of a police officer
43 or certified reserve officer and acting under the supervision and responsibility of a county sheriff
44 or as otherwise provided by law.
- 45 (5) "Corrections officer" means an officer or member employed full-time by a law enforcement

1 unit who:

2 (a) Is charged with and primarily performs the duty of custody, control or supervision of indi-
3 viduals convicted of or arrested for a criminal offense and confined in a place of incarceration or
4 detention other than a place used exclusively for incarceration or detention of juveniles; or

5 (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and
6 has supervisory or management authority for corrections officers described in paragraph (a) of this
7 subsection.

8 (6) "Department" means the Department of Public Safety Standards and Training.

9 (7) "Director" means the Director of the Department of Public Safety Standards and Training.

10 (8) "Domestic violence" means abuse between family or household members.

11 (9) "Emergency medical dispatcher" means a person who has responsibility to process requests
12 for medical assistance from the public or to dispatch medical care providers.

13 (10) "Family or household members" has the meaning given that term in ORS 107.705.

14 (11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member
15 of a public or private fire protection agency that is engaged primarily in fire investigation, fire
16 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light
17 and heavy rescue services, search and rescue services or hazardous materials incident response.
18 "Fire service professional" does not mean forest fire protection agency personnel.

19 (12) "Law enforcement unit" means:

20 (a) A police force or organization of the state, a city, university that has established a police
21 department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county
22 service district authorized to provide law enforcement services under ORS 451.010, tribal govern-
23 ment as defined in section 1, chapter 644, Oregon Laws 2011, that employs authorized tribal police
24 officers as defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the
25 Department of Justice, the Department of Corrections, the Oregon State Lottery Commission, the
26 Security and Emergency Preparedness Office of the Judicial Department or common carrier railroad
27 the primary duty of which, as prescribed by law, ordinance or directive, is one or more of the fol-
28 lowing:

29 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating
30 to airport security;

31 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal
32 offense and confined to a place of incarceration or detention other than a place used exclusively for
33 incarceration or detention of juveniles; or

34 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced
35 to probation and investigation of adult offenders on parole or probation or being considered for
36 parole or probation;

37 (b) A police force or organization of a private entity with a population of more than 1,000 resi-
38 dents in an unincorporated area the employees of which are commissioned by a county sheriff;

39 (c) A district attorney's office;

40 (d) The [*Oregon Liquor Control*] **Adult Substances Control** Commission with regard to liquor
41 enforcement inspectors; or

42 (e) A humane investigation agency as defined in ORS 181.433.

43 (13) "Liquor enforcement inspector" has the meaning given that term in ORS 471.001.

44 (14) "Parole and probation officer" means:

45 (a) An officer who is employed full-time by the Department of Corrections, a county or a court

1 and who is charged with and performs the duty of:

2 (A) Community protection by controlling, investigating, supervising and providing or making
 3 referrals to reformative services for adult parolees or probationers or offenders on post-prison
 4 supervision; or

5 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-
 6 bation; or

7 (b) An officer who:

8 (A) Is certified and has been employed as a full-time parole and probation officer for more than
 9 one year;

10 (B) Is employed part-time by the Department of Corrections, a county or a court; and

11 (C) Is charged with and performs the duty of:

12 (i) Community protection by controlling, investigating, supervising and providing or making re-
 13 ferrals to reformative services for adult parolees or probationers or offenders on post-prison super-
 14 vision; or

15 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-
 16 bation.

17 (15) "Police officer" means:

18 (a) An officer, member or employee of a law enforcement unit employed full-time as a peace of-
 19 ficer who is:

20 (A) Commissioned by a city, port, school district, mass transit district, county, county service
 21 district authorized to provide law enforcement services under ORS 451.010, tribal government as
 22 defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the Depart-
 23 ment of Justice, the Oregon State Lottery Commission, a university that has established a police
 24 department under ORS 352.383 or 353.125, the Governor or the Department of State Police; and

25 (B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to
 26 airport security;

27 (b) An investigator of a district attorney's office if the investigator is or has been certified as
 28 a peace officer in this or another state;

29 (c) A humane special agent commissioned under ORS 181.433;

30 (d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647; or

31 (e) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

32 (16) "Public or private safety agency" means a unit of state or local government, a special pur-
 33 pose district or a private firm that provides, or has authority to provide, fire fighting, police, am-
 34 bulance or emergency medical services.

35 (17) "Public safety personnel" and "public safety officer" include corrections officers, youth
 36 correction officers, emergency medical dispatchers, parole and probation officers, police officers,
 37 certified reserve officers, telecommunicators, liquor enforcement inspectors and fire service profes-
 38 sionals.

39 (18) "Reserve officer" means an officer or member of a law enforcement unit who is:

40 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,
 41 school district, mass transit district, county, county service district authorized to provide law
 42 enforcement services under ORS 451.010, tribal government as defined in section 1, chapter 644,
 43 Oregon Laws 2011, the Criminal Justice Division of the Department of Justice, the Oregon State
 44 Lottery Commission, a university that has established a police department under ORS 352.383 or
 45 353.125, the Governor or the Department of State Police;

1 (b) Armed with a firearm; and

2 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
 3 nances relating to airport security.

4 (19) “Telecommunicator” means a person employed as an emergency telephone worker as de-
 5 fined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing
 6 and transmitting public safety information received through a 9-1-1 emergency reporting system as
 7 defined in ORS 403.105.

8 (20) “Youth correction officer” means an employee of the Oregon Youth Authority who is
 9 charged with and primarily performs the duty of custody, control or supervision of youth offenders
 10 confined in a youth correction facility.

11 **SECTION 86.** ORS 181.610, as amended by section 50, chapter 644, Oregon Laws 2011, section
 12 23, chapter 54, Oregon Laws 2012, section 14, chapter 67, Oregon Laws 2012, section 5, chapter 88,
 13 Oregon Laws 2012, section 18, chapter 1, Oregon Laws 2013, section 7, chapter 154, Oregon Laws
 14 2013, and section 32, chapter 180, Oregon Laws 2013, is amended to read:

15 181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:

16 (1) “Abuse” has the meaning given that term in ORS 107.705.

17 (2) “Board” means the Board on Public Safety Standards and Training appointed pursuant to
 18 ORS 181.620.

19 (3) “Certified reserve officer” means a reserve officer who has been designated by a local law
 20 enforcement unit, has received training necessary for certification and has met the minimum stan-
 21 dards and training requirements established under ORS 181.640.

22 (4) “Commissioned” means being authorized to perform various acts or duties of a police officer
 23 or certified reserve officer and acting under the supervision and responsibility of a county sheriff
 24 or as otherwise provided by law.

25 (5) “Corrections officer” means an officer or member employed full-time by a law enforcement
 26 unit who:

27 (a) Is charged with and primarily performs the duty of custody, control or supervision of indi-
 28 viduals convicted of or arrested for a criminal offense and confined in a place of incarceration or
 29 detention other than a place used exclusively for incarceration or detention of juveniles; or

30 (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and
 31 has supervisory or management authority for corrections officers described in paragraph (a) of this
 32 subsection.

33 (6) “Department” means the Department of Public Safety Standards and Training.

34 (7) “Director” means the Director of the Department of Public Safety Standards and Training.

35 (8) “Domestic violence” means abuse between family or household members.

36 (9) “Emergency medical dispatcher” means a person who has responsibility to process requests
 37 for medical assistance from the public or to dispatch medical care providers.

38 (10) “Family or household members” has the meaning given that term in ORS 107.705.

39 (11) “Fire service professional” means a paid or volunteer firefighter, an officer or a member
 40 of a public or private fire protection agency that is engaged primarily in fire investigation, fire
 41 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light
 42 and heavy rescue services, search and rescue services or hazardous materials incident response.
 43 “Fire service professional” does not mean forest fire protection agency personnel.

44 (12) “Law enforcement unit” means:

45 (a) A police force or organization of the state, a city, university that has established a police

1 department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county
 2 service district authorized to provide law enforcement services under ORS 451.010, tribal govern-
 3 ment, the Criminal Justice Division of the Department of Justice, the Department of Corrections, the
 4 Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Judicial
 5 Department or common carrier railroad the primary duty of which, as prescribed by law, ordinance
 6 or directive, is one or more of the following:

7 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating
 8 to airport security;

9 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal
 10 offense and confined to a place of incarceration or detention other than a place used exclusively for
 11 incarceration or detention of juveniles; or

12 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced
 13 to probation and investigation of adult offenders on parole or probation or being considered for
 14 parole or probation;

15 (b) A police force or organization of a private entity with a population of more than 1,000 resi-
 16 dents in an unincorporated area the employees of which are commissioned by a county sheriff;

17 (c) A district attorney's office;

18 (d) The [*Oregon Liquor Control*] **Adult Substances Control** Commission with regard to liquor
 19 enforcement inspectors; or

20 (e) A humane investigation agency as defined in ORS 181.433.

21 (13) "Liquor enforcement inspector" has the meaning given that term in ORS 471.001.

22 (14) "Parole and probation officer" means:

23 (a) An officer who is employed full-time by the Department of Corrections, a county or a court
 24 and who is charged with and performs the duty of:

25 (A) Community protection by controlling, investigating, supervising and providing or making
 26 referrals to reformative services for adult parolees or probationers or offenders on post-prison
 27 supervision; or

28 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-
 29 bation; or

30 (b) An officer who:

31 (A) Is certified and has been employed as a full-time parole and probation officer for more than
 32 one year;

33 (B) Is employed part-time by the Department of Corrections, a county or a court; and

34 (C) Is charged with and performs the duty of:

35 (i) Community protection by controlling, investigating, supervising and providing or making re-
 36 ferrals to reformative services for adult parolees or probationers or offenders on post-prison super-
 37 vision; or

38 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-
 39 bation.

40 (15) "Police officer" means:

41 (a) An officer, member or employee of a law enforcement unit employed full-time as a peace of-
 42 ficer who is:

43 (A) Commissioned by a city, port, school district, mass transit district, county, county service
 44 district authorized to provide law enforcement services under ORS 451.010, tribal government, the
 45 Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a

1 university that has established a police department under ORS 352.383 or 353.125, the Governor or
2 the Department of State Police; and

3 (B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to
4 airport security;

5 (b) An investigator of a district attorney's office if the investigator is or has been certified as
6 a peace officer in this or another state;

7 (c) A humane special agent commissioned under ORS 181.433; or

8 (d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

9 (16) "Public or private safety agency" means a unit of state or local government, a special pur-
10 pose district or a private firm that provides, or has authority to provide, fire fighting, police, am-
11 bulance or emergency medical services.

12 (17) "Public safety personnel" and "public safety officer" include corrections officers, youth
13 correction officers, emergency medical dispatchers, parole and probation officers, police officers,
14 certified reserve officers, telecommunicators, liquor enforcement inspectors and fire service profes-
15 sionals.

16 (18) "Reserve officer" means an officer or member of a law enforcement unit who is:

17 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,
18 school district, mass transit district, county, county service district authorized to provide law
19 enforcement services under ORS 451.010, tribal government, the Criminal Justice Division of the
20 Department of Justice, the Oregon State Lottery Commission, a university that has established a
21 police department under ORS 352.383 or 353.125, the Governor or the Department of State Police;

22 (b) Armed with a firearm; and

23 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
24 nances relating to airport security.

25 (19) "Telecommunicator" means a person employed as an emergency telephone worker as de-
26 fined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing
27 and transmitting public safety information received through a 9-1-1 emergency reporting system as
28 defined in ORS 403.105.

29 (20) "Youth correction officer" means an employee of the Oregon Youth Authority who is
30 charged with and primarily performs the duty of custody, control or supervision of youth offenders
31 confined in a youth correction facility.

32 **SECTION 87.** ORS 181.646 is amended to read:

33 181.646. (1) Except for a person who has requested and obtained an extension from the Depart-
34 ment of Public Safety Standards and Training under subsection (2) of this section, subject to sub-
35 section (3) of this section the [*Oregon Liquor Control*] **Adult Substances Control** Commission may
36 not employ a person as a liquor enforcement inspector for more than 18 months unless the person
37 is a citizen of the United States who has been certified under ORS 181.640 as being qualified as a
38 liquor enforcement inspector and the certification has not:

39 (a) Lapsed; or

40 (b) Been revoked under ORS 181.661, 181.662 and 181.664 (1) and not reissued under ORS 181.661
41 (2).

42 (2) The department, upon the facts contained in an affidavit accompanying the request for ex-
43 tension, may find good cause for failure to obtain certification within the time period described in
44 subsection (1) of this section. If the department finds that there is good cause for the failure, the
45 department may extend for up to one year the period that a person may serve as a liquor enforce-

1 ment inspector without certification. The grant or denial of an extension is within the sole dis-
2 cretion of the department.

3 (3) The citizenship requirement in subsection (1) of this section does not apply to a person em-
4 ployed as a liquor enforcement inspector on March 16, 2012, who continues to serve as a liquor
5 enforcement inspector without a lapse under subsection (4) of this section.

6 (4) The certification of a liquor enforcement inspector shall lapse after three or more consec-
7 utive months of not being employed as a liquor enforcement inspector unless the liquor enforcement
8 inspector is on leave from the commission. Upon reemployment as a liquor enforcement inspector,
9 the person whose certification has lapsed may apply to be certified under ORS 181.610 to 181.712.

10 (5) The commission shall pay the costs of training required for a liquor enforcement inspector
11 to be certified by the department.

12 **SECTION 88.** ORS 471.344 is amended to read:

13 471.344. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall by rule
14 establish a responsible vendor program. The program shall include a list of positive measures that
15 a licensee must take to avoid sales of alcoholic beverages to minors. Any person holding a liquor
16 license that authorizes the person to sell alcoholic beverages at retail may participate in the pro-
17 gram.

18 (2) If a licensee participates in the responsible vendor program and takes all measures specified
19 by the program as necessary to prevent sales of alcoholic beverages to minors, the commission may
20 not cancel the license of the licensee, or deny issuance of a license to the licensee, based on sales
21 of alcoholic beverages to minors by employees of the licensee.

22 **SECTION 89.** ORS 471.346 is amended to read:

23 471.346. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall by rule
24 develop uniform standards for minor decoy operations used to investigate licensees and agents op-
25 erating stores on behalf of the commission under ORS 471.750 for violations of the laws of this state
26 prohibiting sales of alcoholic beverages to minors. Uniform standards established by the commission
27 under this section apply to all investigations conducted by the commission that use minor decoys.
28 The commission shall encourage all law enforcement agencies of this state to use the uniform stan-
29 dards established under this section for minor decoy operations conducted by the law enforcement
30 agencies.

31 (2) To the greatest extent possible, the uniform standards established by the commission under
32 this section:

33 (a) Shall be the same for minor decoy operations conducted by the commission and for minor
34 decoy operations conducted by law enforcement agencies of this state; and

35 (b) Shall provide for coordination between the commission and law enforcement agencies of this
36 state in conducting minor decoy operations.

37 (3) The uniform standards established by the commission under this section shall provide that
38 minor decoy operations must be conducted on either a random or a targeted basis in cities with
39 populations of 20,000 or more. Random minor decoy operations shall cover a range of retail outlets.
40 Targeted minor decoy operations may be conducted for a single licensee or agent, but may be used
41 only if there is a documented compliance problem with the specific licensee or agent that is the
42 target of the operation. For the purpose of implementing standards for random minor decoy oper-
43 ations under this subsection, the commission shall by rule adopt a methodology that produces, to the
44 greatest extent possible, an equal chance that any licensee or agent will be subject to a minor decoy
45 operation.

1 (4) Except as provided in subsection (5) of this section, the failure of the commission or of a law
 2 enforcement agency to follow uniform standards established by the commission under this section
 3 is not grounds for challenging any complaint, citation or conviction for violation of the laws pro-
 4 hibiting the sale of alcoholic beverages to minors.

5 (5) In determining whether to impose sanctions based on multiple violations of the laws of this
 6 state prohibiting sales of alcoholic beverages to minors, the commission may not consider any com-
 7 plaint filed against a licensee for selling alcoholic beverages to a minor, citation issued to a licensee
 8 for selling alcoholic beverages to a minor or conviction of a licensee for selling alcoholic beverages
 9 to a minor if the complaint, citation or conviction arose out of a minor decoy operation that was
 10 not conducted pursuant to the uniform standards established by the commission under this section.

11 (6) Notwithstanding any other provision of this chapter, the commission may not consider any
 12 sale of alcoholic beverages to a minor that results from a minor decoy operation that is not con-
 13 ducted in compliance with the standards established under this section for the purpose of imposing
 14 any civil penalty against a licensee, making a decision on the renewal, suspension or cancellation
 15 of a license issued under this chapter or otherwise sanctioning a licensee for the sale of alcoholic
 16 beverages to a minor.

17 (7) The commission shall give notice of the uniform standards established under this section to
 18 all law enforcement agencies of this state that conduct minor decoy operations.

19 **SECTION 90.** ORS 471.351 is amended to read:

20 471.351. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission has the right
 21 after 72 hours' notice to the owner or the agent of the owner to make an examination of the books
 22 and may at any time make an examination of the premises of any person licensed under this chapter,
 23 or to check the alcoholic content of liquors carried by the licensee, for the purpose of determining
 24 compliance with this chapter and the rules of the commission.

25 (2) The commission shall not require the books of any licensee to be maintained on the premises
 26 of the licensee.

27 **SECTION 91.** ORS 471.360 is amended to read:

28 471.360. (1) Except as otherwise provided in ORS 471.375:

29 (a) Any person employed by a licensee of the [*Oregon Liquor Control*] **Adult Substances Con-**
 30 **trol** Commission must have a valid service permit issued by the commission if the person:

31 (A) Participates in any manner in the mixing, selling or service of alcoholic liquor for con-
 32 sumption on the premises where served or sold; or

33 (B) Participates in the dispensing of malt beverages, wines or cider sold in securely covered
 34 containers provided by the consumer.

35 (b) A licensee of the commission may not permit any person who lacks a service permit required
 36 of the person under paragraph (a) of this subsection:

37 (A) To mix, sell or serve any alcoholic liquor for consumption on licensed premises; or

38 (B) To dispense malt beverages, wines or cider sold in securely covered containers provided by
 39 the consumer.

40 (c) A permittee shall make the service permit available at any time while on duty for immediate
 41 inspection by any liquor enforcement inspector or by any other peace officer.

42 (2) The commission may waive the requirement for a service permit for an employee of a
 43 licensee whose primary function is not the sale of alcoholic liquor or food, including but not limited
 44 to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

45 **SECTION 92.** ORS 471.380 is amended to read:

1 471.380. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may refuse to
 2 grant a service permit if it has reasonable grounds to believe any of the following to be true:

3 (a) That the applicant is in the habit of using alcoholic beverages or controlled substances to
 4 excess.

5 (b) That the applicant has made false statements to the commission.

6 (c) That the applicant is incompetent or physically incapable of performing the duties of a
 7 permittee.

8 (d) That the applicant has been convicted of violating any of the alcoholic liquor laws of this
 9 state, general or local, or has been convicted at any time of a felony.

10 (e) That the application has not been indorsed as required by ORS 471.375.

11 (f) That the applicant has not completed the alcohol server education course and examination
 12 required by ORS 471.542.

13 (2) Notwithstanding ORS 183.435, an applicant who seeks review of the refusal of a service
 14 permit must request a hearing:

15 (a) Within 15 days after notification of the refusal, if the refusal is based on failure to complete
 16 the alcohol server education course and examination; or

17 (b) Within 30 days after notification of the refusal, if the refusal is based on any grounds other
 18 than failure to complete the alcohol server education course and examination.

19 **SECTION 93.** ORS 471.385 is amended to read:

20 471.385. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may revoke or
 21 suspend a service permit, or impose a civil penalty in lieu of or in addition to suspension as provided
 22 by ORS 471.322, if it finds or has reasonable grounds to believe any of the following to be true:

23 (a) That the permittee has made false statements to the commission.

24 (b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the
 25 state, general or local, or any misdemeanor or violation of any municipal ordinance committed on
 26 the licensed premises.

27 (c) That the permittee has performed or permitted any act which would constitute a violation
 28 of any provision of this chapter or any rule of the commission, if the act were performed or per-
 29 mitted by any licensee of the commission.

30 (2) The issuance, suspension or revocation of a permit under ORS 471.360 to 471.390 does not
 31 relieve a licensee from responsibility for any act of an employee on the licensee's premises.

32 (3) When there has been a violation of this chapter or any rule adopted thereunder upon any
 33 premises licensed by the commission, the commission may revoke or suspend either the service
 34 permit of the employee who violated the law or rule or the license of the licensee upon whose
 35 premises the violation occurred, or both the permit and the license.

36 (4) The commission may revoke or suspend any license issued by the commission if the licensee
 37 knowingly indorses a person's application for a permit when the person has been refused a permit
 38 or has had a permit suspended or revoked, or when the licensee fails to comply with any provision
 39 to be performed by the licensee under ORS 471.360 to 471.390.

40 (5) Civil penalties under this section shall be imposed as provided in ORS 183.745.

41 **SECTION 94.** ORS 471.390 is amended to read:

42 471.390. (1) If a service permit issued under ORS 471.360 to 471.390 is lost, mutilated or de-
 43 stroyed, the permittee shall apply immediately for a duplicate permit on a form to be supplied by the
 44 [*Oregon Liquor Control*] **Adult Substances Control** Commission and submit a fee of \$5.

45 (2) If a permittee changes name by marriage or otherwise, the permittee shall apply immediately

1 for a new service permit by forwarding the permit and evidence of the change of name to the com-
2 mission with an application and a fee of \$5.

3 **SECTION 95.** ORS 471.396 is amended to read:

4 471.396. (1) The prohibitions of ORS 471.394 (1) do not apply to persons holding winery licenses,
5 grower sales privilege licenses, brewery-public house licenses, distillery licenses or brewery licenses,
6 to the extent that retail sales are authorized by the statutes establishing the privileges of each li-
7 cense.

8 (2)(a) The prohibitions of ORS 471.394 (2) and (3) do not apply to a person who wholesales al-
9 coholic liquor and who is not required to be licensed under the provisions of this chapter if the re-
10 tail licensee does not sell any brand of alcoholic liquor sold or distributed by the person and does
11 not sell any brand of alcoholic liquor produced by any manufacturer doing business with the person
12 selling at wholesale.

13 (b) The prohibitions of ORS 471.394 (2) and (3) do not apply to a manufacturer of alcoholic liquor
14 if the retail licensee does not sell any brand of alcoholic liquor sold, distributed or produced by the
15 manufacturer and does not sell any brand of alcoholic liquor sold, distributed or produced by any
16 subsidiary or other business entity that the manufacturer owns or manages, or that the manufac-
17 turer exercises control over.

18 (3) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of
19 a spouse or family member to a manufacturer or wholesaler if:

20 (a) The manufacturer or wholesaler is licensed by the [*Oregon Liquor Control*] **Adult Sub-**
21 **stances Control** Commission to sell alcoholic liquor at wholesale;

22 (b) The license authorizing sale of alcoholic liquor at wholesale was first issued before January
23 1, 1965, and has been held continuously since that date;

24 (c) The spouse or family member holds or seeks a license that authorizes the retail sale of al-
25 coholic liquor for off-premises consumption only; and

26 (d) The manufacturer or wholesaler does not directly or indirectly sell alcoholic liquor to the
27 spouse or family member.

28 (4) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of
29 a spouse or family member to the retail licensee if the manufacturer or wholesaler is licensed by the
30 commission to sell alcoholic liquor at wholesale and does not directly or indirectly sell alcoholic
31 liquor to the spouse or family member.

32 (5) Notwithstanding ORS 471.394, a manufacturer or wholesaler, and any officer, director or
33 substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly or indi-
34 rectly, an interest in a full or limited on-premises sales licensee, provided that the interest does not
35 result in exercise of control over, or participation in the management of, the licensee's business or
36 business decisions, and does not result in exclusion of any competitor's brand of alcoholic liquor.

37 (6) Notwithstanding ORS 471.394, a full or limited on-premises sales licensee, and any officer,
38 director or substantial stockholder of any corporate full or limited on-premises sales licensee, may
39 hold, directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest
40 does not result in exercise of control over, or participation in the management of, the
41 manufacturer's or wholesaler's business or business decisions, and does not result in exclusion of
42 any competitor's brand of alcoholic liquor.

43 (7) Notwithstanding ORS 471.394, an institutional investor with a financial interest in a whole-
44 saler or manufacturer may hold, directly or indirectly, an interest in a retail licensee unless the
45 institutional investor controls, is controlled by, or is under common control with, a wholesaler or

1 manufacturer. Notwithstanding ORS 471.394, an institutional investor with a financial interest in
2 a retail licensee may hold, directly or indirectly, an interest in a wholesaler or manufacturer unless
3 the institutional investor controls, is controlled by, or is under common control with, a retail
4 licensee. The provisions of this subsection apply only to an institutional investor that is a state or
5 federally chartered bank, a state or federally chartered mutual savings bank, a mutual fund or
6 pension fund, or a private investment firm. The principal business activity of the institutional in-
7 vestor must be the investment of capital provided by depositors, participants or investors. The in-
8 stitutional investor must maintain a diversified portfolio of investments. The majority of the
9 institutional investor's investments may not be in businesses that manufacture, distribute or other-
10 wise sell alcoholic beverages. The institutional investor, and the officers, directors, substantial
11 shareholders, partners, employees and agents of the institutional investor, may not participate in
12 management decisions relating to the sale or purchase of alcoholic beverages made by a licensee in
13 which the institutional investor holds an interest.

14 (8) Notwithstanding ORS 471.394, a member of the board of directors of a parent company of a
15 corporation that is a manufacturer may serve on the board of directors of a parent company of a
16 corporation that is a retail licensee if:

17 (a) The manufacturer or parent company of a manufacturer is listed on a national security ex-
18 change;

19 (b) All purchases of alcoholic beverages by the retail licensee are made from holders of whole-
20 sale malt beverage and wine licenses, brewery licenses or winery licenses in this state;

21 (c) The interest of the member of the board of directors does not result in the exclusion of any
22 competitor's brand of alcoholic beverages on the licensed premises of the retail licensee; and

23 (d) The sale of goods and services other than alcoholic beverages by the retail licensee exceeds
24 50 percent of the gross receipts of the business conducted by the retail licensee on the licensed
25 premises.

26 **SECTION 96.** ORS 471.400 is amended to read:

27 471.400. (1) Notwithstanding ORS 471.394 and 471.398, a manufacturer or wholesaler may lease
28 or furnish picnic pumps, cold plates, tubs, refrigerated trailers, refrigerated vans and refrigerated
29 draft systems to a retail licensee if the equipment is leased or furnished for a special event, if a
30 reasonable rental or service fee is charged for the equipment and if the period that the equipment
31 is leased or furnished does not exceed 10 days.

32 (2) Notwithstanding ORS 471.394 and 471.398, the [*Oregon Liquor Control*] **Adult Substances**
33 **Control** Commission may specify by rule the manner and circumstances under which a manufacturer
34 or wholesaler may provide products and services to a nonprofit special licensee.

35 (3)(a) Notwithstanding ORS 471.394 and 471.398, the commission shall allow the sale of nonal-
36 coholic products in the manner in which the nonalcoholic product is sold by a manufacturer or
37 wholesaler not licensed by the commission. The commission may limit merchandising practices in-
38 volving nonalcoholic products if the commission finds that the limitations are necessary to prevent
39 abuses of ORS 471.394 and 471.398 by the industry as a whole.

40 (b) Any fixtures, equipment or furnishings provided by a manufacturer or wholesaler in
41 furtherance of the sale of nonalcoholic products may not be used by the retail licensee to store,
42 service, display, advertise, furnish or sell, or aid in the sale of, alcoholic products regulated by the
43 commission. All such fixtures, equipment or furnishings must be identified by the retail licensee as
44 being furnished by a licensed manufacturer or wholesaler.

45 **SECTION 97.** ORS 471.403 is amended to read:

1 471.403. (1) Except as provided in this section, a person may not brew, ferment, distill, blend or
 2 rectify any alcoholic liquor unless licensed so to do by the [*Oregon Liquor Control*] **Adult Sub-**
 3 **stances Control** Commission.

4 (2) The holder of a brewery-public house license or a brewery license may allow patrons to brew
 5 malt beverages not to exceed 14 percent alcoholic content by volume if the brewing is conducted
 6 under the direct supervision of the licensee or employees of the licensee. Malt beverages produced
 7 under this subsection may not be sold by the patron.

8 (3) The holder of a winery license may allow patrons to make wine if the winemaking is con-
 9 ducted under the direct supervision of the licensee or employees of the licensee. Wine produced
 10 under this subsection may not be sold by the patron.

11 (4) A person may make homemade beer, wine and fermented fruit juice as authorized under ORS
 12 471.037. A person may provide assistance to another in making the homemade beer, wine or
 13 fermented fruit juice, if the person does not receive financial consideration as defined in ORS
 14 471.037 for providing the assistance.

15 **SECTION 98.** ORS 471.404 is amended to read:

16 471.404. (1) Alcoholic liquor may not be imported into this state by any person other than a
 17 holder of a brewery, winery, distillery or wholesaler's license, except as follows:

18 (a) Alcoholic liquor ordered by and en route to the [*Oregon Liquor Control*] **Adult Substances**
 19 **Control** Commission, under a certificate of approval issued by the commission.

20 (b) Wines for sacramental purposes according to rules adopted by the commission.

21 (c) Alcoholic liquor that is in transit on a common carrier to a destination outside Oregon.

22 (d) Alcoholic liquor coming into Oregon on a common carrier according to orders placed by a
 23 licensed brewery, winery or wholesaler.

24 (e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing, mechanical or indus-
 25 trial use, under a certificate of approval issued by the commission.

26 (f) Wine or cider that is sold and transported by the holder of a wine self-distribution permit to
 27 a retail licensee that has the endorsement described in ORS 471.274 (5).

28 (g) Wine or cider shipped directly to a resident of this state under a direct shipper permit issued
 29 pursuant to ORS 471.282.

30 (2) The commission may require importers of alcoholic liquor to pay a reasonable handling fee
 31 based on the quantity and type of alcoholic liquor being imported.

32 **SECTION 99.** ORS 471.405 is amended to read:

33 471.405. (1) No person shall peddle or deliver alcoholic beverages to or at any place, where,
 34 without a license, alcoholic beverages are sold or offered for sale. No licensee shall sell or offer for
 35 sale any alcoholic beverage in a manner, or to a person, other than the license permits the licensee
 36 to sell.

37 (2) No person shall purchase, possess, transport or import, except for sacramental purposes, an
 38 alcoholic beverage unless it is procured from or through the [*Oregon Liquor Control*] **Adult Sub-**
 39 **stances Control** Commission, except as provided otherwise in the Liquor Control Act.

40 (3) No person not licensed under the Liquor Control Act shall sell, solicit, take orders for or
 41 peddle alcoholic beverages.

42 (4) Notwithstanding the provisions of subsection (2) of this section, an individual entering the
 43 state may have in possession an amount not to exceed four liters (135.2 fluid ounces) of distilled li-
 44 quor, two cases of wine or cider (620 fluid ounces) and two cases of malt beverages (576 fluid
 45 ounces). These quantities of alcoholic beverages are exempt from fees collected by the commission.

1 (5) Upon conviction for unlawfully purchasing or importing alcoholic beverages into this state,
 2 the person convicted shall forfeit to the commission the alcoholic beverage so purchased or im-
 3 ported. The commission shall thereupon seize the forfeited beverage and it shall then become the
 4 commission's property.

5 **SECTION 100.** ORS 471.410, as amended by section 3, chapter 20, Oregon Laws 2014, is
 6 amended to read:

7 471.410. (1) A person may not sell, give or otherwise make available any alcoholic liquor to any
 8 person who is visibly intoxicated.

9 (2) No one other than the person's parent or guardian may sell, give or otherwise make available
 10 any alcoholic liquor to a person under the age of 21 years. A parent or guardian may give or oth-
 11 erwise make alcoholic liquor available to a person under the age of 21 years only if the person is
 12 in a private residence and is accompanied by the parent or guardian. A person violates this sub-
 13 section who sells, gives or otherwise makes available alcoholic liquor to a person with the knowl-
 14 edge that the person to whom the liquor is made available will violate this subsection.

15 (3)(a) A person who exercises control over private real property may not knowingly allow any
 16 other person under the age of 21 years who is not a child or minor ward of the person to consume
 17 alcoholic liquor on the property, or allow any other person under the age of 21 years who is not a
 18 child or minor ward of the person to remain on the property if the person under the age of 21 years
 19 consumes alcoholic liquor on the property.

20 (b) This subsection:

21 (A) Applies only to a person who is present and in control of the location at the time the con-
 22 sumption occurs;

23 (B) Does not apply to the owner of rental property, or the agent of an owner of rental property,
 24 unless the consumption occurs in the individual unit in which the owner or agent resides; and

25 (C) Does not apply to a person who exercises control over a private residence if the liquor
 26 consumed by the person under the age of 21 years is supplied only by an accompanying parent or
 27 guardian.

28 (4) This section does not apply to sacramental wine given or provided as part of a religious rite
 29 or service.

30 (5) Except as provided in subsections (6) and (7) of this section, a person who violates subsection
 31 (1) or (2) of this section commits a Class A misdemeanor. Upon violation of subsection (2) of this
 32 section, the court shall impose at least a mandatory minimum sentence as follows:

33 (a) Upon a first conviction, a fine of at least \$500.

34 (b) Upon a second conviction, a fine of at least \$1,000.

35 (c) Upon a third or subsequent conviction, a fine of at least \$1,500 and not less than 30 days
 36 of imprisonment.

37 (6)(a) A person who violates subsection (2) of this section is subject to the provisions of this
 38 subsection if the person does not act knowingly or intentionally and:

39 (A) Is licensed or appointed under this chapter; or

40 (B) Is an employee of a person licensed or appointed under this chapter and holds a valid service
 41 permit or has attended a program approved by the [*Oregon Liquor Control*] **Adult Substances**
 42 **Control** Commission that provides training to avoid violations of this section.

43 (b) For a person described in paragraph (a) of this subsection:

44 (A) A first conviction is a Class A violation.

45 (B) A second conviction is a specific fine violation, and the presumptive fine for the violation

1 is \$860.

2 (C) A third conviction is a Class A misdemeanor. The court shall impose a mandatory fine of
3 not less than \$1,000.

4 (D) A fourth or subsequent conviction is a Class A misdemeanor. The court shall impose a
5 mandatory fine of not less than \$1,000 and a mandatory sentence of not less than 30 days of
6 imprisonment.

7 (7) For an employee of an off-premises sales licensee who violates subsection (2) of this section
8 while operating a checkout device and does not act knowingly or intentionally, a first conviction is
9 a Class A violation.

10 (8) The court may waive an amount that is at least \$200 but not more than one-third of the fine
11 imposed under subsection (5) of this section, if the violator performs at least 30 hours of community
12 service.

13 (9) Except as provided in subsection (8) of this section, the court may not waive or suspend
14 imposition or execution of the mandatory minimum sentence required by subsection (5) or (6) of this
15 section. In addition to the mandatory sentence, the court may require the violator to make
16 restitution for any damages to property where the alcoholic liquor was illegally consumed or may
17 require participation in volunteer service to a community service agency.

18 (10)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection
19 (3) of this section commits a Class A violation.

20 (b) A second or subsequent violation of subsection (3) of this section is a specific fine violation,
21 and the presumptive fine for the violation is \$1,000.

22 (11) Nothing in this section prohibits any licensee under this chapter from allowing a person
23 who is visibly intoxicated from remaining on the licensed premises so long as the person is not sold
24 or served any alcoholic liquor.

25 **SECTION 101.** ORS 471.412 is amended to read:

26 471.412. (1) A licensee or permittee may not allow a person to consume or to continue to con-
27 sume alcoholic beverages on the licensed premises after observing that the person is visibly
28 intoxicated.

29 (2) A licensee or permittee is not in violation of subsection (1) of this section if the licensee or
30 permittee makes a good faith effort to remove any unconsumed alcoholic beverages from the
31 person's possession when the licensee or permittee observes that the person is visibly intoxicated.

32 (3) Nothing in this section applies to determining liability under ORS 471.565.

33 (4) Notwithstanding any other provision of law, the [*Oregon Liquor Control*] **Adult Substances**
34 **Control** Commission shall only impose letters of reprimand for the first three violations of this
35 section within a two-year period. For license renewal purposes, the first three violations of this
36 section in a two-year period do not apply in determining the past record of compliance under ORS
37 471.313 (4)(g).

38 **SECTION 102.** ORS 471.425 is amended to read:

39 471.425. (1) No person shall make false representations or statements to the [*Oregon Liquor*
40 *Control*] **Adult Substances Control** Commission in order to induce or prevent action by the com-
41 mission.

42 (2) No licensee of the commission shall maintain a noisy, lewd, disorderly or insanitary estab-
43 lishment or supply impure or otherwise deleterious alcoholic beverages.

44 (3) No licensee of the commission shall misrepresent to a customer or to the public any alcoholic
45 liquor sold by such licensee.

1 **SECTION 103.** ORS 471.430, as amended by section 1, chapter 11, Oregon Laws 2014, is
2 amended to read:

3 471.430. (1) A person under 21 years of age may not attempt to purchase, purchase or acquire
4 alcoholic beverages. Except when such minor is in a private residence accompanied by the parent
5 or guardian of the minor and with such parent's or guardian's consent, a person under 21 years of
6 age may not have personal possession of alcoholic beverages.

7 (2) For the purposes of this section, personal possession of alcoholic beverages includes the ac-
8 ceptance or consumption of a bottle of such beverages, or any portion thereof or a drink of such
9 beverages. However, this section does not prohibit the acceptance or consumption by any person
10 of sacramental wine as part of a religious rite or service.

11 (3) Except as authorized by rule or as necessitated in an emergency, a person under 21 years
12 of age may not enter or attempt to enter any portion of a licensed premises that is posted or oth-
13 erwise identified as being prohibited to the use of minors.

14 (4)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection
15 (1) or (3) of this section commits a Class B violation.

16 (b) A person commits a Class A violation if the person violates subsection (1) of this section by
17 reason of personal possession of alcoholic beverages while the person is operating a motor vehicle,
18 as defined in ORS 801.360.

19 (5) In addition to and not in lieu of any other penalty established by law, a person under 21
20 years of age who violates subsection (1) of this section through misrepresentation of age may be
21 required to perform community service and the court shall order that the person's driving privileges
22 and right to apply for driving privileges be suspended for a period not to exceed one year. If a court
23 has issued an order suspending driving privileges under this section, the court, upon petition of the
24 person, may withdraw the order at any time the court deems appropriate. The court notification to
25 the Department of Transportation under this subsection may include a recommendation that the
26 person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the
27 permit.

28 (6) If a person cited under this section is at least 13 years of age but less than 21 years of age
29 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in
30 addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to
31 the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

32 (7) In addition to and not in lieu of any penalty established by law, the court may order a person
33 who violates this section to undergo assessment and treatment as provided in ORS 471.432. The
34 court shall order a person to undergo assessment and treatment as provided in ORS 471.432 if the
35 person has previously been found to have violated this section.

36 (8) The prohibitions of this section do not apply to a person under 21 years of age who is acting
37 under the direction of the [*Oregon Liquor Control*] **Adult Substances Control** Commission or under
38 the direction of state or local law enforcement agencies for the purpose of investigating possible
39 violations of laws prohibiting sales of alcoholic beverages to persons who are under 21 years of age.

40 (9) The prohibitions of this section do not apply to a person under 21 years of age who is acting
41 under the direction of a licensee for the purpose of investigating possible violations by employees
42 of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under 21 years
43 of age.

44 (10)(a) A person under 21 years of age is not in violation of, and is immune from prosecution
45 under, this section if:

1 (A) The person contacted emergency medical services or a law enforcement agency in order to
2 obtain medical assistance for another person who was in need of medical assistance due to alcohol
3 consumption and the evidence of the violation of this section was obtained as a result of the person's
4 having contacted emergency medical services or a law enforcement agency; or

5 (B) The person was in need of medical assistance due to alcohol consumption and the evidence
6 of the violation of this section was obtained as a result of the person's having sought or obtained
7 the medical assistance.

8 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result
9 of a person's having sought medical assistance in proceedings for crimes or offenses other than a
10 violation of this section.

11 **SECTION 104.** ORS 471.442 is amended to read:

12 471.442. (1) No wine or cider shall be sold or offered for sale within this state unless it complies
13 with the minimum standards fixed pursuant to law.

14 (2) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may require a man-
15 ufacturer, importer or wholesaler to provide samples of a particular wine or cider, and to provide
16 a laboratory analysis demonstrating to the satisfaction of the commission that the particular wine
17 or cider complies with the minimum standards in this state.

18 (3) No wine or cider offered for sale within this state may be altered or tampered with in any
19 way by any person not licensed to do so by the commission.

20 (4) The commission may prohibit the sale of any wine or cider for a reasonable period of time
21 while it is determining whether the wine or cider complies with minimum standards in this state.

22 **SECTION 105.** ORS 471.446 is amended to read:

23 471.446. (1) No retail licensee shall purchase any wine or cider for resale except in sealed con-
24 tainers, the seals of which shall remain unbroken when it is sold for consumption off the premises.

25 (2) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may refuse to sell, or
26 may prohibit any licensee from selling, any brand of alcoholic liquor which in its judgment is
27 deceptively labeled or branded as to content, or contains injurious or adulterated ingredients.

28 **SECTION 106.** ORS 471.475 is amended to read:

29 471.475. No person who owns, operates or conducts a private or public club or place and who
30 is not in possession of a license issued by the [*Oregon Liquor Control*] **Adult Substances Control**
31 Commission permitting the mixing, storing and serving of alcoholic liquor at said premises, and no
32 agent, servant or employee of such person, for a financial consideration by way of a charge for
33 service, membership fee, admission fee, initiation fee, club dues, contributions, or other fee or
34 charge, shall serve or permit to be served, or use or permit to be used, any room, place, bar, glasses,
35 mixers, locker, storage place, chairs, tables, cash registers, music devices, furniture, furnishings,
36 equipment or facilities, for the mixing, storing, serving or drinking of alcoholic liquor.

37 **SECTION 107.** ORS 471.478 is amended to read:

38 471.478. On and after January 1, 1978:

39 (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission by rule shall require
40 the identification of kegs of malt beverages sold directly to consumers who are not licensees of the
41 commission and the signing of a receipt therefor by the purchaser in order to allow the kegs to be
42 traced if the contents are consumed in violation of the Liquor Control Act. The keg identification
43 shall be in the form of a numbered label prescribed and supplied by the commission which identifies
44 the seller and which is removable or obliterated when the keg is processed for refilling. The receipt
45 shall be on a form prescribed and supplied by the commission and shall include the name and ad-

1 dress of the purchaser; motor vehicle operator's license number, if any; the automobile registration
 2 of the motor vehicle in which the keg was removed from the seller's premises, if any; and such other
 3 identification as the commission by rule may require. The receipt shall contain a statement that
 4 must be signed by the purchaser that, under penalty of false swearing, the purchaser will not allow
 5 consumption of any malt beverage in the keg in violation of ORS 471.410. A copy of the receipt shall
 6 be given to the purchaser and the seller shall retain the original receipt for such period as the
 7 commission by rule may require.

8 (2) Possession of a keg containing malt beverages which is not identified as required by sub-
 9 section (1) of this section is a Class A misdemeanor.

10 (3) A person who signs a receipt described in subsection (1) of this section in order to obtain a
 11 keg, knowing the receipt to be false, or who falsifies any information required on the receipt, is
 12 guilty of false swearing as prescribed by ORS 162.075.

13 (4) As used in this section, "keg" means any brewery-sealed, individual container of malt
 14 beverage having a liquid capacity of more than seven gallons.

15 **SECTION 108.** ORS 471.480 is amended to read:

16 471.480. (1) Any employee 18 years of age or older of a person who holds an off-premises sales
 17 license from the [*Oregon Liquor Control*] **Adult Substances Control** Commission may sell any al-
 18 coholic liquor authorized by such license on the licensed premises.

19 (2) Any employee 18 years of age or older of a person who holds a wholesale malt beverage and
 20 wine license from the [*Oregon Liquor Control*] **Adult Substances Control** Commission may assist
 21 the licensee in the delivery of any alcoholic liquor authorized by such license.

22 (3) During any inspection of a licensed premises, the commission may require proof that a person
 23 performing work at the premises meets any applicable minimum age requirement created under this
 24 chapter or under commission rules. If the person does not provide the commission with acceptable
 25 proof of age upon request, the commission may require the person to immediately cease any activity
 26 that is subject to a minimum age requirement until the commission receives acceptable proof of age.
 27 If the activity is the sole lawful basis for the person to be present on the premises, the commission
 28 may require that the person leave the premises. This subsection does not apply to a person tempo-
 29 rarily at the premises to make a service, maintenance or repair call, to make a delivery or for other
 30 purposes independent of the premises operations.

31 (4) If a person performing work that is subject to a minimum age requirement has not provided
 32 proof of age requested by the commission under subsection (3) of this section, the commission may
 33 request that the licensee or a manager of the premises provide proof that the person meets any
 34 applicable minimum age requirement created under this chapter or under commission rules. Failure
 35 of the licensee or manager to respond to a request made under this subsection by providing ac-
 36 ceptable proof of age for a person is prima facie evidence that the licensee has allowed the person
 37 to perform work at the licensed premises in violation of a minimum age requirement.

38 **SECTION 109.** ORS 471.482 is amended to read:

39 471.482. (1) The holder of a license issued under this chapter may employ persons 18, 19 and 20
 40 years of age who may take orders for, serve and sell alcoholic liquor in any part of the licensed
 41 premises when that activity is incidental to the serving of food except in those areas classified by
 42 the [*Oregon Liquor Control*] **Adult Substances Control** Commission as being prohibited to the use
 43 of minors. However, no person who is 18, 19 or 20 years of age shall be permitted to mix, pour or
 44 draw alcoholic liquor except when pouring is done as a service to the patron at the patron's table
 45 or drawing is done in a portion of the premises not prohibited to minors.

1 (2) A person who is 18, 19 or 20 years of age may enter areas classified by the commission as
2 being prohibited to the use of minors only for the purpose of ordering and picking up alcoholic li-
3 quor for service in other parts of the premises. However, the person shall not remain in the areas
4 longer than is necessary to perform those duties.

5 (3) The commission by rule may permit access to prohibited areas by any minor for nonalcoholic
6 liquor employment purposes as long as the minor does not remain longer than is necessary to per-
7 form the duties.

8 (4) During any inspection of a licensed premises, the commission may require proof that a person
9 performing work at the premises meets any applicable minimum age requirement created under this
10 chapter or under commission rules. If the person does not provide the commission with acceptable
11 proof of age upon request, the commission may require the person to immediately cease any activity
12 that is subject to a minimum age requirement until the commission receives acceptable proof of age.
13 If the activity is the sole lawful basis for the person to be present on the premises, the commission
14 may require that the person leave the premises. This subsection does not apply to a person tempo-
15 rarily at the premises to make a service, maintenance or repair call, make a delivery or for other
16 purposes independent of the premises operations.

17 (5) If a person performing work that is subject to a minimum age requirement has not provided
18 proof of age requested by the commission under subsection (4) of this section, the commission may
19 request that the licensee or a manager of the premises provide proof that the person meets any
20 applicable minimum age requirement created under this chapter or under commission rules. Failure
21 of the licensee or manager to respond to a request made under this subsection by providing ac-
22 ceptable proof of age for a person is prima facie evidence that the licensee has allowed the person
23 to perform work at the licensed premises in violation of a minimum age requirement.

24 **SECTION 110.** ORS 471.495 is amended to read:

25 471.495. Any wholesale licensee who receives a check, order, negotiable instrument or voucher
26 in payment for malt beverages, cider or wine, who receives an instrument from a retail licensee
27 which, upon presentation, is not paid by the party on whom it is drawn, shall report such fact
28 forthwith to the [*Oregon Liquor Control*] **Adult Substances Control** Commission.

29 **SECTION 111.** ORS 471.500 is amended to read:

30 471.500. The provisions of ORS 471.485, 471.490 and 471.495 shall not apply to any common
31 carrier licensed by the [*Oregon Liquor Control*] **Adult Substances Control** Commission.

32 **SECTION 112.** ORS 471.510 is amended to read:

33 471.510. ORS 471.506 shall not prohibit the sale of pure alcohol for scientific or manufacturing
34 purposes, or of wines to church officials for sacramental purposes, nor shall it prevent any person
35 residing in the county or city from ordering and having delivered to the home of the person, for the
36 personal use of self and family, alcoholic liquors purchased from the [*Oregon Liquor Control*] **Adult**
37 **Substances Control** Commission or from persons duly licensed to sell them under the Liquor Con-
38 trol Act.

39 **SECTION 113.** ORS 471.541 is amended to read:

40 471.541. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall establish an
41 Alcohol Education Program. The Alcohol Education Program shall consist of all the duties of the
42 commission in administering clerk training courses under ORS 471.341 and alcohol server education
43 courses under ORS 471.542.

44 **SECTION 114.** ORS 471.542 is amended to read:

45 471.542. (1) Except as provided in subsection (2) of this section, the [*Oregon Liquor Control*]

1 **Adult Substances Control** Commission shall require a person applying for issuance or renewal of
2 a service permit or any license that authorizes the sale or service of alcoholic beverages for con-
3 sumption on the premises to complete an approved alcohol server education course and examination
4 as a condition of the issuance or renewal of the permit or license.

5 (2) A person applying for issuance or renewal of a license that authorizes the sale or service
6 of alcoholic beverages for consumption on the premises need not complete an approved alcohol
7 server education course and examination as a condition of the issuance or renewal of the license if:

8 (a) The license has been restricted by the commission to prohibit sale or service of alcoholic
9 beverages for consumption on the premises; or

10 (b) The person applying for issuance or renewal of the license submits a sworn statement to the
11 commission stating that the person will not engage in sale or service of alcoholic beverages for
12 consumption on the premises, will not directly supervise or manage persons who sell or serve alco-
13 holic beverages on the premises, and will not participate in establishing policies governing the sale
14 or service of alcoholic beverages on the premises.

15 (3) The commission by rule shall establish requirements that licensees and permittees must
16 comply with as a condition of requalifying for a license or permit. The licensee or permittee must
17 comply with those requirements once every five years after completing the initial alcohol server
18 education course and examination. The requirements established by the commission to requalify for
19 a license may include retaking the alcohol server education course and examination. The require-
20 ments established by the commission to requalify for a service permit shall include retaking the al-
21cohol server education course and examination.

22 (4) The commission may extend the time periods established by this section upon a showing of
23 hardship. The commission by rule may exempt a licensee from the requirements of this section if the
24 licensee does not participate in the management of the business.

25 (5) The standards and curriculum of alcohol server education courses shall include but not be
26 limited to the following:

27 (a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.

28 (b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription,
29 drugs and illegal drugs.

30 (c) Recognizing the problem drinker and community treatment programs and agencies.

31 (d) State alcohol beverage laws such as prohibition of sale to minors and sale to intoxicated
32 persons, sale for on-premises or off-premises consumption, hours of operation and penalties for vio-
33 lation of the laws.

34 (e) Drunk driving laws and liquor liability statutes.

35 (f) Intervention with the problem customer, including ways to cut off service, ways to deal with
36 the belligerent customer and alternative means of transportation to get the customer safely home.

37 (g) Advertising and marketing for safe and responsible drinking patterns and standard operating
38 procedures for dealing with customers.

39 (6) The commission shall impose a fee not to exceed \$2.60 a year for each license subject to the
40 alcohol server education requirement, and a fee not to exceed \$13 for each service permit applica-
41 tion. These fees shall be used for administrative costs of the Alcohol Education Program established
42 under ORS 471.541 and shall be in addition to any other license or permit fees required by law or
43 rule.

44 (7) The commission shall adopt rules to impose reasonable fees for administrative costs on al-
45cohol server education course instructors and providers.

1 (8) The commission shall provide alcohol server education courses and examinations through
 2 independent contractors, private persons or private or public schools certified by the commission.
 3 The commission shall adopt rules governing the manner in which alcohol server education courses
 4 and examinations are made available to persons required to take the course. In adopting rules under
 5 this subsection, the commission shall consider alternative means of providing courses, including but
 6 not limited to providing courses through audiotapes, videotapes, the Internet and other electronic
 7 media.

8 **SECTION 115.** ORS 471.547 is amended to read:

9 471.547. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall establish
 10 an Alcohol Server Education Advisory Committee. The advisory committee shall consist of the fol-
 11 lowing members:

12 (a) One person who represents the commission.

13 (b) One person who represents the Oregon State Police.

14 (c) One person who represents the Oregon District Attorneys Association.

15 (d) One person who represents the Oregon Health Authority.

16 (e) One person who represents the Department of Transportation.

17 (f) One person who represents a nonprofit organization the purpose of which is to reduce the
 18 incidence of drunk driving.

19 (g) One person who has general expertise in education.

20 (h) One person who has expertise in health education.

21 (i) One person who represents classroom alcohol server education providers.

22 (j) One person who represents online alcohol server education providers.

23 (k) At least one person who is a service permittee under ORS 471.360.

24 (L) Not more than two persons who represent insurance companies.

25 (m) Not more than three persons who represent retail licensees.

26 (2) The purpose of the advisory committee is to assist in the development of:

27 (a) The standards, curriculum and materials for the alcohol server education courses required
 28 under ORS 471.542;

29 (b) The examination required by ORS 471.542, and procedures for administering that examina-
 30 tion;

31 (c) The certification procedures, enforcement policies and penalties for alcohol server education
 32 course instructors and providers; and

33 (d) The time requirements for completion of an alcohol server education course and examination
 34 and the conditions for probationary extension.

35 **SECTION 116.** ORS 471.549 is amended to read:

36 471.549. In addition to such other sanctions as may be authorized by law, the [*Oregon Liquor*
 37 *Control*] **Adult Substances Control** Commission may impose a civil penalty not to exceed \$1,000
 38 against any alcohol server education course instructor or provider who violates a rule promulgated
 39 by the commission pursuant to ORS 471.542. The civil penalty may be in addition to or in lieu of
 40 any suspension, revocation or cancellation of the certification of an alcohol server education course
 41 instructor or provider.

42 **SECTION 117.** ORS 471.551 is amended to read:

43 471.551. (1) Any person in possession of a valid retail liquor license, who sells liquor by the
 44 drink for consumption on the premises or sells for consumption off the premises, shall post a sign
 45 informing the public of the effects of alcohol consumption during pregnancy.

1 (2) The sign shall:

2 (a) Contain the message: "Pregnancy and alcohol do not mix. Drinking alcoholic beverages, in-
3 cluding wine, coolers and beer, during pregnancy can cause birth defects."

4 (b) Be either:

5 (A) A large sign, no smaller than eight and one-half inches by 11 inches in size with lettering
6 no smaller than five-eighths of an inch in height; or

7 (B) A reduced sign, five by seven inches in size with lettering of the same proportion as the
8 large sign described in paragraph (a) of this subsection.

9 (c) Contain a graphic depiction of the message to assist nonreaders in understanding the mes-
10 sage. The depiction of a pregnant female shall be universal and shall not reflect a specific race or
11 culture.

12 (d) Be in English unless a significant number of the patrons of the retail premises use a lan-
13 guage other than English as a primary language. In such cases, the sign shall be worded in both
14 English and the primary language or languages of the patrons.

15 (e) Be displayed on the premises of all licensed retail liquor premises as either a large sign at
16 the point of entry, or a reduced sized sign at points of sale.

17 (3) The person described in subsection (1) of this section shall be encouraged to also post signs
18 of any size at places where alcoholic beverages are displayed.

19 (4) Notwithstanding ORS 471.561, the holder of a retail liquor license may produce the sign re-
20 quired by this section insofar as the sign is consistent with the standards established pursuant to
21 this section, ORS 616.286 and 624.060 and the [*Oregon Liquor Control*] **Adult Substances Control**
22 Commission, and is displayed in accordance with subsection (2)(e) of this section.

23 **SECTION 118.** ORS 471.553 is amended to read:

24 471.553. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall consult with
25 representatives of business and industry as well as interested citizens groups, including the March
26 of Dimes and the Junior League, to determine the most cost-effective, convenient method to produce
27 and post the sign described in ORS 471.551, which shall be distributed by the commission.

28 **SECTION 119.** ORS 471.557 is amended to read:

29 471.557. The [*Oregon Liquor Control*] **Adult Substances Control** Commission may solicit private
30 funds, if necessary, to produce and distribute the signs.

31 **SECTION 120.** ORS 471.559 is amended to read:

32 471.559. (1) If no warning sign is posted:

33 (a) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall furnish a warning
34 sign.

35 (b) The retailer shall have five days from the receipt of the warning sign to post it appropriately.

36 (2) If there is a violation of this section or of ORS 471.551, the violator shall be subject to:

37 (a) A written warning from the commission for the first violation accompanied by a copy of the
38 sign.

39 (b) A civil penalty of not to exceed \$25 payable to the commission for a second violation.

40 (c) A civil penalty of not to exceed \$25 for the third and subsequent violations for each day the
41 sign is not posted.

42 (3) The civil penalty imposed under subsection (2) of this section shall be separate from any
43 other sanction or penalty imposed by the commission and shall not be used in any progressive vio-
44 lation schedule.

45 (4) The penalty provided by this section shall be the sole penalty for violation of this section

1 or ORS 471.551 or the rules adopted under section 1, chapter 324, Oregon Laws 1991.

2 (5) Violation of this section or ORS 471.551 or the rules adopted under section 1, chapter 324,
3 Oregon Laws 1991, shall not be grounds for refusal to issue a license, cancellation of a license or
4 suspension of a license issued under this chapter.

5 (6) Nothing in this section or ORS 471.551 or the rules adopted under section 1, chapter 324,
6 Oregon Laws 1991, creates any new cause of action or any private right of any person.

7 **SECTION 121.** ORS 471.561 is amended to read:

8 471.561. By June 30, 1992, the [*Oregon Liquor Control*] **Adult Substances Control** Commission
9 shall produce and complete distribution of the warning signs, free of charge, to all holders of retail
10 liquor licenses. The commission shall produce and distribute additional signs as liquor licenses are
11 granted.

12 **SECTION 122.** ORS 471.565 is amended to read:

13 471.565. (1) A patron or guest who voluntarily consumes alcoholic beverages served by a person
14 licensed by the [*Oregon Liquor Control*] **Adult Substances Control** Commission, a person holding
15 a permit issued by the commission or a social host does not have a cause of action, based on statute
16 or common law, against the person serving the alcoholic beverages, even though the alcoholic
17 beverages are served to the patron or guest while the patron or guest is visibly intoxicated. The
18 provisions of this subsection apply only to claims for relief based on injury, death or damages caused
19 by intoxication and do not apply to claims for relief based on injury, death or damages caused by
20 negligent or intentional acts other than the service of alcoholic beverages to a visibly intoxicated
21 patron or guest.

22 (2) A person licensed by the [*Oregon Liquor Control*] **Adult Substances Control** Commission,
23 person holding a permit issued by the commission or social host is not liable for damages caused
24 by intoxicated patrons or guests unless the plaintiff proves by clear and convincing evidence that:

25 (a) The licensee, permittee or social host served or provided alcoholic beverages to the patron
26 or guest while the patron or guest was visibly intoxicated; and

27 (b) The plaintiff did not substantially contribute to the intoxication of the patron or guest by:

28 (A) Providing or furnishing alcoholic beverages to the patron or guest;

29 (B) Encouraging the patron or guest to consume or purchase alcoholic beverages or in any other
30 manner; or

31 (C) Facilitating the consumption of alcoholic beverages by the patron or guest in any manner.

32 (3) Except as provided in subsection (4) of this section, an action for damages caused by
33 intoxicated patrons or guests off the premises of a person licensed by the [*Oregon Liquor Control*]
34 **Adult Substances Control** Commission, a person holding a permit issued by the commission or a
35 social host may be brought only if the person asserting the claim has given the licensee, permittee
36 or social host the notice required by subsection (5) of this section within the following time periods:

37 (a) If a claim is made for damages arising out of wrongful death, notice must be given within
38 one year after the date of death, or within one year after the date that the person asserting the
39 claim discovers or reasonably should have discovered the existence of a claim under this section,
40 whichever is later.

41 (b) If a claim is made for damages for injuries other than wrongful death, notice must be given
42 within 180 days after the injury occurs, or within 180 days after the person asserting the claim
43 discovers or reasonably should have discovered the existence of a claim under this section, which-
44 ever is later.

45 (4) The time provided for the giving of notice under subsection (3) of this section does not in-

1 clude any period during which:

2 (a) The claimant is under 18 years of age;

3 (b) The claimant is unable to give notice by reason of the injury or by reason of being finan-
4 cially incapable, as defined in ORS 125.005, or is incapacitated, as defined in ORS 125.005; or

5 (c) The claimant is unable to determine that the licensee, permittee or social host is liable be-
6 cause the patron or guest who caused the damages asserts a right against self-incrimination and
7 cannot be compelled to reveal the identity of the licensee, permittee or social host, or cannot be
8 compelled to reveal facts that would establish the liability of the licensee, permittee or social host.

9 (5) A licensee, permittee or social host shall be considered to have been given notice for the
10 purposes of this section if:

11 (a) The licensee, permittee or social host is given formal notice in the manner specified in sub-
12 section (6) of this section;

13 (b) The licensee, permittee or social host receives actual notice as described in subsection (7)
14 of this section;

15 (c) An action is commenced by or on behalf of the claimant within the period of time specified
16 by subsections (3) and (4) of this section; or

17 (d) Any payment on the claim is made to the claimant by or on behalf of the licensee, permittee
18 or social host.

19 (6) Formal notice of a claim subject to this section must be in writing, must be mailed to the
20 licensee, permittee or social host, or personally served on the licensee, permittee or social host, and
21 must contain all of the following:

22 (a) A statement that a claim for damages is made against the licensee, permittee or social host.

23 (b) A description of the time, place and circumstances giving rise to the claim, so far as known
24 to the claimant.

25 (c) The name of the claimant and mailing address for the claimant to which correspondence re-
26 garding the claim may be mailed.

27 (7) For the purposes of this section, "actual notice" means any communication to a licensee,
28 permittee or social host that gives the licensee, permittee or social host actual knowledge of the
29 time, place and circumstances of the claim, if the communication is such that a reasonable person
30 would conclude that a particular person intends to assert a claim against the licensee, permittee or
31 social host.

32 **SECTION 123.** ORS 471.567 is amended to read:

33 471.567. (1) Notwithstanding ORS 471.130 and 471.565, no licensee, permittee or social host shall
34 be liable to third persons injured by or through persons under the age of 21 years who obtained
35 alcoholic beverages from the licensee, permittee or social host unless it is demonstrated that a
36 reasonable person would have determined that identification should have been requested or that the
37 identification exhibited was altered or did not accurately describe the person to whom the alcoholic
38 liquor was sold or served.

39 (2) A person who is under 21 but at least 18 years of age and who through misrepresentation
40 of age causes an [*Oregon Liquor Control*] **Adult Substances Control** Commission licensee to be
41 fined or have a license suspended or revoked shall be civilly liable for damages sustained by the
42 licensee. The court may award reasonable attorney fees to the prevailing party in an action under
43 this subsection.

44 (3) Subsection (2) of this section does not apply to a person under the age of 21 years who is
45 acting under the direction of the [*Oregon Liquor Control*] **Adult Substances Control** Commission

1 or under the direction of state or local law enforcement agencies for the purpose of investigating
 2 possible violations of laws prohibiting sales of alcoholic beverages to persons who are under the age
 3 of 21 years.

4 (4) Subsection (2) of this section does not apply to a person under the age of 21 years who is
 5 acting under the direction of a licensee for the purpose of investigating possible violations by em-
 6 ployees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the
 7 age of 21 years.

8 **SECTION 124.** ORS 471.605 is amended to read:

9 471.605. The state police, sheriffs, constables and all police officers within the State of Oregon
 10 shall enforce all provisions of the Liquor Control Act and assist the [*Oregon Liquor Control*] **Adult**
 11 **Substances Control** Commission in detecting violations of that statute and apprehending offenders.
 12 Each such enforcing officer having notice, knowledge or reasonable ground of suspicion of any vio-
 13 lation of that statute shall immediately notify the district attorney, and furnish the district attorney
 14 with names and addresses of any witnesses, or other information within the officer's knowledge, of
 15 such violation.

16 **SECTION 125.** ORS 471.610 is amended to read:

17 471.610. Whenever any officer arrests any person for violation of the Liquor Control Act, the
 18 officer may take into possession all alcoholic liquor and other property which the person so arrested
 19 has in possession, or on the premises, which is apparently being used in violation of that statute.
 20 If the person so arrested is convicted, and it is found that the liquor and other property has been
 21 used in violation of the law, the same shall be forfeited to the [*Oregon Liquor Control*] **Adult Sub-**
 22 **stances Control** Commission, and shall be delivered by the court or officer to the commission. The
 23 commission is authorized to destroy or make such other disposition thereof as it considers to be in
 24 the public interest. In any such case, all alcoholic liquor purchased or acquired from any source,
 25 and all property, including bars, glasses, mixers, lockers, chairs, tables, cash registers, music de-
 26 vices, gambling devices, furniture, furnishings, equipment and facilities for the mixing, storing,
 27 serving or drinking of alcoholic liquor shall be confiscated and forfeited to the state, and the clear
 28 proceeds shall be deposited with the State Treasury in the Common School Fund in the manner
 29 provided in this section.

30 **SECTION 126.** ORS 471.615 is amended to read:

31 471.615. The county courts, district attorneys and municipal authorities, immediately upon the
 32 conviction of any licensee of the [*Oregon Liquor Control*] **Adult Substances Control** Commission
 33 of a violation of any provision of the Liquor Control Act or the violation of any other law of this
 34 state or ordinance of any municipality therein, in which violation alcoholic liquor had any part,
 35 shall notify the commission thereof. Such officials shall notify the commission of any acts, practices
 36 or other conduct of any such licensee which may be subversive of the general welfare or contrary
 37 to the spirit of the Liquor Control Act and shall recommend such action on the part of the com-
 38 mission as will remove the evil.

39 **SECTION 127.** ORS 471.630 is amended to read:

40 471.630. The Attorney General, the [*Oregon Liquor Control*] **Adult Substances Control** Com-
 41 mission or its administrators, or the district attorney of the county wherein a nuisance as defined
 42 in ORS 471.620 exists, or where it has existed but has temporarily ceased and there is good and
 43 sufficient cause to believe that it will be maintained in the future, may institute an action in the
 44 circuit court for such county in the name of the state to abate, and to temporarily and permanently
 45 enjoin, such nuisance. The court has the right to make temporary and final orders as in other in-

1 junction proceedings. The plaintiff shall not be required to give bond in such action.

2 **SECTION 128.** ORS 471.645 is amended to read:

3 471.645. If a temporary injunction is granted, the court may issue further restraining orders as
4 described in ORS 471.635; and forthwith may issue an order closing such place against its use for
5 any purpose until the final decision, or the court may allow such place to be occupied or used during
6 the pendency of the injunction proceedings by requiring the defendants to furnish an irrevocable
7 letter of credit issued by an insured institution as defined in ORS 706.008 or a bond with sufficient
8 surety, to be approved by the court, in the penal sum of not less than \$2,500, payable to the state.
9 The bond or letter of credit shall be conditioned that alcoholic liquor will not be manufactured,
10 possessed, sold, served, bartered, or given away, or furnished, or otherwise disposed of thereon or
11 therein, or kept thereon or therein with the intent to sell, barter, serve, or give away, or otherwise
12 dispose of alcoholic liquor contrary to law, and that the defendants will pay all fines, costs and
13 damages assessed against them for any violation of such conditions. The State of Oregon in an
14 action brought by the Attorney General, the [*Oregon Liquor Control*] **Adult Substances Control**
15 Commission or its administrators, or the district attorney, may take whatever steps necessary to
16 recover the whole amount as a penalty for the use of the county wherein the premises are situated.

17 **SECTION 129.** ORS 471.666 is amended to read:

18 471.666. (1) The court, upon conviction of the person arrested under ORS 471.660, shall order the
19 alcoholic liquor delivered to the [*Oregon Liquor Control*] **Adult Substances Control** Commission,
20 and shall, subject to the ownership rights of innocent third parties, order a sale at public auction
21 by the sheriff of the county of the property seized. The sheriff, after deducting the expense of
22 keeping the property and the cost of sale, shall pay all the liens, according to their priorities, which
23 are established by intervention or otherwise at such hearing or in other proceedings brought for
24 that purpose, and shall pay the balance of the proceeds into the general fund of the county. No claim
25 of ownership or of any right, title or interest in or to such vehicle that is otherwise valid shall be
26 held invalid unless the state shows to the satisfaction of the court, by clear and convincing evidence,
27 that the claimant had knowledge that the vehicle was used or to be used in violation of law. All
28 liens against property sold under this section shall be transferred from the property to the proceeds
29 of the sale.

30 (2) If no person claims the vehicle or conveyance, the taking of the same and the description
31 thereof shall be advertised in some daily newspaper published in the city or county where taken,
32 or if no daily newspaper is published in such city or county, in a newspaper having weekly circu-
33 lation in the city or county, once a week for two weeks and by handbills posted in three public
34 places near the place of seizure, and shall likewise notify by mail the legal owner, in the case of
35 an automobile, if licensed by the State of Oregon, as shown by the name and address in the vehicle
36 registration records of the Department of Transportation. If no claimant appears within 10 days af-
37 ter the last publication of the advertisement, the property shall be sold and the proceeds, after de-
38 ducting the expenses and costs, shall be paid into the general fund of the county.

39 **SECTION 130.** ORS 471.695 is amended to read:

40 471.695. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may require
41 each applicant for a full or limited on-premises sales license to submit to fingerprinting. If the ap-
42 plicant is a corporation, the fingerprints of each officer, director and major stockholder of the cor-
43 poration may be required by the commission. Prior to approving any change in officers, directors
44 or major stockholders, the commission may require the fingerprints of the new officials.

45 (2) The commission shall require that all employees of the commission who work in the licensing

1 or enforcement divisions or who have access to criminal background information be fingerprinted.

2 (3) Fingerprints acquired under this section may be used for the purpose of requesting state or
3 nationwide criminal records checks under ORS 181.534.

4 (4) As used in this section, "major stockholder" means any person who owns, directly or indi-
5 rectly, more than 10 percent of any class of any equity security of the corporation.

6 **SECTION 131.** ORS 471.700 is amended to read:

7 471.700. In carrying out its duties under ORS 471.315, the [*Oregon Liquor Control*] **Adult Sub-**
8 **stances Control** Commission shall not suspend or cancel a license on grounds of any violation of
9 ORS 167.108 to 167.164 until:

10 (1) The licensee has been convicted thereof in a court of competent jurisdiction; or

11 (2) An employee of the licensee has been convicted thereof in a court of competent jurisdiction
12 and the violation occurred on the licensed premises.

13 **SECTION 132.** ORS 471.703 is amended to read:

14 471.703. (1) The police shall notify the [*Oregon Liquor Control*] **Adult Substances Control**
15 Commission of the name of the alleged provider of alcoholic liquor when:

16 (a) The police investigate any motor vehicle accident where someone other than the operator
17 is injured or incurs property damage;

18 (b) The operator appears to have consumed alcoholic liquor;

19 (c) A citation is issued against the operator that is related to the consumption of alcoholic li-
20 quor or could have been issued if the operator had survived; and

21 (d) The provider of the alcoholic liquor is alleged to be a licensee or permittee of the commis-
22 sion.

23 (2) The notice shall include the name and address of the operator involved and the name and
24 address of the person who named the alleged provider, if the person is other than the operator.

25 (3) Upon receipt of the notice described in subsection (1) of this section, the commission shall
26 cause the licensee or permittee named as the alleged provider to be notified of receipt of the notice
27 and of its content. A copy of the notice shall be retained in the files of the commission and shall
28 be open to inspection by the person injured or damaged by the motor vehicle operator or a repre-
29 sentative of the person.

30 (4) The police shall notify the alleged social host when the circumstances described in sub-
31 section (1) of this section occur and the alleged social host is named as the provider of the alcoholic
32 liquor. The notice shall include the information described in subsection (2) of this section.

33 **SECTION 133.** ORS 471.710 is amended to read:

34 471.710. (1) The Governor may remove any commissioner for inefficiency, neglect of duty, or
35 misconduct in office, giving to the commissioner a copy of the charges made and an opportunity of
36 being publicly heard in person or by counsel, in the commissioner's own defense, upon not less than
37 10 days' notice. If such commissioner is removed, the Governor shall file in the office of the Secre-
38 tary of State a complete statement of all charges made against such commissioner, the findings
39 thereon, and a complete record of the proceedings.

40 (2) No person, other than the member appointed in accordance with ORS 471.705 who is desig-
41 nated from the food and alcoholic beverage retail industry, is eligible to hold the office of commis-
42 sioner, or to be employed by the [*Oregon Liquor Control*] **Adult Substances Control** Commission
43 if:

44 (a) The person has any financial interest in any business licensed by the commission or in any
45 business which manufactures alcoholic beverages sold in Oregon;

1 (b) Anyone in the person's household or immediate family has a financial interest described in
2 paragraph (a) of this subsection;

3 (c) Anyone in the person's household or immediate family is employed by a business licensed by
4 the commission, unless the person is not in a position to take action or make decisions which could
5 affect the licensed business; or

6 (d) The person or anyone in the person's household or immediate family has a business con-
7 nection with any business licensed by the commission, unless the person is not in a position to take
8 action or make decisions which could affect the licensed business.

9 (3)(a) A retail sales agent appointed by the commission, or a person in the household or imme-
10 diate family of a retail sales agent, may not have any financial interest in or business connection
11 with:

12 (A) A person or business that is licensed as a distillery;

13 (B) A person or business that holds a full on-premises sales license; or

14 (C) A distillery whose products are sold in Oregon.

15 (b) Paragraph (a) of this subsection does not apply to a distillery retail outlet agent appointed
16 by the commission under ORS 471.230.

17 (4) Nothing in this section prohibits a person from having a financial interest resulting from
18 investments made by the Public Employees Retirement System or through mutual funds, blind trusts
19 or similar investments where the person does not exercise control over the nature, amount or timing
20 of the investment.

21 (5) The commission by rule may establish additional restrictions to prohibit potential conflicts
22 of interest. The commission by rule shall define "immediate family" and "business connection" as
23 used in this section.

24 **SECTION 134.** ORS 471.715 is amended to read:

25 471.715. (1) The member from the food and alcoholic beverage retail industry shall not serve as
26 chairperson. The chairperson shall preside at all meetings of the [*Oregon Liquor Control*] **Adult**
27 **Substances Control** Commission or, in the chairperson's absence, some other member may serve
28 as chairperson.

29 (2) The commission shall meet at such times and places within this state as it determines. A
30 majority of the commissioners constitutes a quorum for the transaction of any business, for the
31 performance of any duty or for the exercise of any power of the commission.

32 **SECTION 135.** ORS 471.720 is amended to read:

33 471.720. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall appoint an
34 administrator who shall serve at its discretion. The administrator shall be subject to policy direction
35 by the commissioners, and shall be the secretary of the commission and custodian of commission
36 records. The administrator shall manage the commission, administer the laws, and appoint, assign
37 and coordinate personnel of the commission within budget limitations and the State Personnel Re-
38 lations Law.

39 **SECTION 136.** ORS 471.725 is amended to read:

40 471.725. The function, duties and powers of the [*Oregon Liquor Control*] **Adult Substances**
41 **Control** Commission include the following:

42 (1) To buy, have in its possession, bottle, blend, rectify, transport and sell, for present or future
43 delivery, in its own name, alcoholic liquor in the manner set forth in this chapter.

44 (2) To purchase, acquire, rent, lease or occupy any building, rooms, stores or land and acquire,
45 own, lease and sell equipment and fixtures required for its operations.

1 (3) To lease or sublet to others property which it acquires or owns and which is not immediately
 2 required for its operations. However, no real property shall be purchased without the consent and
 3 approval of the Governor.

4 (4) To borrow money, guarantee the payment thereof and of the interest thereon, by the transfer
 5 or pledge of goods or in any other manner required or permitted by law.

6 (5) To issue, sign, indorse and accept checks, promissory notes, bills of exchange and other ne-
 7 gotiable instruments.

8 (6) In the event the United States Government provides any plan or method whereby the taxes
 9 upon alcoholic liquors are collected at the source, to enter into any and all contracts and comply
 10 with all regulations, even to the extent of partially or wholly abrogating any statutory provisions
 11 which might be in conflict with federal law or regulations, to the end that the commission receives
 12 the portion thereof allocated to this state, to be distributed as provided by statute.

13 (7) To secure and pay for such policies of insurance as may be necessary to adequately protect
 14 it from loss by fire, theft or other casualty.

15 **SECTION 137.** ORS 471.730 is amended to read:

16 471.730. The function, duties and powers of the [*Oregon Liquor Control*] **Adult Substances**
 17 **Control** Commission include the following:

18 (1) To control the manufacture, possession, sale, purchase, transportation, importation and de-
 19 livery of alcoholic liquor in accordance with the provisions of this chapter and ORS 474.105 and
 20 474.115.

21 (2) To grant, refuse, suspend or cancel licenses and permits for the sale or manufacture of al-
 22 coholic liquor, or other licenses and permits in regard thereto, and to permit, in its discretion, the
 23 transfer of a license of any person.

24 (3) To collect the taxes and duties imposed by statutes relating to alcoholic liquors, and to issue,
 25 and provide for cancellation, stamps and other devices as evidence of payment of such taxes or du-
 26 ties.

27 (4) To investigate and aid in the prosecution of every violation of statutes relating to alcoholic
 28 liquors, to seize alcoholic liquor manufactured, sold, kept, imported or transported in contravention
 29 of this chapter and ORS 474.105 and 474.115, and apply for the confiscation thereof, whenever re-
 30 quired by statute, and cooperate in the prosecution of offenders before any court of competent ju-
 31 risdiction.

32 (5) To adopt such regulations as are necessary and feasible for carrying out the provisions of
 33 this chapter and ORS 474.105 and 474.115 and to amend or repeal such regulations. When such
 34 regulations are adopted they shall have the full force and effect of law.

35 (6) To exercise all powers incidental, convenient or necessary to enable it to administer or carry
 36 out any of the provisions of this chapter and ORS 474.105 and 474.115.

37 (7) To control, regulate and prohibit any advertising by manufacturers, wholesalers or retailers
 38 of alcoholic liquor by the medium of newspapers, letters, billboards, radio or otherwise.

39 (8) To sell, license, regulate and control the use of alcohol for scientific, pharmaceutical, man-
 40 ufacturing, mechanical, industrial and other purposes, and to provide by regulation for the sale
 41 thereof for such uses.

42 **SECTION 138.** ORS 471.732 is amended to read:

43 471.732. (1) The Legislative Assembly finds and declares that the regulation of health and sani-
 44 tation matters in premises licensed by the [*Oregon Liquor Control*] **Adult Substances Control**
 45 Commission under this chapter can best be performed by the Oregon Health Authority and the State

1 Department of Agriculture.

2 (2) It is the policy of the Legislative Assembly and the intent of ORS 471.333 and 624.010 and
3 this section that premises licensed by the [*Oregon Liquor Control*] **Adult Substances Control**
4 Commission under this chapter shall be subject to the laws governing health and sanitation matters,
5 including any applicable licensing requirements, and to the rules adopted thereunder by the au-
6 thority and the department.

7 **SECTION 139.** ORS 471.735 is amended to read:

8 471.735. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall have the
9 power to investigate by sample or chemical analysis, the quality of all wines manufactured, im-
10 ported, sold or offered for sale within this state, and to seize, confiscate and destroy all wines sold
11 or offered for sale within this state which do not conform in all respects to the minimum standards
12 provided for by the laws of this state.

13 **SECTION 140.** ORS 471.740 is amended to read:

14 471.740. Except as provided in this chapter, the [*Oregon Liquor Control*] **Adult Substances**
15 **Control** Commission is vested with the exclusive right to purchase, sell, have in possession for sale,
16 import or transport alcoholic beverages.

17 **SECTION 141.** ORS 471.745 is amended to read:

18 471.745. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall fix the prices
19 at which alcoholic liquors containing over five percent alcohol by volume may be purchased from
20 it, and has power to bottle, blend, rectify, manufacture or sell alcoholic liquors for itself, or for or
21 to any person or commission within or without this state.

22 **SECTION 142.** ORS 471.750 is amended to read:

23 471.750. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall establish
24 such stores and warehouses in such places in the state as in its judgment are required by public
25 convenience or necessity, for the sale of spirituous liquors, wines and other alcoholic liquors con-
26 taining over five percent alcohol by volume, in sealed containers for consumption off the premises.
27 The commission shall keep on hand in such stores or warehouses such quantities and kinds of al-
28 coholic liquors as are reasonably required to supply the public demand.

29 (2) Any person qualified to purchase such liquors from the commission has the right to present
30 to the commission, or at any of its stores, an application for any kind or brand of alcoholic liquor
31 that the person may desire and that may be manufactured or obtainable in any place in the United
32 States, and the commission shall obtain such liquor and sell it to the applicant. The commission may
33 not require that an application for a kind or brand of alcoholic liquor include a commitment to
34 purchase a minimum amount of the liquor or require that a purchase be for more than one container
35 of a kind or brand of alcoholic liquor if the liquor:

36 (a) Except as provided in subsection (5) of this section, has a retail sales price of \$30 or more
37 per container;

38 (b) Is available through a distributor in the United States that does not require the commission
39 to acquire more than one case of the distilled liquor in a single transaction;

40 (c) Is not regularly stocked by the commission; and

41 (d) Is ordered in a 750 milliliter container size if available in that size.

42 (3) The commission may not establish a store in any county or incorporated city of this state
43 where a local prohibitory law is in effect. The commission shall adopt rules governing advertising
44 by stores operated by the commission. The commission may appoint agents in the sale of said liquor
45 under such agreement as the commission may negotiate with said agents or their representative.

1 (4) Rules relating to advertising adopted by the commission under subsection (3) of this section
2 shall allow signs and displays within its stores for the purpose of supplying consumer information
3 to customers, including but not limited to discounts, sales and other specials. Commission discretion
4 with respect to those signs and displays shall be limited to regulation of the content, size, number
5 per brand, type and duration of the sign or display. Signs and displays may be supplied by man-
6 ufacturers, wholesalers or distributors, and may bear the name of a particular distillery, supplier
7 or brand of liquor. The use of signs and displays shall be optional with the agent appointed by the
8 commission. Signs or displays authorized by the commission may not be placed in positions within
9 the store where the sign or display would be readily visible from outside of the store.

10 (5) The commission may annually adjust the price threshold established in subsection (2)(a) of
11 this section by a percentage equal to the percentage change in the Portland-Salem, OR-WA Con-
12 sumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor
13 Statistics of the United States Department of Labor. However, the commission may not adjust the
14 price threshold to be less than \$30.

15 **SECTION 143.** ORS 471.752 is amended to read:

16 471.752. (1) An agent appointed under ORS 471.750 may participate in a health benefit plan
17 available to state employees pursuant to ORS 243.105 to 243.285 at the expense of the agent and
18 may participate in the state deferred compensation plan established under ORS 243.401 to 243.507.
19 For such purposes, agents shall be considered eligible state employees.

20 (2) A person who is the surviving spouse or child of a deceased agent or the spouse or child of
21 an agent of the [*Oregon Liquor Control*] **Adult Substances Control** Commission who has a disability
22 shall be given preference in the appointment of a successor agent, if otherwise qualified, the spouse
23 having greater preference. The experience of such applicant in the business operation of the de-
24 ceased agent or the agent who has a disability shall be the primary consideration in determining the
25 qualifications of the applicant.

26 **SECTION 144.** ORS 471.754 is amended to read:

27 471.754. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall develop re-
28 cycling education materials for distribution through stores established by the commission under ORS
29 471.750 that encourage the patrons of the store to recycle bottles sold through the stores.

30 **SECTION 145.** ORS 471.757 is amended to read:

31 471.757. (1) At such times as the [*Oregon Liquor Control*] **Adult Substances Control** Commis-
32 sion may prescribe and upon forms furnished by the commission, any license applicant or licensee
33 of the commission may be required to submit a sworn statement to the commission showing the
34 name, address and the nature and extent of the financial interest of each person, individual and
35 corporate, having a financial interest in the business operated under the license.

36 (2) The commission shall review the statement and may refuse to issue a license to any license
37 applicant, or may suspend, cancel or refuse to renew the license of any licensee, when conditions
38 exist in relation to any person having a financial interest in the business or in the place of business
39 which would constitute grounds for refusing to issue a license or for cancellation or suspension of
40 a license if such person were the license applicant or licensee. However, in cases where the finan-
41 cial interest is held by a corporation, only the officers and directors of the corporation, any indi-
42 vidual or combination of individuals who own a controlling financial interest in the business and
43 any manager of the business shall be considered persons having a financial interest within the
44 meaning of this subsection.

45 **SECTION 146.** ORS 471.760 is amended to read:

1 471.760. Each member of the [*Oregon Liquor Control*] **Adult Substances Control** Commission,
2 or any of its authorized agents, shall, for the purposes contemplated by this chapter and ORS 474.105
3 and 474.115, have power to issue subpoenas, compel the attendance of witnesses, administer oaths,
4 certify to official acts, take depositions within or without this state, as provided by law, and compel
5 the production of pertinent books, payrolls, accounts, papers, records, documents and testimony.

6 **SECTION 147.** ORS 471.765 is amended to read:

7 471.765. If a person in attendance before the [*Oregon Liquor Control*] **Adult Substances Control**
8 Commission or a commissioner refuses, without reasonable cause, to be examined or to answer a
9 legal and pertinent question, or to produce a book or paper when ordered so to do by the commis-
10 sion, the commission may apply to the judge of the circuit court of any county where such person
11 is in attendance, upon proof by affidavit of the fact, for a rule or order returnable in not less than
12 two nor more than five days, directing such person to show cause before the judge who made the
13 order, or any other judge of such county, why the person should not be punished for contempt. Upon
14 the return of such order, the judge shall examine such person under oath and the person shall be
15 given an opportunity to be heard. If the judge determines that such person has refused, without
16 reasonable cause or legal excuse, to be examined or to answer a legal or pertinent question, or to
17 produce a book or paper which the person was ordered to bring or produce, the judge may forthwith
18 punish the offender for contempt of court.

19 **SECTION 148.** ORS 471.770 is amended to read:

20 471.770. No person shall be excused from testifying or from producing any books, papers or
21 documents in any investigation or inquiry by or upon any hearing before the [*Oregon Liquor*
22 *Control*] **Adult Substances Control** Commission or any commissioner when ordered so to do by the
23 commission or any of its authorized agents, upon the ground that the testimony, evidence, books,
24 papers or documents required of the person may tend to incriminate the person or subject the per-
25 son to penalty or forfeiture. No person shall be prosecuted, punished or subjected to any penalty
26 or forfeiture for or on account of any act, transaction, matter or thing concerning which the person
27 shall, under oath, have, by order of the commission, or a commissioner, or any of its authorized
28 agents, testified to or produced documentary evidence of; but no person so testifying shall be exempt
29 from prosecution or punishment for any perjury committed by the person in testimony.

30 **SECTION 149.** ORS 471.775 is amended to read:

31 471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of
32 the [*Oregon Liquor Control*] **Adult Substances Control** Commission or any of its authorized agents.

33 (2) Liquor enforcement inspectors have authority as provided under this chapter, ORS chapter
34 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.239 and
35 161.245 and chapter 743, Oregon Laws 1971, to conduct inspections or investigations, make arrests
36 and seizures, aid in prosecutions for offenses, issue criminal citations and citations for violations
37 and otherwise enforce this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any
38 other laws of this state that the commission considers related to alcoholic liquor, including but not
39 limited to laws regarding the manufacture, importation, transportation, possession, distribution, sale
40 or consumption of alcoholic beverages, the manufacture or use of false identification or the entry
41 of premises licensed to sell alcoholic liquor.

42 **SECTION 150.** ORS 471.790 is amended to read:

43 471.790. No member of the [*Oregon Liquor Control*] **Adult Substances Control** Commission may
44 be sued for doing or omitting to do any act in the performance of duties as prescribed in the Liquor
45 Control Act. No member of the commission personally shall be liable for any loss caused by the

1 default or failure of the depository of funds of the commission. All funds of the commission deposited
2 in any bank or trust company are entitled to priority of payment as public funds of the state, if the
3 commission funds are only kept in depositories designated by the State Treasurer and under security
4 of the same character required by law for depositories of state funds.

5 **SECTION 151.** ORS 471.795 is amended to read:

6 471.795. No provision of the Liquor Control Act prevents any member or employee of the
7 [*Oregon Liquor Control*] **Adult Substances Control** Commission from purchasing and keeping in
8 possession, for the personal use of self or members of the family of the member or employee, any
9 alcoholic liquor in the same manner as it may be purchased or kept by any other person under that
10 statute.

11 **SECTION 152.** ORS 471.800 is amended to read:

12 471.800. If by the laws of another state or by the rules and regulations of any administrative
13 body or authorized agency thereof or therein, market restrictions are imposed that prevent or tend
14 to prevent the sale of wine manufactured in Oregon in free and unrestricted competition with like
15 kinds of wine manufactured in such other state, the [*Oregon Liquor Control*] **Adult Substances**
16 **Control** Commission is authorized and directed to impose similar restrictions in Oregon upon such
17 wine manufactured in such other state and offered for sale in Oregon.

18 **SECTION 153.** ORS 471.810 is amended to read:

19 471.810. (1) At the end of each month, the [*Oregon Liquor Control*] **Adult Substances Control**
20 Commission shall certify the amount of moneys available for distribution in the Oregon Liquor
21 Control [*Commission*] Account and, after withholding such moneys as it may deem necessary to pay
22 its outstanding obligations, shall within 35 days of the month for which a distribution is made direct
23 the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of
24 Administrative Services, as follows:

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

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

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

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

35 (2) The commission shall direct the Oregon Department of Administrative Services to transfer
36 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health
37 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS
38 430.380.

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

1 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

2 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal
3 year an amount less than the amount distributed to the city or county in accordance with ORS
4 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
5 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
6 If the population declined, the per capita distribution to the city or county shall be not less than
7 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to
8 maintain the level of distribution under this subsection shall be paid from funds credited under
9 subsection (1)(a) of this section.

10 **SECTION 154.** ORS 471.817 is amended to read:

11 471.817. Each nonprofit organization formed by licensees to provide alternative transportation
12 for patrons of the licensees shall report annually to the [*Oregon Liquor Control*] **Adult Substances**
13 **Control** Commission. The commission may acknowledge receipt of the notice and shall keep a list
14 of such organizations that have given notice. The commission shall provide information to the De-
15 partment of Revenue on request for purposes of sections 2 and 4, chapter 700, Oregon Laws 1985.

16 **SECTION 155.** ORS 473.020 is amended to read:

17 473.020. The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall administer
18 this chapter, and shall prescribe forms and make such rules and regulations as it deems necessary
19 to enforce its provisions.

20 **SECTION 156.** ORS 473.030 is amended to read:

21 473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
22 as an importing distributor of malt beverages at the rate of \$2.60 per barrel of 31 gallons on all such
23 beverages.

24 (2) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an im-
25 porting distributor of wines at the rate of 65 cents per gallon on all such beverages.

26 (3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an im-
27 porting distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the
28 rate of 10 cents per gallon.

29 (4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer
30 or an importing distributor of wines shall be taxed at the rate of two cents per gallon.
31 Notwithstanding any other provision of law, all moneys collected by the [*Oregon Liquor Control*]
32 **Adult Substances Control** Commission pursuant to this subsection shall be paid into the account
33 established by the Oregon Wine Board under ORS 182.470.

34 (5) The rates of tax imposed by this section upon malt beverages apply proportionately to
35 quantities in containers of less capacity than those quantities specified in this section.

36 (6) The taxes imposed by this section shall be measured by the volume of wine or malt beverages
37 produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold
38 and in the possession of the producer at the plant where it was produced, no tax imposed or levied
39 by this section is required to be paid until the wine or malt beverage has become sufficiently aged
40 for marketing at retail, but this subsection shall not be construed so as to alter or affect any pro-
41 vision of this chapter relating to tax liens or the filing of statements.

42 **SECTION 157.** ORS 473.045 is amended to read:

43 473.045. (1) A tax is hereby imposed upon the sale or use of all agricultural products used in a
44 winery for making wine.

45 (2) The amount of the tax shall be \$25 per ton of grapes of the vinifera varieties, whether true

1 or hybrid.

2 (3) An equivalent tax is imposed upon the sale or use of vinifera or hybrid grape products im-
3 ported for use in a winery licensed under ORS chapter 471 for making wine. Such tax shall be \$25
4 per ton of grapes used to produce the imported grape product. The tax shall be determined on the
5 basis of one ton of grapes for each 150 gallons of wine made from such vinifera or hybrid grape
6 products.

7 (4) A tax on the sale or use of products that are not subject to subsection (2) or (3) of this
8 section that are used to make wine in this state shall be imposed at a rate of \$.021 per gallon of
9 wine made from those products.

10 (5) In the case of vinifera or hybrid grape products harvested in this state, \$12.50 of such tax
11 shall be levied and assessed against the person selling or providing such grape products to the
12 winery. If the purchasing winery is licensed under ORS chapter 471, that winery shall deduct the
13 tax levied under this subsection from the price paid to the seller. If the purchasing winery is not
14 licensed under ORS chapter 471, the seller shall report all sales on forms provided by the [*Oregon*
15 *Liquor Control*] **Adult Substances Control** Commission and pay \$12.50 per ton as a tax directly to
16 the commission.

17 (6) Taxes paid by sellers under subsection (5) of this section shall be collected by the [*Oregon*
18 *Liquor Control*] **Adult Substances Control** Commission on behalf of the Oregon Wine Board. The
19 commission may retain an amount sufficient to cover the cost of collecting the taxes paid under
20 subsection (5) of this section and shall transfer the remainder of those taxes to the board for deposit
21 as provided in ORS 576.775. Failure to pay a tax imposed under subsection (5) of this section sub-
22 jects the violator to the penalty provided in ORS 473.992.

23 (7) Except for the tax specified in subsection (4) of this section the taxes specified under this
24 section shall be levied and assessed to the licensed winery at the time of purchase of the product
25 by the winery or of importation of the product, whichever is later. The tax specified in subsection
26 (4) of this section shall be levied and assessed to the licensed winery at the time the wine is made.

27 (8) The taxes imposed by this section shall be paid by the licensed winery and collected by the
28 commission subject to the same powers as taxes imposed and collected under ORS chapter 473. The
29 tax obligation for a calendar year shall be paid in two installments. Half shall be due on December
30 31 of the current calendar year. The remaining half shall be due the following June 30.

31 **SECTION 158.** ORS 473.047 is amended to read:

32 473.047. (1) As used in this section, "qualified marketing activity" means marketing activity:

33 (a) That promotes the sale of wine or wine products;

34 (b) That does not promote specific brands of wine or wine products or exclusively promote the
35 products of any particular winery; and

36 (c) That has been approved by the Oregon Wine Board.

37 (2) A credit against the privilege tax otherwise due under ORS 473.030 (2) is allowed to a man-
38 ufacturer or importing distributor of wine for the qualified marketing activity expenditures made by
39 the manufacturer or importing distributor in the calendar year prior to the year for which the credit
40 is claimed.

41 (3) The credit allowed under this section shall be 28 percent of the sum of the following:

42 (a) One hundred percent of the cost of qualified marketing activity to the extent that the cost
43 of the activity does not exceed the amount of taxes the manufacturer or importing distributor of
44 wine owed under ORS 473.030 (2) on the first 40,000 gallons, or 151,000 liters, of wine sold annually
45 in Oregon; and

1 (b) Twenty-five percent of the tax owed under ORS 473.030 (2) for qualified marketing activity
2 on wine sales above 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon.

3 (4) The credit allowed under this section may not exceed the tax liability of the manufacturer
4 or importing distributor of wine under ORS 473.030 (2) for the calendar year following the year in
5 which qualified marketing activity occurred.

6 (5) A manufacturer or importing distributor of wine that wishes to claim the credit allowed un-
7 der this section shall submit with the manufacturer's or importing distributor's tax return form a
8 certificate issued by the board verifying that the marketing activity was a qualified marketing ac-
9 tivity. The credit shall be claimed on the form and include the information required by the [*Oregon*
10 *Liquor Control*] **Adult Substances Control** Commission by rule.

11 (6) The credit shall be claimed against the taxes reported on the return filed under ORS 473.060
12 for each month in the calendar year following the year in which the qualified marketing activity
13 occurred, until the credit is completely used or the year ends, whichever occurs first.

14 (7) The board shall by rule further define, consistent with the definition in subsection (1) of this
15 section, the marketing activities that constitute qualified marketing activity.

16 **SECTION 159.** ORS 473.050 is amended to read:

17 473.050. In computing any privilege tax imposed by ORS 473.030 or 473.035:

18 (1) No malt beverage, cider or wine is subject to tax more than once.

19 (2) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine sold to
20 the [*Oregon Liquor Control*] **Adult Substances Control** Commission or exported from the state.

21 (3) No tax shall be levied, collected or imposed upon any malt beverage given away and con-
22 sumed on the licensed premises of a brewery licensee, or sold to or by a voluntary nonincorporated
23 organization of army, air corps or navy personnel operating a place for the sale of goods pursuant
24 to regulations promulgated by the proper authority of each such service.

25 (4) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine deter-
26 mined by the commission to be unfit for human consumption or unsalable.

27 (5) No tax shall be levied, collected or imposed upon the first 40,000 gallons, or 151,000 liters,
28 of wine sold annually in Oregon from a United States manufacturer of wines producing less than
29 100,000 gallons, or 379,000 liters, annually.

30 **SECTION 160.** ORS 473.060 is amended to read:

31 473.060. (1) The privilege taxes imposed by ORS 473.030 and 473.035 shall be paid to the [*Oregon*
32 *Liquor Control*] **Adult Substances Control** Commission. The taxes covering the periods for which
33 statements are required to be rendered by ORS 473.070 shall be paid before the time for filing such
34 statements expires or, as concerns wines, on or before the 20th day of the month after such wines
35 have been withdrawn from federal bond. If not so paid, a penalty of 10 percent and interest at the
36 rate of one percent a month or fraction of a month shall be added and collected. The commission
37 may refund any tax payment imposed upon or paid in error by any licensee, and may waive the
38 collection or refund the payment of any tax imposed and collected on wine, cider or malt beverages
39 subsequently exported from this state, sold to a federal instrumentality or to the commission, or
40 determined by the commission to be unfit for human consumption or unsalable.

41 (2) The commission may waive any interest or penalty assessed to a manufacturer subject to the
42 tax imposed under ORS 473.030 or 473.035 if the commission, in its discretion, determines that the
43 manufacturer has made a good faith attempt to comply with the requirements of this chapter.

44 (3) Except in the case of fraud, the commission may not assess any interest or penalty on any
45 tax due under ORS 473.030 or 473.035 following the expiration of 36 months from the date on which

1 was filed the statement required under ORS 473.070 reporting the quantity of wine, cider or malt
2 beverages upon which the tax is due.

3 (4) A manufacturer may appeal a tax imposed under ORS 473.030 or 473.035 in the manner of a
4 contested case under ORS chapter 183.

5 **SECTION 161.** ORS 473.065 is amended to read:

6 473.065. (1) If a manufacturer's total tax liability under ORS 473.030 (1) in the previous calendar
7 year was less than \$1,000, the manufacturer may deposit with the [*Oregon Liquor Control*] **Adult**
8 **Substances Control** Commission an amount in cash equal to the manufacturer's total tax liability
9 under ORS 473.030 (1) for the previous calendar year in lieu of the bond required by ORS 471.155
10 (1).

11 (2) If a manufacturer's actual tax liability under ORS 473.030 (1) is less than the amount de-
12 posited under subsection (1) of this section, the manufacturer may request that the commission re-
13 fund the excess funds or may apply those funds toward the manufacturer's tax liability under ORS
14 473.030 (1) for the next calendar year.

15 (3) If a manufacturer's actual tax liability under ORS 473.030 (1) is greater than the amount
16 deposited under subsection (1) of this section, the manufacturer shall pay to the commission the
17 additional amount owed in the manner required under ORS 473.060.

18 (4) Unless the commission determines that a winery, grower sales privilege or warehouse
19 licensee or direct shipper or wine self-distribution permit holder presents an unusual risk for non-
20 payment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or
21 interest imposed under this chapter or ORS chapter 471, the commission shall waive the bond re-
22 quired under ORS 471.155 (1) for the licensee or permit holder if:

23 (a) The licensee or permit holder was not liable for a privilege tax under this chapter in the
24 immediately preceding calendar year and does not expect to be liable for a privilege tax under this
25 chapter in the current calendar year; or

26 (b) The licensee or permit holder of a business established during the current calendar year does
27 not expect to be liable for a privilege tax under this chapter in the current calendar year. As used
28 in this paragraph, "business" means:

29 (A) A winery.

30 (B) A business operated pursuant to a license issued under ORS 471.227.

31 (C) A warehouse.

32 (D) A business operated pursuant to a permit issued under ORS 471.274.

33 (E) A business operated pursuant to a permit issued under ORS 471.282.

34 **SECTION 162.** ORS 473.070 is amended to read:

35 473.070. (1) On or before the 20th day of each month, every manufacturer shall file with the
36 [*Oregon Liquor Control*] **Adult Substances Control** Commission a statement of the quantity of wine,
37 cider and malt beverages produced, purchased or received by the manufacturer during the preceding
38 calendar month.

39 (2) Notwithstanding subsection (1) of this section, a manufacturer of wine that was not liable for
40 a privilege tax under this chapter in the prior calendar year and that does not expect to be liable
41 for a privilege tax under this chapter in the current calendar year, or a manufacturer of wine that
42 is newly established during the current calendar year and that does not expect to be liable for a
43 privilege tax under this chapter in the current calendar year, may file a single annual statement of
44 the quantity of wine produced, purchased or received by the manufacturer during the current cal-
45 endar year. The annual statement shall be filed with the commission on or before January 20 of the

1 following year.

2 **SECTION 163.** ORS 473.080 is amended to read:

3 473.080. If any manufacturer fails, neglects or refuses to file a statement required by ORS
4 473.070 or files a false statement, the [*Oregon Liquor Control*] **Adult Substances Control** Commis-
5 sion shall estimate the amount of wine, cider and malt beverages produced, purchased or received
6 by the manufacturer and assess the privilege tax thereon. The manufacturer shall be estopped from
7 complaining of the amount so estimated.

8 **SECTION 164.** ORS 473.100 is amended to read:

9 473.100. (1) Whenever any manufacturer is delinquent in the payment of the privilege tax pro-
10 vided for in ORS 473.030 and 473.035, the [*Oregon Liquor Control*] **Adult Substances Control**
11 Commission or its duly authorized representative shall seize any property subject to the tax and sell,
12 at public auction, property so seized, or a sufficient portion thereof to pay the privilege tax due,
13 together with any penalties imposed under ORS 473.060 for such delinquency and all costs incurred
14 on account of the seizure and sale.

15 (2) Written notice of the intended sale and the time and place thereof, shall be given to such
16 delinquent manufacturer and to all persons appearing of record to have an interest in the property,
17 at least 10 days before the date set for the sale. The notice shall be enclosed in an envelope ad-
18 dressed to the manufacturer at the last-known residence or place of business of the manufacturer
19 in this state, if any; and in the case of any person appearing of record to have an interest in such
20 property, addressed to such person at the last-known place of residence of the person, if any. The
21 envelope shall be deposited in the United States mail, postage prepaid. In addition, notice shall be
22 published for at least 10 days before the date set for such sale, in a newspaper of general circulation
23 published in the county in which the property seized is to be sold. If there is no newspaper of gen-
24 eral circulation in such county, the notice shall be posted in three public places in such county for
25 the 10-day period. The notice shall contain a description of the property to be sold, a statement of
26 the amount of the privilege taxes, penalties and costs, the name of the manufacturer and the further
27 statement that, unless the privilege taxes, penalties and costs are paid on or before the time fixed
28 in the notice for the sale, the property, or so much thereof as may be necessary, will be sold in
29 accordance with law and the notice.

30 **SECTION 165.** ORS 473.110 is amended to read:

31 473.110. At the sale, the property shall be sold by the [*Oregon Liquor Control*] **Adult Sub-**
32 **stances Control** Commission or by its duly authorized agent in accordance with law and the notice.
33 The commission shall deliver to the purchaser a bill of sale for the personal property, and a deed
34 for any real property so sold. The bill of sale or deed vests title in the purchaser. The unsold por-
35 tion of any property seized under ORS 473.100 may be left at the place of sale at the risk of the
36 manufacturer. If upon any such sale, the money received exceeds the amount of all privilege taxes,
37 penalties and costs due the state from the manufacturer, the excess shall be returned to the man-
38 ufacturer, and a receipt therefor obtained. However, if any person having an interest in or lien upon
39 the property has filed with the commission, prior to the sale, notice of interest or lien, the com-
40 mission shall withhold any such excess pending a determination of the rights of the respective par-
41 ties thereto by a court of competent jurisdiction. If the receipt of the manufacturer is not available,
42 the commission shall deposit such excess money with the State Treasurer, as trustee for the owner,
43 subject to the order of the manufacturer, the heirs, successors or assigns of the manufacturer.

44 **SECTION 166.** ORS 473.120 is amended to read:

45 473.120. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall imme-

1 diately transmit notice of the delinquency mentioned in ORS 473.100 to the Attorney General. The
 2 Attorney General shall at once proceed to collect all sums due to the state from the manufacturer
 3 under this chapter by bringing suit against the necessary parties to effect forfeiture of the bonds
 4 of the manufacturer, reducing any deficiency to judgment against the manufacturer.

5 (2) The remedies of the state provided in ORS 473.090 to 473.120 are cumulative and no action
 6 taken by the commission or Attorney General constitutes an election on the part of the state or any
 7 of its officers to pursue one remedy to the exclusion of any other remedy provided in this chapter.

8 **SECTION 167.** ORS 473.130 is amended to read:

9 473.130. In any suit brought to enforce the rights of the state, the assessment made by the
 10 [*Oregon Liquor Control*] **Adult Substances Control** Commission under ORS 473.080, or a copy of
 11 so much thereof as is applicable in such suit, duly certified by the commission and showing unpaid
 12 privilege taxes assessed against any manufacturer, is prima facie evidence:

13 (1) Of the assessment of the privilege tax and the delinquency thereof.

14 (2) Of the amount of the privilege tax, interest, penalties and costs due and unpaid to the state.

15 (3) That the manufacturer is indebted to this state in the amount of such privilege tax, interest
 16 and penalties therein appearing unpaid.

17 (4) That the law relating to assessment and levy of such privilege tax has been fully complied
 18 with by all persons required to perform administrative duties under this chapter.

19 **SECTION 168.** ORS 473.140 is amended to read:

20 473.140. Every manufacturer shall keep a complete and accurate record of all sales of wine,
 21 cider and malt beverages, a complete and accurate record of the number of gallons imported,
 22 produced, purchased, manufactured, brewed or fermented, and the date of importation, production,
 23 purchase, manufacturing, brewing or fermentation. The records shall be in such form and contain
 24 such other information as the [*Oregon Liquor Control*] **Adult Substances Control** Commission may
 25 prescribe. The commission, by rule or regulation, may require the delivery of statements by distrib-
 26 utors to purchasers, with wine, cider and malt beverages, and prescribe the matters to be contained
 27 therein. Such records and statements shall be preserved by the distributor and the purchaser re-
 28 spectively, for a period of two years, and shall be offered for inspection at any time upon oral or
 29 written demand by the commission or its duly authorized agents.

30 **SECTION 169.** ORS 473.150 is amended to read:

31 473.150. (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may, at any
 32 time, examine the books and records of a holder of a wine self-distribution permit or of any man-
 33 ufacturer of wine, cider or malt beverages, and may appoint auditors, investigators and other em-
 34 ployees that the commission considers necessary to enforce its powers and perform its duties under
 35 this section.

36 (2) Every holder of a wine self-distribution permit and every manufacturer shall maintain and
 37 keep for two years all records, books and accounts required by this chapter and shall provide copies
 38 of those records, books and accounts to the commission when requested by the commission.

39 **SECTION 170.** ORS 473.160 is amended to read:

40 473.160. Every person transporting wine, cider or malt beverages within this state, whether such
 41 transportation originates within or without this state, shall keep a true and accurate record of wine,
 42 cider or malt beverages transported. The record shall include ingredients which may be used in the
 43 manufacture, production, brewing or fermentation of the wine, cider or malt beverages, showing
 44 such facts with relation to those beverages, their ingredients and their transportation, as the
 45 [*Oregon Liquor Control*] **Adult Substances Control** Commission may require. The records shall be

1 open to inspection by the representative of the commission at any time. The commission may require
2 from any such person sworn returns of all or any part of the information shown by the records.

3 **SECTION 171.** ORS 473.170 is amended to read:

4 473.170. (1) No manufacturer shall:

5 (a) Fail to pay the privilege tax prescribed in ORS 473.030 and 473.035 when it is due; or

6 (b) Falsify the statement required by ORS 473.070.

7 (2) No person shall:

8 (a) Refuse to permit the [*Oregon Liquor Control*] **Adult Substances Control** Commission or any
9 of its representatives to make an inspection of the books and records authorized by ORS 473.140 to
10 473.160;

11 (b) Fail to keep books of account prescribed by the commission or required by this chapter;

12 (c) Fail to preserve the books for two years for inspection of the commission; or

13 (d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any
14 record required by this chapter to be made, maintained or preserved.

15 **SECTION 172.** ORS 474.115 is amended to read:

16 474.115. (1) It shall be unlawful for any wholesaler to sell any brand of malt beverage in this
17 state except in the territory described in an agreement with the manufacturer or importer author-
18 izing sale by the wholesaler of the brand within a designated territory. Within the designated ter-
19 ritory the wholesaler must service as provided in subsection (2) of this section all of the customers
20 without discrimination. The territorial agreement must be in writing and must specify the brand or
21 brands it covers. Where a manufacturer or importer sells several brands, the agreement need not
22 apply to all brands sold by the manufacturer or importer and may apply only to one brand. No
23 manufacturer or importer shall provide by the written agreement for the distribution of a brand to
24 more than one distributor for all or any part of the designated territory. All such agreements shall
25 be filed with the [*Oregon Liquor Control*] **Adult Substances Control** Commission.

26 (2) Every malt beverage wholesaler licensed shall service for the purpose of quality control all
27 of the malt beverages it sells to its customers. Each wholesaler shall provide quality control services
28 and comply with quality control standards as are specified in writing from time to time by the owner
29 of the trademark of the brand or brands of malt beverage if:

30 (a) These services or standards are reasonable and are reasonably related to the maintenance
31 of quality control; and

32 (b) The wholesaler has received written notice of them.

33 (3) An exclusive territorial designation in any agreement shall be changed only upon the written
34 notice of the manufacturer and shall be filed pursuant to this section and ORS 474.105. The com-
35 mission shall require the manufacturer to verify that the level of service within the designated ter-
36 ritory will not be affected by the change. The notice shall only be given after recognizing all rights
37 of the wholesaler and duties of the manufacturer contained in any written agreement between them.
38 However, if a wholesaler is prevented from servicing the territory due to fire, flood, labor disputes
39 or other causes beyond reasonable control, and if first given permission by the duly licensed exclu-
40 sive wholesaler of that area and approved by the manufacturer and the commission, another licensed
41 wholesaler not within the designated area may sell the specified brands of malt beverage in that
42 designated area.

43 (4)(a) It shall be unlawful for any wholesaler, either directly or indirectly, to grant or to afford
44 a quantity discount in connection with the sale of malt beverages to any retailer in this state.

45 (b) No provision of any agreement between any manufacturer and importer shall expressly or

1 by implication, or in its operation, establish or maintain the resale price of any brand or brands of
2 malt beverage by the wholesaler.

3 **SECTION 173.** ORS 565.515 is amended to read:

4 565.515. The state fair director may authorize the conducting of any lawful business at
5 fairground properties and facilities. A business operating on fairground properties or facilities under
6 authorization from the state fair director is not required to obtain a local business license for the
7 operation. However, nothing in this section shall interfere with the laws of this state requiring a
8 license for the operation of a restaurant or requiring a license to be obtained from the [*Oregon Li-*
9 *quor Control*] **Adult Substances Control** Commission for the sale or distribution of alcoholic li-
10 quors.

11 **SECTION 174.** ORS 576.768 is amended to read:

12 576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a
13 description of the long term strategic plan created by the board and a description of the progress
14 made in implementing the statewide strategic objectives of the board during the most recent
15 biennium.

16 (2) Notwithstanding ORS 182.462:

17 (a) The board shall prepare and submit annual plans and a budget recommended by the board
18 for promotion and for research during the next fiscal year.

19 (b) The board shall adopt rules specifying the procedures, criteria and timelines for the prepa-
20 ration and approval of the annual plans and budget for promotion and for research.

21 (c) The Director of the Oregon Business Development Department shall review the budget and
22 plans submitted under this section. In reviewing the annual plans and budget, the director shall
23 consider whether the information supplied by the board is factual and consistent with ORS 576.750
24 to 576.775 and the positive development of the Oregon wine grape growing and wine making indus-
25 tries. The director shall either approve the budget and plans prior to the commencement of the next
26 fiscal year or disapprove and return the budget and plans to the board with conditions necessary
27 for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans,
28 the director may consult with and receive coordinated support from:

29 (A) The State Department of Agriculture;

30 (B) The Oregon Tourism Commission;

31 (C) The Oregon University System, or if Oregon State University establishes a governing board,
32 Oregon State University;

33 (D) The Department of Community Colleges and Workforce Development; and

34 (E) The [*Oregon Liquor Control*] **Adult Substances Control** Commission.

35 **SECTION 175.** ORS 576.771 is amended to read:

36 576.771. (1) If a person selling or providing grape product to a winery performs part of the pro-
37 cessing function of a winery, the person shall report the sale or provision of the grape product and
38 pay the tax imposed under ORS 473.045 (5).

39 (2) A person or winery required to pay a tax under ORS 473.045 (5) shall keep accurate records
40 sufficient to enable the [*Oregon Liquor Control*] **Adult Substances Control** Commission to deter-
41 mine by inspection and audit the accuracy of the taxes paid or due the Oregon Wine Board and of
42 reports made or due to the commission.

43 (3) The commission or a designee of the commission may inspect and audit the records referred
44 to in subsection (2) of this section for the purpose referred to in subsection (2) of this section.

45 (4) A person or winery may not refuse to permit an inspection and audit under subsection (3)

1 of this section during business hours.

2 (5) In addition to the penalties prescribed in ORS 473.992, a person or winery that delays
3 transmittal of tax payments under ORS 473.045 (5) beyond the due date specified in ORS 473.045
4 shall pay five percent of the overdue amount for the first full or partial month of delay and one
5 percent of the overdue amount for each full or partial month of delay thereafter.

6 (6) If a winery willfully refuses to turn over tax moneys withheld under ORS 473.045 (5), the
7 winery shall pay an additional amount equal to twice the amount of the tax moneys not turned over.

8 **SECTION 176.** ORS 659A.320 is amended to read:

9 659A.320. (1) Except as provided in subsection (2) of this section, it is an unlawful employment
10 practice for an employer to obtain or use for employment purposes information contained in the
11 credit history of an applicant for employment or an employee, or to refuse to hire, discharge, de-
12 mote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard
13 to promotion, compensation or the terms, conditions or privileges of employment based on informa-
14 tion in the credit history of the applicant or employee.

15 (2) Subsection (1) of this section does not apply to:

16 (a) Employers that are federally insured banks or credit unions;

17 (b) Employers that are required by state or federal law to use individual credit history for em-
18 ployment purposes;

19 (c) The application for employment or the employment of a public safety officer who will be or
20 who is:

21 (A) A member of a law enforcement unit;

22 (B) Employed as a peace officer commissioned by a city, port, school district, mass transit dis-
23 trict, county, university under ORS 352.383 or 353.125, Indian reservation, the Superintendent of
24 State Police under ORS 181.433, the Criminal Justice Division of the Department of Justice, the
25 Oregon State Lottery Commission or the Governor or employed as a liquor enforcement inspector
26 by the [*Oregon Liquor Control*] **Adult Substances Control** Commission; and

27 (C) Responsible for enforcing the criminal laws of this state or laws or ordinances related to
28 airport security; or

29 (d) The obtainment or use by an employer of information in the credit history of an applicant
30 or employee because the information is substantially job-related and the employer's reasons for the
31 use of such information are disclosed to the employee or prospective employee in writing.

32 (3) An employee or an applicant for employment may file a complaint under ORS 659A.820 for
33 violations of this section and may bring a civil action under ORS 659A.885 and recover the relief
34 as provided by ORS 659A.885 (1) and (2).

35 (4) As used in this section, "credit history" means any written or other communication of any
36 information by a consumer reporting agency that bears on a consumer's creditworthiness, credit
37 standing or credit capacity.

38 **SECTION 177.** ORS 802.250 is amended to read:

39 802.250. (1) An eligible public employee may request that any driver or vehicle record kept by
40 the Department of Transportation that contains or is required to contain the eligible employee's
41 residence address contain instead the address of the public agency employing the eligible employee.
42 A request under this section shall:

43 (a) Be in a form specified by the department that provides for verification of the eligible
44 employee's employment.

45 (b) Contain verification by the employing public agency of the eligible employee's employment

1 with the public agency.

2 (2) Upon receipt of a request and verification under subsection (1) of this section, the depart-
3 ment shall remove the eligible employee's residence address from its records, if necessary, and sub-
4 stitute therefor the address of the public agency employing the eligible employee. The department
5 shall indicate on the records that the address shown is an employment address. While the request
6 is in effect, the eligible employee may enter the address of the public agency employing the eligible
7 employee on any driver or vehicle form issued by the department that requires an address.

8 (3) A public agency that verifies an eligible employee's employment under subsection (1) of this
9 section shall notify the department within 30 days if the eligible employee ceases to be employed
10 by the public agency. The eligible employee shall notify the department of a change of address as
11 provided in ORS 803.220 or 807.560.

12 (4) If an eligible employee is killed in the line of duty, a person who is a household member of
13 the eligible employee may request that any driver or vehicle record kept by the department that
14 contains or is required to contain the household member's residence address continue to contain the
15 address of the public agency that employed the eligible employee for up to four years after the date
16 of the death of the eligible employee. On or before the date on which the four-year period ends, the
17 household member shall notify the department of a change of address as provided in ORS 803.220
18 or 807.560. A request under this subsection shall be in a form specified by the department.

19 (5) As used in this section, "eligible employee" means:

20 (a) A member of the State Board of Parole and Post-Prison Supervision.

21 (b) The Director of the Department of Corrections and an employee of an institution defined in
22 ORS 421.005 as Department of Corrections institutions, whose duties, as assigned by the super-
23 intendent, include the custody of persons committed to the custody of or transferred to the institu-
24 tion.

25 (c) A parole and probation officer employed by the Department of Corrections and an employee
26 of the Department of Corrections Release Center whose duties, as assigned by the Chief of the Re-
27 lease Center, include the custody of persons committed to the custody of or transferred to the Re-
28 lease Center.

29 (d) A police officer appointed under ORS 276.021 or 276.023.

30 (e) An employee of the State Department of Agriculture who is classified as a brand inspector
31 by the Director of Agriculture.

32 (f) An investigator of the Criminal Justice Division of the Department of Justice.

33 (g) A corrections officer as defined in ORS 181.610.

34 (h) A federal officer. As used in this paragraph, "federal officer" means a special agent or law
35 enforcement officer employed by:

36 (A) The Federal Bureau of Investigation;

37 (B) The United States Secret Service;

38 (C) The United States Citizenship and Immigration Services;

39 (D) The United States Marshals Service;

40 (E) The Drug Enforcement Administration;

41 (F) The United States Postal Service;

42 (G) The United States Customs and Border Protection;

43 (H) The United States General Services Administration;

44 (I) The United States Department of Agriculture;

45 (J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;

1 (K) The Internal Revenue Service;

2 (L) The United States Department of the Interior; or

3 (M) Any federal agency if the person is empowered to effect an arrest with or without warrant
4 for violations of the United States Code and is authorized to carry firearms in the performance of
5 duty.

6 (i) An employee of the Department of Human Services or the Oregon Health Authority whose
7 duties include personal contact with clients or patients of the department or the authority.

8 (j) Any judge of a court of this state.

9 (k) An employee of the Oregon Youth Authority whose duties include personal contact with
10 persons committed to the legal or physical custody of the authority.

11 (L) A district attorney, as defined in ORS 131.005, or deputy district attorney.

12 (m) An employee who provides educational services to persons who are clients or patients of the
13 Department of Human Services or the Oregon Health Authority, who are under the jurisdiction of
14 the Psychiatric Security Review Board or who are under the custody or supervision of the Depart-
15 ment of Corrections, the State Board of Parole and Post-Prison Supervision, a community corrections
16 agency, the Oregon Youth Authority or a juvenile department. As used in this paragraph, “employee
17 who provides educational services” means a person who provides instruction, or services related to
18 the instruction, of a subject usually taught in an elementary school, a secondary school or a com-
19 munity college or who provides special education and related services in other than a school setting
20 and who works for:

21 (A) An education service district or a community college district; or

22 (B) A state officer, board, commission, bureau, department or division in the executive branch
23 of state government that provides educational services.

24 (n) An employee of the [*Oregon Liquor Control*] **Adult Substances Control** Commission who is:

25 (A) A liquor enforcement inspector; or

26 (B) A regulatory manager.

27 (o) A police officer as defined in ORS 801.395.

28 (p) An employee whose duties include personal contact with criminal offenders and who is em-
29 ployed by a law enforcement unit, as defined in ORS 181.610.

30 **SECTION 178.** Section 5, chapter 1, Oregon Laws 2015, is amended to read:

31 **Sec. 5.** As used in sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*]:

32 (1) “Authority” means the Oregon Health Authority.

33 (2) “Commission” means the [*Oregon Liquor Control*] **Adult Substances Control** Commission.

34 (3) “Consumer” means a person who purchases, acquires, owns, holds[,] or uses marijuana items
35 other than for the purpose of resale.

36 (4) “Department” means the State Department of Agriculture.

37 (5)(a) [*“Financial consideration,” except as provided in paragraph (b) of this subsection,*] **“Finan-**
38 **cial consideration”** means value that is given or received directly or indirectly through sales,
39 barter, trade, fees, charges, dues, contributions or donations.

40 (b) “Financial consideration” does not mean any of the following:

41 (A) Homegrown marijuana made by another person.

42 (B) Homemade marijuana products made by another person.

43 (6) “Homegrown” or “homemade” means grown or made by a person 21 years of age or older for
44 noncommercial purposes.

45 (7) “Household” means a housing unit[,] and [*includes*] any place in or around the housing unit

1 at which the occupants of the housing unit are producing, processing, keeping[,] or storing
2 homegrown marijuana or homemade marijuana products.

3 (8) "Housing unit" means a house, an apartment[,] **or** a mobile home, **or** a group of rooms[,] or
4 a single room that is occupied as separate living quarters, in which the occupants live and eat
5 separately from any other persons in the building and [*which have*] **that has** direct access from the
6 outside of the building or through a common hall.

7 (9) "Immature marijuana plant" means a marijuana plant with no observable flowers or buds.

8 (10) "Licensee" means any person holding a license issued under **sections 3 to 70, chapter 1,**
9 **Oregon Laws 2015** [*this Act*], or any person holding a license or permit issued under any [*regulation*
10 *promulgated*] **rule adopted** under **section 7 (2)(e), chapter 1, Oregon Laws 2015** [*paragraph (e) of*
11 *subsection (2) of section 7 of this Act*].

12 (11) "Licensee representative" means an owner, director, officer, manager, employee, agent[,] or
13 other representative of a licensee, to the extent [*such*] **the** person acts in [*such*] **a** representative
14 capacity.

15 (12)(a) "Marijuana" means all parts of the plant Cannabis family Moraceae, whether growing
16 or not, other than marijuana extracts.

17 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300, or industrial hemp
18 commodities or products.

19 (13) "Marijuana extract" means a product obtained by separating resins from marijuana by sol-
20 vent extraction, using solvents other than vegetable glycerin, such as butane, hexane, isopropyl al-
21 cohool, ethanol[,] and carbon dioxide.

22 (14)(a) "Marijuana flowers" means the flowers of the plant Cannabis family Moraceae.

23 (b) "Marijuana flowers" does not include any part of the plant other than the flowers.

24 (15) "Marijuana items" means marijuana, marijuana products[,] and marijuana extracts.

25 (16)(a) "Marijuana leaves" means the leaves of the plant Cannabis family Moraceae.

26 (b) "Marijuana leaves" does not include any part of the plant other than the leaves.

27 (17) "Marijuana processor" means a person who processes marijuana items in this state.

28 (18) "Marijuana producer" means a person who produces marijuana in this state.

29 (19)(a) "Marijuana products" means products that contain marijuana or marijuana extracts and
30 are intended for human consumption.

31 (b) "Marijuana products" does not mean:

32 (A) Marijuana, by itself; or

33 (B) A marijuana extract, by itself.

34 (20) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.

35 (21) "Marijuana wholesaler" means a person who purchases marijuana items in this state for
36 resale to a person other than a consumer in this state.

37 (22) "Mature marijuana plant" means any marijuana plant that is not an immature marijuana
38 plant.

39 (23) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-
40 nancial consideration.

41 (24) "Person" means any natural person, corporation, professional corporation, nonprofit corpo-
42 ration, cooperative corporation, profit or nonprofit unincorporated association, business trust, lim-
43 ited liability company, general or limited partnership, joint venture[,] or any other legal entity.

44 (25) "Premises" or "licensed premises" means a location licensed under sections 3 to 70, **chap-**
45 **ter 1, Oregon Laws 2015**, [*of this Act*] and includes:

1 (a) All enclosed areas at the location that are used in the business operated at the location,
2 including offices, kitchens, rest rooms and storerooms, including all public and private areas;

3 (b) All areas outside [of] a building that the [Oregon Liquor Control] **Adult Substances Control**
4 Commission has specifically licensed for the production, processing, wholesale sale[,] or retail sale
5 of marijuana items; and

6 (c) For a location that the commission has specifically licensed for the production of marijuana
7 outside [of] a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns,
8 leases[,] or has a right to occupy.

9 (26)(a) "Processes" means:

10 (A) The processing, compounding[,] or conversion of marijuana into marijuana products or
11 marijuana extracts;

12 (B) The processing, compounding[,] or conversion of marijuana, either directly or indirectly by
13 extraction from substances of natural origin, or independently by means of chemical synthesis, or
14 by a combination of extraction and chemical synthesis;

15 (C) The packaging or repackaging of marijuana items; or

16 (D) The labeling or relabeling of any package or container of marijuana items.

17 (b) "Processes" does not include:

18 (A) The drying of marijuana by a marijuana producer, if the marijuana producer is not otherwise
19 processing marijuana; or

20 (B) The packaging and labeling of marijuana by a marijuana producer in preparation for delivery
21 to a marijuana processor.

22 (27)(a) "Produces" means the manufacture, planting, cultivation, growing[,] or harvesting of
23 marijuana.

24 (b) "Produces" does not include:

25 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
26 wise producing marijuana; or

27 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
28 marijuana wholesaler[,] or marijuana retailer if the marijuana processor, marijuana wholesaler[,] or
29 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

30 (28) "Public place" means a place to which the general public has access and includes, but is
31 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
32 rooms or apartments designed for actual residence, and highways, streets, schools, places of
33 amusement, parks, playgrounds and [premises] **areas** used in connection with public passenger
34 transportation.

35 (29) "Usable marijuana" means dried marijuana flowers and dried marijuana leaves, and any
36 mixture or preparation [thereof] **of the flowers or leaves.**

37 **SECTION 179.** Section 7, chapter 1, Oregon Laws 2015, is amended to read:

38 **Sec. 7.** (1) The [Oregon Liquor Control] **Adult Substances Control** Commission has the powers
39 and duties specified in sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], and also the
40 powers necessary or proper to enable it to carry out fully and effectually all the purposes of sections
41 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act]. The jurisdiction, supervision, powers and duties
42 of the commission extend to any person who buys, sells, produces, processes, transports[,] or delivers
43 any marijuana items within this state. The commission may sue and be sued.

44 (2) The [function,] **functions**, duties[,] and powers of the commission in sections 3 to 70, **chapter**
45 **1, Oregon Laws 2015**, [of this Act] include the following:

1 (a) To regulate the purchase, sale, production, processing, transportation[,] and delivery of
 2 marijuana items in accordance with the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
 3 **2015** [of this Act].

4 (b) To grant, refuse, suspend or cancel licenses for the sale, processing[,] or production of
 5 marijuana items, or other licenses in regard to marijuana items, and to permit, in [its] **the**
 6 **commission's** discretion, the transfer of a license of any person.

7 (c) To collect the taxes and duties imposed by sections 3 to 70, **chapter 1, Oregon Laws 2015**
 8 [of this Act], and to issue, and provide for cancellation **of**, stamps and other devices as evidence of
 9 payment of such taxes or duties.

10 (d) To investigate and aid in the prosecution of every violation of Oregon statutes relating to
 11 marijuana items, and cooperate in the prosecution of offenders before any state court of competent
 12 jurisdiction.

13 (e) To adopt [such regulations as are], **amend or repeal rules as necessary** [and feasible for
 14 carrying] **to carry** out the intent and provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015.**
 15 [of this Act and to amend or repeal such regulations. When such regulations are adopted they shall
 16 have the full force and effect of law.]

17 (f) To exercise all powers incidental, convenient or necessary to enable [it] **the commission** to
 18 administer or carry out any of the provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015**
 19 [of this Act].

20 (g) To regulate and prohibit any advertising by manufacturers, processors, wholesalers or
 21 retailers of marijuana items by the medium of newspapers, letters, billboards, radio or otherwise.

22 (h) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, me-
 23 chanical, industrial and other purposes.

24 (3) On or before January 1, 2016, the commission, after consultation with the State Department
 25 of Agriculture and the Oregon Health Authority, shall prescribe forms and adopt [such] rules [and
 26 regulations] as the commission deems necessary for the implementation and administration of
 27 sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

28 (4) On or before January 1, 2017, the commission [shall]:

29 (a) **Shall** examine available research, and may conduct or commission new research, to investi-
 30 gate the influence of marijuana on the ability of a person to drive a vehicle and on the concen-
 31 tration of delta-9-tetrahydrocannabinol in a person's blood, in each case taking into account all
 32 relevant factors; and

33 (b) **Shall** present the results of the research to the Legislative Assembly and make recommen-
 34 dations to the Legislative Assembly regarding whether any amendments to the Oregon Vehicle Code
 35 are appropriate.

36 (5) The commission [has no power to] **may not** purchase, own, sell[,] or possess any marijuana
 37 items.

38 **SECTION 180.** Section 8, chapter 1, Oregon Laws 2015, is amended to read:

39 **Sec. 8.** The State Department of Agriculture shall assist and cooperate with the [Oregon Liquor
 40 Control] **Adult Substances Control** Commission and the Oregon Health Authority to the extent
 41 necessary for the commission and the authority to carry out the duties of the commission and the
 42 authority under sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

43 **SECTION 181.** Section 9, chapter 1, Oregon Laws 2015, is amended to read:

44 **Sec. 9.** The Oregon Health Authority shall assist and cooperate with the [Oregon Liquor
 45 Control] **Adult Substances Control** Commission and the State Department of Agriculture to the

1 extent necessary for the commission and the department to carry out the duties of the commission
2 and the department under sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

3 **SECTION 182.** Section 10, chapter 1, Oregon Laws 2015, is amended to read:

4 **Sec. 10.** [No] A member of the [Oregon Liquor Control] **Adult Substances Control** Commission,
5 the State Department of Agriculture[, or the Oregon Health Authority may **not** be sued for doing
6 or omitting to do any act in the performance of duties as prescribed in sections 3 to 70, **chapter**
7 **1, Oregon Laws 2015** [of this Act].

8 **SECTION 183.** Section 11, chapter 1, Oregon Laws 2015, is amended to read:

9 **Sec. 11.** (1) [Neither] The [Oregon Liquor Control] **Adult Substances Control** Commission, the
10 State Department of Agriculture[, nor] **and** the Oregon Health Authority may **not** refuse to perform
11 any duty under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] on the basis that
12 manufacturing, distributing, dispensing, possessing[, or using marijuana is prohibited by federal law.

13 (2) The commission may not revoke or refuse to issue or renew a license under sections 3 to
14 70, **chapter 1, Oregon Laws 2015**, [of this Act] on the basis that manufacturing, distributing, dis-
15 pensing, possessing[, or using marijuana is prohibited by federal law.

16 **SECTION 184.** Section 15, chapter 1, Oregon Laws 2015, is amended to read:

17 **Sec. 15.** The [Oregon Liquor Control] **Adult Substances Control** Commission may limit the
18 quantity of marijuana items purchased at any one time by a consumer so as effectually to prevent
19 the resale of marijuana items.

20 **SECTION 185.** Section 18, chapter 1, Oregon Laws 2015, is amended to read:

21 **Sec. 18.** (1) On or before January 4, 2016, the [Oregon Liquor Control] **Adult Substances Con-**
22 **trol** Commission shall begin receiving applications for the licensing of persons to produce,
23 process[, and sell marijuana within [the] **this** state. Upon receipt of a license application, the com-
24 mission [shall] **may** not unreasonably delay the processing, approval[, or rejection of the application
25 or, if the application is approved, the issuance of the license.

26 (2) The licenses described in sections 3 to 70, **chapter 1, Oregon Laws 2015**, **must** [of this Act
27 shall] be issued by the commission, subject to its regulations and restrictions and the provisions of
28 sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

29 (3) The commission may not license a premises that does not have defined boundaries. A licensed
30 premises need not be enclosed by a wall, fence or other structure, but the commission may require
31 that any licensed premises be enclosed as a condition of issuing or renewing a license. The com-
32 mission may not license premises that are mobile.

33 **SECTION 186.** Section 19, chapter 1, Oregon Laws 2015, is amended to read:

34 **Sec. 19.** (1) The production of marijuana is subject to regulation by the [Oregon Liquor
35 Control] **Adult Substances Control** Commission.

36 (2) A marijuana producer must have a production license issued by the commission for the
37 premises at which the marijuana is produced.

38 **SECTION 187.** Section 20, chapter 1, Oregon Laws 2015, is amended to read:

39 **Sec. 20.** (1) The processing of marijuana items is subject to regulation by the [Oregon Liquor
40 Control] **Adult Substances Control** Commission.

41 (2) A marijuana processor must have a processor license issued by the commission for the
42 premises at which marijuana items are processed.

43 **SECTION 188.** Section 21, chapter 1, Oregon Laws 2015, is amended to read:

44 **Sec. 21.** (1) The wholesale sale of marijuana items is subject to regulation by the [Oregon Liquor
45 Control] **Adult Substances Control** Commission.

1 (2) A marijuana wholesaler must have a wholesale license issued by the commission for the
2 premises at which marijuana items are received, kept, stored[,] or delivered.

3 **SECTION 189.** Section 22, chapter 1, Oregon Laws 2015, is amended to read:

4 **Sec. 22.** (1) The retail sale of marijuana items is subject to regulation by the [*Oregon Liquor*
5 *Control*] **Adult Substances Control** Commission.

6 (2) A marijuana retailer must have a retail license issued by the commission for the premises
7 at which marijuana items are sold.

8 **SECTION 190.** Section 23, chapter 1, Oregon Laws 2015, is amended to read:

9 **Sec. 23.** (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission has the right
10 after 72 hours' notice to the owner or the agent of the owner to make an examination of the books
11 and may at any time make an examination of the premises of any person licensed under sections 3
12 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*], for the purpose of determining compliance with
13 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] and the rules of the commission.

14 (2) The commission [*shall*] **may** not require the books of any licensee to be maintained on the
15 premises of the licensee.

16 **SECTION 191.** Section 25, chapter 1, Oregon Laws 2015, is amended to read:

17 **Sec. 25.** (1) A license granted under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*
18 *Act*] shall:

19 (a) Be a purely personal privilege.

20 (b) Be valid for the period stated in the license.

21 (c) Be renewable in the manner provided in section 28, **chapter 1, Oregon Laws 2015** [*of this*
22 *Act*], except for a cause [*which*] **that** would be grounds for refusal to issue [*such*] **the** license under
23 section 29, **chapter 1, Oregon Laws 2015** [*of this Act*].

24 (d) Be revocable or suspendible as provided in section 30, **chapter 1, Oregon Laws 2015** [*of this*
25 *Act*].

26 (e) Be transferable from the premises for which the license was originally issued to another
27 premises subject to the provisions of **sections 3 to 70, chapter 1, Oregon Laws 2015** [*this Act*], any
28 rules of the [*Oregon Liquor Control*] **Adult Substances Control** Commission and any municipal or-
29 dinance or local regulation.

30 (f) Cease upon the death of the licensee, except as provided in subsection (2) of this section.

31 (g) Not constitute property.

32 (h) Not be alienable.

33 (i) Not be subject to attachment or execution.

34 (j) Not descend by the laws of testate or intestate devolution.

35 (2) The commission may, by order, provide for the manner and conditions under which:

36 (a) Marijuana items left by any deceased, insolvent or bankrupt person or licensee, or subject
37 to a security interest, may be foreclosed, sold under execution or otherwise disposed of.

38 (b) The business of any deceased, insolvent or bankrupt licensee may be operated for a reason-
39 able period following the death, insolvency or bankruptcy.

40 (c) A business licensed pursuant to sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*
41 *Act*] subject to a security interest may be continued in business by a secured party as defined in
42 ORS 79.0102 for a reasonable period after default on the indebtedness by the debtor.

43 **SECTION 192.** Section 27, chapter 1, Oregon Laws 2015, is amended to read:

44 **Sec. 27.** A marijuana producer, marijuana processor[,] or marijuana wholesaler shall deliver
45 marijuana items only to or on a licensed premises. The sale of marijuana items under any license

1 issued by the [*Oregon Liquor Control*] **Adult Substances Control** Commission for retail sales by a
 2 licensee [*shall*] **must** be restricted to the premises described in the license, but deliveries may be
 3 made by the marijuana retailer to consumers pursuant to bona fide orders received on the licensed
 4 premises prior to delivery.

5 **SECTION 193.** Section 28, chapter 1, Oregon Laws 2015, is amended to read:

6 **Sec. 28.** (1) Any person desiring a license or renewal of a license under sections 3 to 70,
 7 **chapter 1, Oregon Laws 2015**, [*of this Act*] shall make application to the [*Oregon Liquor Control*]
 8 **Adult Substances Control** Commission upon forms to be furnished by the commission showing the
 9 name and address of the applicant, location of the place of business that is to be operated under the
 10 license[,] and such other pertinent information as the commission may require. [*No*] **A** license
 11 [*shall*] **may not** be granted or renewed until the applicant has complied with the provisions of
 12 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] and the rules of the commission.

13 (2) The commission may reject any application that is not submitted in the form required by
 14 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
 15 A hearing under this subsection is not subject to the requirements for contested case proceedings
 16 under ORS chapter 183.

17 (3) Except as provided in subsection (2) of this section, a revocation of, or a refusal to issue or
 18 renew, a license under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] is subject to
 19 the requirements for contested case proceedings under ORS chapter 183.

20 (4) The commission shall assess a nonrefundable fee for processing a new or renewal application
 21 for any license authorized by sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*]. The
 22 application processing fee [*shall be*] **is** \$250.

23 (5) The annual license fee for any license granted under sections 3 to 70, **chapter 1, Oregon**
 24 **Laws 2015**, [*of this Act shall be*] **is** \$1,000. The license fee is nonrefundable and [*shall*] **must** be paid
 25 by each applicant upon the granting or committing of a license.

26 **SECTION 194.** Section 29, chapter 1, Oregon Laws 2015, is amended to read:

27 **Sec. 29.** (1) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may not li-
 28 cense any applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*
 29 *Act*] if the applicant is under 21 years of age.

30 (2) The [*Oregon Liquor Control*] commission may refuse to license any applicant under the pro-
 31 visions of sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] if the commission has rea-
 32 sonable ground to believe any of the following to be true:

33 (a) That there are sufficient licensed premises in the locality set out in the application, or that
 34 the granting of a license in the locality set out in the application is not demanded by public interest
 35 or convenience. In determining whether there are sufficient licensed premises in the locality, the
 36 commission shall consider seasonal fluctuations in the population of the locality and shall ensure
 37 that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

38 (b) That the applicant:

39 (A) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana[,] or controlled
 40 substances to excess.

41 (B) Has made false statements to the commission.

42 (C) Is incompetent or physically unable to carry on the management of the establishment pro-
 43 posed to be licensed.

44 (D) Has been convicted of violating a general or local law of this state or another state, or of
 45 violating a federal law, if the conviction is substantially related to the fitness and ability of the

1 applicant to lawfully carry out activities under the license.

2 (E) Has maintained an insanitary establishment.

3 (F) Is not of good repute and moral character.

4 (G) Did not have a good record of compliance with sections 3 to 70, **chapter 1, Oregon Laws**
5 **2015**, [of this Act] or any rule of the commission adopted pursuant thereto.

6 (H) Is not the legitimate owner of the business proposed to be licensed, or other persons have
7 ownership interests in the business [which] **that** have not been disclosed.

8 (I) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately
9 meet the requirements of the business proposed to be licensed.

10 (J) Is unable to understand the laws of Oregon relating to marijuana or the rules of the com-
11 mission.

12 (3) Notwithstanding [subparagraph (D) of paragraph (b) of] subsection (2)(b)(D) of this section,
13 in determining whether the commission may refuse to license an applicant, the commission may not
14 consider the prior conviction of the applicant or any owner, director, officer, manager, employee,
15 agent[,] or other representative of the applicant for:

16 (a) The manufacture of marijuana, if:

17 (A) The date of the conviction is more than five years before the date of the application; and

18 (B) The person has not been convicted more than once for the manufacture or delivery of
19 marijuana;

20 (b) The delivery of marijuana to a person 21 years of age or older, if:

21 (A) The date of the conviction is more than five years before the date of the application; and

22 (B) The person has not been convicted more than once for the manufacture or delivery of
23 marijuana; or

24 (c) The possession of marijuana.

25 **SECTION 195.** Section 30, chapter 1, Oregon Laws 2015, is amended to read:

26 **Sec. 30.** (1) The [Oregon Liquor Control] **Adult Substances Control** Commission may cancel or
27 suspend any license issued under sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], if the
28 commission finds or has reasonable ground to believe any of the following to be true:

29 (a) That the licensee:

30 (A) Has violated any provision of sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act]
31 or any rule of the commission adopted pursuant thereto.

32 (B) Has made any false representation or statement to the commission in order to induce or
33 prevent action by the commission.

34 (C) Has maintained an insanitary establishment.

35 (D) Is insolvent or incompetent or physically unable to carry on the management of the estab-
36 lishment of the licensee.

37 (E) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana[,] or controlled sub-
38 stances to excess.

39 (F) Has misrepresented to a customer or the public any marijuana items sold by the licensee.

40 (G) Since the granting of the license, has been convicted of a felony, of violating any of the
41 marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal
42 ordinance committed on the licensed premises.

43 (b) That there is any other reason that, in the opinion of the commission, based on public con-
44 venience or necessity, warrants canceling or suspending such license.

45 (2) Civil penalties **imposed** under this section [shall] **must** be imposed as provided in ORS

1 183.745.

2 **SECTION 196.** Section 31, chapter 1, Oregon Laws 2015, is amended to read:

3 **Sec. 31.** The [*Oregon Liquor Control*] **Adult Substances Control** Commission shall administer
4 sections 31 to 44, **chapter 1, Oregon Laws 2015** [*of this Act*], and shall prescribe forms and make
5 such rules and regulations as it deems necessary to enforce sections 31 to 44, **chapter 1, Oregon**
6 **Laws 2015** [*of this Act*].

7 **SECTION 197.** Section 33, chapter 1, Oregon Laws 2015, is amended to read:

8 **Sec. 33.** (1) A tax is imposed upon the privilege of engaging in business as a marijuana producer
9 at the rate of:

- 10 (a) \$35 per ounce on all marijuana flowers;
11 (b) \$10 per ounce on all marijuana leaves; and
12 (c) \$5 per immature marijuana plant.

13 (2) The rates of tax imposed by this section upon marijuana flowers and marijuana leaves apply
14 proportionately to quantities of less than one ounce.

15 (3) The tax imposed by this section [*shall*] **must** be measured by the quantities of marijuana
16 flowers, marijuana leaves[,] and immature marijuana plants produced and sold by any marijuana
17 producer. The taxes specified in this section [*shall*] **must** be levied and assessed to the marijuana
18 producer at the time of the first sale of the marijuana flowers, marijuana leaves[,] and immature
19 marijuana plants by the marijuana producer.

20 (4) For reporting periods beginning on or after July 1, 2017, the rates of tax under subsection
21 (1) of this section [*shall*] **must** be adjusted for each biennium according to the cost-of-living adjust-
22 ment for the calendar year. The [*Oregon Liquor Control*] **Adult Substances Control** Commission
23 shall recompute the rates for each biennium by adding to each rate in subsection (1) of this section
24 the product obtained by multiplying the rate by a factor that is equal to 0.25 multiplied by the
25 percentage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the
26 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged
27 U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31, 2015.

28 (5) The commission shall regularly review the rates of tax under subsection (1) of this section
29 and make recommendations to the Legislative Assembly regarding appropriate adjustments to the
30 rates that will further the purposes of:

- 31 (a) Maximizing net revenue;
32 (b) Minimizing the illegal marijuana industry under Oregon law; and
33 (c) Discouraging the use of marijuana by minors under 21 years of age.

34 **SECTION 198.** Section 34, chapter 1, Oregon Laws 2015, is amended to read:

35 **Sec. 34.** (1) The privilege tax imposed by section 33, **chapter 1, Oregon Laws 2015**, [*of this*
36 *Act shall*] **must** be paid to the [*Oregon Liquor Control*] **Adult Substances Control** Commission. The
37 taxes covering the periods for which statements are required to be rendered by section 35, **chapter**
38 **1, Oregon Laws 2015**, [*of this Act shall*] **must** be paid before the time for filing such statements
39 expires. If not so paid, a penalty of 10 percent and interest at the rate of one percent a month or
40 fraction of a month [*shall*] **must** be added and collected. The commission may refund any tax pay-
41 ment imposed upon or paid in error by any licensee.

42 (2) The commission may waive any interest or penalty assessed to a marijuana producer subject
43 to the tax imposed under section 33, **chapter 1, Oregon Laws 2015**, [*of this Act*] if the commission,
44 in its discretion, determines that the marijuana producer has made a good faith attempt to comply
45 with the requirements of sections 31 to 44, **chapter 1, Oregon Laws 2015** [*of this Act*].

1 (3) Except in the case of fraud, the commission may not assess any interest or penalty on any
2 tax due under section 33, **chapter 1, Oregon Laws 2015**, [of this Act] following the expiration of
3 36 months from the date on which was filed the statement required under section 35, **chapter 1,**
4 **Oregon Laws 2015**, [of this Act] reporting the quantities of marijuana flowers, marijuana leaves[,]
5 and immature marijuana plants upon which the tax is due.

6 (4) A marijuana producer may appeal a tax imposed under section 33, **chapter 1, Oregon Laws**
7 **2015**, [of this Act] in the manner of a contested case under ORS chapter 183.

8 **SECTION 199.** Section 35, chapter 1, Oregon Laws 2015, is amended to read:

9 **Sec. 35.** On or before the 20th day of each month, every marijuana producer shall file with the
10 [Oregon Liquor Control] **Adult Substances Control** Commission a statement of the quantities of
11 marijuana flowers, marijuana leaves[,] and immature marijuana plants sold by the marijuana pro-
12 ducer during the preceding calendar month.

13 **SECTION 200.** Section 36, chapter 1, Oregon Laws 2015, is amended to read:

14 **Sec. 36.** If any marijuana producer fails, neglects or refuses to file a statement required by
15 section 35, **chapter 1, Oregon Laws 2015**, [of this Act] or files a false statement, the [Oregon Liquor
16 Control] **Adult Substances Control** Commission shall estimate the quantities of marijuana flowers,
17 marijuana leaves[,] and immature marijuana plants sold by the marijuana producer and assess the
18 privilege taxes [thereon] **on the estimated quantities**. The marijuana producer [shall] **must** be
19 estopped from complaining of the quantities so estimated.

20 **SECTION 201.** Section 38, chapter 1, Oregon Laws 2015, is amended to read:

21 **Sec. 38.** Every marijuana producer shall keep a complete and accurate record of all sales of
22 marijuana flowers, marijuana leaves[,] and immature marijuana plants, and a complete and accurate
23 record of the number of ounces of marijuana flowers produced, the number of ounces of marijuana
24 leaves produced, the number of immature marijuana plants produced[,] and the dates of production.
25 The records [shall] **must** be in such form and contain such other information as the [Oregon Liquor
26 Control] **Adult Substances Control** Commission may prescribe.

27 **SECTION 202.** Section 39, chapter 1, Oregon Laws 2015, is amended to read:

28 **Sec. 39.** (1) The [Oregon Liquor Control] **Adult Substances Control** Commission may, at any
29 time, examine the books and records of any marijuana producer[,] and may appoint auditors, inves-
30 tigators and other employees that the commission considers necessary to enforce its powers and
31 perform its duties under sections 31 to 44, **chapter 1, Oregon Laws 2015** [of this Act].

32 (2) Every marijuana producer shall maintain and keep for two years all records, books and ac-
33 counts required by sections 31 to 44, **chapter 1, Oregon Laws 2015**, [of this Act] and shall provide
34 copies of those records, books and accounts to the commission when requested by the commission.

35 **SECTION 203.** Section 40, chapter 1, Oregon Laws 2015, is amended to read:

36 **Sec. 40.** (1) [No] A marijuana producer [shall] **may not**:

37 (a) Fail to pay the privilege tax prescribed in section 33, **chapter 1, Oregon Laws 2015**, [of this
38 Act] when it is due; or

39 (b) Falsify the statement required by section 35, **chapter 1, Oregon Laws 2015** [of this Act].

40 (2) [No] A person [shall] **may not**:

41 (a) Refuse to permit the [Oregon Liquor Control] **Adult Substances Control** Commission or any
42 of its representatives to make an inspection of the books and records authorized by sections 38 and
43 39, **chapter 1, Oregon Laws 2015** [of this Act];

44 (b) Fail to keep books of account prescribed by the commission or required by sections 31 to
45 44, **chapter 1, Oregon Laws 2015** [of this Act];

1 (c) Fail to preserve the books for two years for inspection of the commission; or

2 (d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any
3 record required by sections 31 to 44, **chapter 1, Oregon Laws 2015**, [of this Act] to be made,
4 maintained or preserved.

5 **SECTION 204.** Section 43, chapter 1, Oregon Laws 2015, is amended to read:

6 **Sec. 43.** (1) All [money] **moneys** collected by the [Oregon Liquor Control] **Adult Substances**
7 **Control** Commission under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act shall] **must**
8 be remitted to the State Treasurer, who shall credit it to a suspense account of the commission.
9 Whenever the commission determines that moneys have been received by it in excess of the amount
10 legally due and payable to the commission or that it has received [money to] **moneys in** which it
11 has no legal interest, or that any license fee or deposit is properly refundable, the commission is
12 authorized and directed to refund such [money] **moneys** by check drawn upon the State Treasurer
13 and charged to the suspense account of the commission. After withholding refundable license fees
14 and such sum, not to exceed \$250,000, as it considers necessary as a revolving fund for a working
15 cash balance for the purpose of paying travel expenses, advances, other miscellaneous bills and ex-
16 traordinary items [which] **that** are payable in cash immediately upon presentation, the commission
17 shall direct the State Treasurer to transfer the [money] **moneys** remaining in the suspense account
18 to the Oregon Marijuana Account established under section 44, **chapter 1, Oregon Laws 2015** [of
19 this Act]. Moneys in the Oregon Marijuana Account are continuously appropriated to the commis-
20 sion to be distributed and used as required or allowed by Oregon law.

21 (2) All necessary expenditures of the commission incurred in carrying out sections 3 to 70,
22 **chapter 1, Oregon Laws 2015** [of this Act], including [such] sums necessary to reimburse the
23 \$250,000 revolving fund, [shall] **must** be paid from the Oregon Marijuana Account.

24 **SECTION 205.** Section 44, chapter 1, Oregon Laws 2015, is amended to read:

25 **Sec. 44.** (1) There is established the Oregon Marijuana Account, separate and distinct from the
26 General Fund.

27 (2) At the end of each month, the [Oregon Liquor Control] **Adult Substances Control** Commis-
28 sion shall certify the amount of moneys available for distribution in the Oregon Marijuana Account
29 and, after withholding such moneys as it may deem necessary to carry out its obligations under
30 sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], shall within 35 days of the month for
31 which a distribution is made distribute the moneys as follows:

32 (a) Forty percent [shall] **must** be transferred to the Common School Fund;

33 (b) Twenty percent [shall] **must** be transferred to the Mental Health Alcoholism and Drug Ser-
34 vices Account established under ORS 430.380;

35 (c) Fifteen percent [shall] **must** be transferred to the State Police Account established under
36 ORS 181.175;

37 (d) To assist local law enforcement in performing its duties under **sections 3 to 70, chapter 1,**
38 **Oregon Laws 2015, 10** [this Act, ten] percent [shall] **must** be transferred to the cities of [the] **this**
39 state in the following shares:

40 (A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such
41 shares as the population of each city bears to the population of the cities of [the] **this** state, as de-
42 termined by [the State Board of Higher Education] **Portland State University** last preceding such
43 apportionment, under ORS 190.510 to 190.610; and

44 (B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

45 (i) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred in such shares as the

1 number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015**,
 2 *[of this Act]* during the calendar year preceding the date of the distribution for premises located in
 3 each city bears to the number of such licenses issued by the commission during such calendar year
 4 for all premises in *[the]* **this** state; and

5 (ii) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred in such shares as the
 6 number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015**, *[of*
 7 *this Act]* during the calendar year preceding the date of the distribution for premises located in each
 8 city bears to the number of such licenses issued by the commission during such calendar year for
 9 all premises in *[the]* **this** state;

10 (e) To assist local law enforcement in performing its duties under **sections 3 to 70, chapter 1,**
 11 **Oregon Laws 2015, 10** *[this Act, ten]* percent *[shall]* **must** be transferred to counties in the following
 12 shares:

13 (A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such
 14 shares as their respective populations bear to the total population of *[the]* **this** state, as estimated
 15 from time to time by *[the State Board of Higher Education]* **Portland State University**; and

16 (B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

17 (i) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred in such shares as the
 18 number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015**,
 19 *[of this Act]* during the calendar year preceding the date of the distribution for premises located in
 20 each county bears to the number of such licenses issued by the commission during such calendar
 21 year for all premises in *[the]* **this** state; and

22 (ii) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred in such shares as the
 23 number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015**, *[of*
 24 *this Act]* during the calendar year preceding the date of the distribution for premises located in each
 25 county bears to the number of such licenses issued by the commission during such calendar year for
 26 all premises in *[the]* **this** state; and

27 (f) Five percent *[shall]* **must** be transferred to the Oregon Health Authority to be used for the
 28 establishment, operation[,] and maintenance of alcohol and drug abuse prevention, early intervention
 29 and treatment services.

30 (3) It is the intent of this section that the moneys distributed from the Oregon Marijuana Ac-
 31 count to the distributees in subsection (2) of this section are in addition to any other available
 32 moneys to such distributees and do not supplant moneys available from any other source.

33 **SECTION 206.** Section 48, chapter 1, Oregon Laws 2015, is amended to read:

34 **Sec. 48.** (1) *[No]* **A** person *[shall]* **may not** make false representations or statements to the
 35 *[Oregon Liquor Control]* **Adult Substances Control** Commission in order to induce or prevent
 36 action by the commission.

37 (2) *[No]* **A** licensee of the commission *[shall]* **may not** maintain a noisy, lewd, disorderly or in-
 38 sanitary establishment or supply impure or otherwise deleterious marijuana items.

39 (3) *[No]* **A** licensee of the commission *[shall]* **may not** misrepresent to a customer or to the
 40 public any marijuana items.

41 **SECTION 207.** Section 49, chapter 1, Oregon Laws 2015, is amended to read:

42 **Sec. 49.** (1) A person under 21 years of age may not attempt to purchase marijuana items.

43 (2) Except as authorized by rule or as necessitated in an emergency, a person under 21 years
 44 of age may not enter or attempt to enter any portion of a licensed premises that is posted or oth-
 45 erwise identified as being prohibited to the use of minors.

1 (3) A person who violates subsection (1) or (2) of this section commits a Class B violation.

2 (4) In addition to and not in lieu of any other penalty established by law, a person under 21
3 years of age who violates subsection (1) of this section through misrepresentation of age may be
4 required to perform community service and the court shall order that the person's driving privileges
5 and right to apply for driving privileges be suspended for a period not to exceed one year. If a court
6 has issued an order suspending driving privileges under this section, the court, upon petition of the
7 person, may withdraw the order at any time the court deems appropriate. The court notification to
8 the Department of Transportation under this subsection may include a recommendation that the
9 person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the
10 permit.

11 (5) If a person cited under this section is at least 13 years of age but less than 21 years of age
12 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in
13 addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to
14 the Department of **Transportation** for the Department of **Transportation** to suspend the person's
15 driving privileges under ORS 809.280 (4).

16 (6) The prohibitions of this section do not apply to a person under 21 years of age who is acting
17 under the direction of the [*Oregon Liquor Control*] **Adult Substances Control** Commission or under
18 the direction of state or local law enforcement agencies for the purpose of investigating possible
19 violations of laws prohibiting sales of marijuana items to persons who are under 21 years of age.

20 **SECTION 208.** Section 50, chapter 1, Oregon Laws 2015, is amended to read:

21 **Sec. 50.** (1) [*No*] Marijuana items [*shall*] **may not** be sold or offered for sale within this state
22 unless [*such*] **the** marijuana items comply with the minimum standards fixed pursuant to law.

23 (2) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may require a
24 marijuana producer, marijuana processor[,] or marijuana wholesaler to provide a laboratory analysis
25 demonstrating to the satisfaction of the commission that particular marijuana items comply with the
26 minimum standards in this state.

27 (3) [*No*] Marijuana items offered for sale within this state may **not** be altered or tampered with
28 in any way by any person not licensed to do so by the commission.

29 (4) The commission may prohibit the sale of any marijuana items for a reasonable period of time
30 while it is determining whether the marijuana items comply with minimum standards in this state.

31 **SECTION 209.** Section 51, chapter 1, Oregon Laws 2015, is amended to read:

32 **Sec. 51.** (1) [*No*] A licensee [*shall*] **may not** use or allow the use of any mark or label on the
33 container of any marijuana items [*which*] **that** are kept for sale[,] if the container does not precisely
34 and clearly indicate the nature of [*its*] **the container's** contents or in any way might deceive any
35 customer as to the nature, composition, quantity, age or quality of [*such*] **the** marijuana items.

36 (2) The [*Oregon Liquor Control*] **Adult Substances Control** Commission may prohibit any
37 licensee from selling any brand of marijuana items [*which*] **that** in [*its*] **the commission's** judgment
38 is deceptively labeled or branded as to content[,] or contains injurious or adulterated ingredients.

39 **SECTION 210.** Section 52, chapter 1, Oregon Laws 2015, is amended to read:

40 **Sec. 52.** (1) A licensee may not employ any person under 21 years of age in any part of any li-
41 censed premises.

42 (2) During any inspection of a licensed premises, the [*Oregon Liquor Control*] **Adult Substances**
43 **Control** Commission may require proof that a person performing work at the premises is 21 years
44 of age or older. If the person does not provide the commission with acceptable proof of age upon
45 request, the commission may require the person to immediately cease any activity and leave the

1 premises until the commission receives acceptable proof of age. This subsection does not apply to
 2 a person temporarily at the premises to make a service, maintenance or repair call or for other
 3 purposes independent of the premises operations.

4 (3) If a person performing work has not provided proof of age requested by the commission under
 5 subsection (2) of this section, the commission may request that the licensee provide proof that the
 6 person is 21 years of age or older. Failure of the licensee to respond to a request made under this
 7 subsection by providing acceptable proof of age for a person is prima facie evidence that the
 8 licensee has allowed the person to perform work at the licensed premises in violation of the mini-
 9 mum age requirement.

10 **SECTION 211.** Section 63, chapter 1, Oregon Laws 2015, is amended to read:

11 **Sec. 63.** The state police, sheriffs, constables and all police officers within the State of Oregon
 12 shall enforce sections 3 to 30 [of this Act] and [sections] 45 to 70, **chapter 1, Oregon Laws 2015,**
 13 [of this Act] and assist the [Oregon Liquor Control] **Adult Substances Control** Commission in de-
 14 tecting violations of sections 3 to 30 [of this Act] and [sections] 45 to 70, **chapter 1, Oregon Laws**
 15 **2015,** [of this Act] and apprehending offenders. Each such enforcing officer having notice, knowledge
 16 or reasonable ground of suspicion of any violation of sections 3 to 30 [of this Act] or [sections] 45
 17 to 70, **chapter 1, Oregon Laws 2015,** [of this Act] shall immediately notify the district attorney[,]
 18 and furnish the district attorney with names and addresses of any witnesses, or other information
 19 within the officer's knowledge, of such violation.

20 **SECTION 212.** Section 64, chapter 1, Oregon Laws 2015, is amended to read:

21 **Sec. 64.** (1) Whenever any officer arrests any person for violation of sections 3 to 30 [of this
 22 Act] or [sections] 45 to 70, **chapter 1, Oregon Laws 2015** [of this Act], the officer may take into
 23 possession all marijuana items[,] and other property [which] **that** the person so arrested has in
 24 possession, or **is** on the premises, [which] **that** is apparently being used in violation of sections 3 to
 25 30 [of this Act] or [sections] 45 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

26 (2) If [the] a person [so] arrested **as described in this section** is convicted, and [it is found] **the**
 27 **court finds** that the marijuana items[,] and other property [has] **have** been used in violation of
 28 [Oregon law] **the laws of this state:**

29 (a) The marijuana items [shall] **must** be forfeited to an appropriate state or local law enforce-
 30 ment agency[,] and [shall] **must** be delivered by the court or officer, **at the direction of the court,**
 31 to the law enforcement agency; and

32 (b) Subject to other applicable law, the other property [shall] **must** be forfeited to the [Oregon
 33 Liquor Control] **Adult Substances Control** Commission, and [shall] **must** be delivered by the court
 34 or officer to the commission.

35 (3) The commission is authorized to destroy or make such other disposition of any property it
 36 receives under [paragraph (b) of] subsection (2)(b) of this section as it considers to be in the public
 37 interest. In any such case, all such property, including lockers, chairs, tables, cash registers, music
 38 devices, gambling devices, furniture, furnishings, equipment and facilities for the storing, serving or
 39 using of marijuana items [shall] **must** be confiscated and forfeited to the state, and the clear pro-
 40 ceeds [shall] **must** be deposited with the State Treasury in the Common School Fund in the manner
 41 provided in this section.

42 **SECTION 213.** Section 65, chapter 1, Oregon Laws 2015, is amended to read:

43 **Sec. 65.** The county courts, district attorneys and municipal authorities, immediately upon the
 44 conviction of any licensee of the [Oregon Liquor Control] **Adult Substances Control** Commission
 45 of a violation of any provision of sections 3 to 30 [of this Act] or [sections] 45 to 70, **chapter 1,**

1 **Oregon Laws 2015**, [of this Act] or the violation of any other law of this state or ordinance of any
2 municipality [therein] **in this state**, in which violation marijuana had any part, shall notify the
3 commission [thereof. Such officials] **of the conviction. The county courts, district attorneys and**
4 **municipal authorities** shall notify the commission of any acts, practices or other conduct of [any
5 such] a licensee [which] **convicted as described in this section that** may be subversive of the
6 general welfare or contrary to the spirit of **sections 3 to 70, chapter 1, Oregon Laws 2015**, [this
7 Act] and shall recommend such action on the part of the commission as will remove the evil.

8 **SECTION 214.** Section 82, chapter 1, Oregon Laws 2015, is amended to read:

9 **Sec. 82.** (1) Sections 3 to 73, **chapter 1, Oregon Laws 2015**, [of this Act] and the amendments
10 to ORS 316.680, 475.525, 475.752, 475.856, 475.860, 475.864[,] and 571.315 by sections 74 to 80, **chapter**
11 **1, Oregon Laws 2015**, [of this Act] become operative on July 1, 2015.

12 (2) The [Oregon Liquor Control] **Adult Substances Control** Commission may take any action
13 before the operative date specified in subsection (1) of this section that is necessary to enable the
14 commission to exercise, on and after the operative date specified in subsection (1) of this section,
15 all the duties, functions and powers conferred on the commission by sections 3 to 73, **chapter 1,**
16 **Oregon Laws 2015**, [of this Act] and the amendments to ORS 316.680, 475.525, 475.752, 475.856,
17 475.860, 475.864[,] and 571.315 by sections 74 to 80, **chapter 1, Oregon Laws 2015** [of this Act].

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