

**PROPOSED AMENDMENTS TO
SENATE BILL 138**

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating
2 new provisions; and”.

3 Delete lines 4 through 30 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 471.200 is amended to read:

5 “471.200. (1) A brewery-public house license allows the licensee:

6 “(a) To manufacture on the licensed premises, store, transport, sell to
7 wholesale malt beverage and wine licensees of the Oregon Liquor Control
8 Commission and export malt beverages;

9 “(b) To sell malt beverages manufactured on or off the licensed premises
10 at retail for consumption on or off the premises;

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

13 “(d) To sell on the licensed premises at retail malt beverages manufac-
14 tured on or off the licensed premises in unpasteurized or pasteurized form
15 directly to the consumer for consumption off the premises, delivery of which
16 may be made in a securely covered container supplied by the consumer;

17 “(e) To sell wine and cider at retail for consumption on or off the prem-
18 ises;

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

22 “(g) To conduct the activities, except manufacturing, described in para-

1 graphs (a) to (f) of this subsection at one location other than the premises
2 where the manufacturing occurs; [and]

3 “(h) To obtain a special events brewery-public house license entitling the
4 holder to conduct the activities allowed under paragraphs (b) to (f) of this
5 subsection at a designated location other than the location set forth in the
6 brewery-public house license for a period not exceeding five days[.];

7 **“(i) To distribute malt beverages manufactured at the licensed**
8 **premises to any other premises licensed to the same licensee, whether**
9 **a manufacturer, wholesaler or retail premises; and**

10 **“(j) To distribute for export, in any amount, malt beverages manu-**
11 **factured at the licensed premises; and**

12 “(2) In addition to the privileges specified in subsection (1) of this section,
13 in any calendar year a brewery-public house licensee may sell at wholesale
14 **and distribute** to licensees of the commission **no more than 5,000 barrels**
15 **of** malt beverages produced by the brewery-public house licensee[*if the*
16 *brewery-public house licensee produced 5,000 barrels or less of malt beverages*
17 *in the immediately preceding calendar year*].

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

30 “(4) A brewery-public house licensee, or any person having an interest in

1 the licensee, is a retail licensee for the purposes of ORS 471.398 and, except
2 as otherwise provided by this section and ORS 471.400, may not accept di-
3 rectly or indirectly any financial assistance described in ORS 471.398 from
4 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
5 house licensee, or any person having an interest in the licensee, is also a
6 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
7 vided by this section and ORS 471.400, may not provide directly or indirectly
8 any financial assistance described in ORS 471.398 to any retail licensee, as
9 defined in ORS 471.392. The prohibitions on financial assistance in ORS
10 471.398 do not apply to financial assistance between manufacturing and retail
11 businesses licensed to the same person under the provisions of this section.

12 “(5) Notwithstanding subsection (3) of this section, a brewery-public house
13 licensee, or any person having an interest in the licensee, may also hold a
14 winery license authorized by ORS 471.223. A brewery-public house licensee,
15 or any person having an interest in the licensee, may also hold a warehouse
16 license authorized by ORS 471.242.

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

20 “(7)(a) Notwithstanding subsection (3) of this section, and except as pro-
21 vided in this subsection, a brewery-public house licensee, or any person
22 having an interest in the licensee, may also hold a full on-premises sales li-
23 cense. If a person holds both a brewery-public house license and a full on-
24 premises sales license, nothing in this chapter shall prevent the sale by the
25 licensee of both distilled liquor and malt beverages manufactured under the
26 brewery-public house license.

27 “(b) The commission may not issue a full on-premises sales license to a
28 brewery-public house licensee under the provisions of this subsection if the
29 brewery-public house licensee, or any person having an interest in the
30 licensee or exercising control over the licensee, is a brewery that brews more

1 than 200,000 barrels of malt beverages annually or a winery that produces
2 more than 200,000 gallons of wine annually.

3 “(8) Notwithstanding any other provision of this chapter, a brewery-public
4 house licensee, or any person having an interest in the licensee, may also
5 hold a distillery license. No provision of this chapter prevents a brewery-
6 public house licensee that also holds a distillery license from being appointed
7 by the commission as the distillery’s retail outlet agent for the purpose of
8 selling distilled liquors under ORS 471.230.

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

12 “(10)(a) Notwithstanding subsection (3) of this section, a brewery-public
13 house licensee may hold, directly or indirectly, an interest in a manufacturer
14 or wholesaler, provided that the interest does not result in exercise of con-
15 trol over, or participation in the management of, the manufacturer’s or
16 wholesaler’s business or business decisions and does not result in exclusion
17 of any competitor’s brand of alcoholic liquor.

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

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

27 “**SECTION 2.** ORS 471.200, as amended by section 1 of this 2015 Act, is
28 amended to read:

29 “471.200. (1) A brewery-public house license allows the licensee:

30 “(a) To manufacture on the licensed premises, store, transport, sell to

1 wholesale malt beverage and wine licensees of the Oregon Liquor Control
2 Commission and export malt beverages;

3 “(b) To sell malt beverages manufactured on or off the licensed premises
4 at retail for consumption on or off the premises;

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

7 “(d) To sell on the licensed premises at retail malt beverages manufac-
8 tured on or off the licensed premises in unpasteurized or pasteurized form
9 directly to the consumer for consumption off the premises, delivery of which
10 may be made in a securely covered container supplied by the consumer;

11 “(e) To sell wine and cider at retail for consumption on or off the prem-
12 ises;

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

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

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

23 “(i) To distribute malt beverages manufactured at the licensed premises
24 to any other premises licensed to the same licensee, whether a manufacturer,
25 wholesaler or retail premises; and

26 “(j) To distribute for export, in any amount, malt beverages manufactured
27 at the licensed premises.

28 “(2) In addition to the privileges specified in subsection (1) of this section,
29 in any calendar year a brewery-public house licensee may sell at wholesale
30 and distribute to licensees of the commission no more than [5,000] **10,000**

1 barrels of malt beverages produced by the brewery-public house licensee.

2 “(3) A brewery-public house licensee, or any person having an interest in
3 the licensee, is a retail licensee for the purposes of ORS 471.394 and, except
4 as otherwise provided by this section and ORS 471.396, may not acquire or
5 hold any right, title, lien, claim or other interest, financial or otherwise, in,
6 upon or to the premises, equipment, business or merchandise of any man-
7 ufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house
8 licensee, or any person having an interest in the licensee, is also a man-
9 ufacturer for the purposes of ORS 471.398 and, except as otherwise provided
10 by this section and ORS 471.400, may not acquire or hold any right, title,
11 lien, claim or other interest, financial or otherwise, in, upon or to the
12 premises, equipment, business or merchandise of any other retail licensee,
13 as defined in ORS 471.392.

14 “(4) A brewery-public house licensee, or any person having an interest in
15 the licensee, is a retail licensee for the purposes of ORS 471.398 and, except
16 as otherwise provided by this section and ORS 471.400, may not accept di-
17 rectly or indirectly any financial assistance described in ORS 471.398 from
18 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
19 house licensee, or any person having an interest in the licensee, is also a
20 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
21 vided by this section and ORS 471.400, may not provide directly or indirectly
22 any financial assistance described in ORS 471.398 to any retail licensee, as
23 defined in ORS 471.392. The prohibitions on financial assistance in ORS
24 471.398 do not apply to financial assistance between manufacturing and retail
25 businesses licensed to the same person under the provisions of this section.

26 “(5) Notwithstanding subsection (3) of this section, a brewery-public house
27 licensee, or any person having an interest in the licensee, may also hold a
28 winery license authorized by ORS 471.223. A brewery-public house licensee,
29 or any person having an interest in the licensee, may also hold a warehouse
30 license authorized by ORS 471.242.

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

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

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

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

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

26 “(10)(a) Notwithstanding subsection (3) of this section, a brewery-public
27 house licensee may hold, directly or indirectly, an interest in a manufacturer
28 or wholesaler, provided that the interest does not result in exercise of con-
29 trol over, or participation in the management of, the manufacturer’s or
30 wholesaler’s business or business decisions and does not result in exclusion

1 of any competitor's brand of alcoholic liquor.

2 “(b) Notwithstanding subsection (3) of this section, a manufacturer or
3 wholesaler, and any officer, director or substantial stockholder of any cor-
4 porate manufacturer or wholesaler, may hold, directly or indirectly, an in-
5 terest in a brewery-public house licensee, provided that the interest does not
6 result in exercise of control over, or participation in the management of, the
7 licensee's business or business decisions and does not result in exclusion of
8 any competitor's brand of alcoholic liquor.

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

11 **“SECTION 3. The amendments to ORS 471.200 by section 2 of this**
12 **2015 Act become operative January 1, 2018.”.**

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