

**PROPOSED AMENDMENTS TO  
SENATE BILL 583**

1 On page 1 of the printed bill, line 2, delete “creating new provisions;” and  
2 delete “471.230” and insert “471.220”.

3 In line 3, delete “471.810” and insert “471.282”.

4 Delete lines 5 through 18 and delete pages 2 through 9 and insert:

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

6 “471.200. (1) A brewery-public house license allows the licensee:

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

11 “(b) To sell malt beverages **and cider** manufactured on or off the licensed  
12 premises at retail for consumption on or off the premises;

13 “(c) To sell malt beverages **and cider** in brewery-sealed packages at retail  
14 directly to the consumer for consumption off the premises;

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

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

21 “(f) To sell for consumption off the premises wines and cider in securely  
22 covered containers supplied by the consumer and having capacities of not

1 more than two gallons each;

2 “(g) To conduct the activities, except manufacturing, described in para-  
3 graphs (a) to (f) of this subsection at one location other than the premises  
4 where the manufacturing occurs; *[and]*

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

9 **“(i) To distribute malt beverages manufactured on the licensed**  
10 **premises to any other premises licensed to the same licensee, whether**  
11 **a manufacturer, wholesaler or retail premises.**

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 7,500 barrels**  
15 **of** malt beverages *[produced]* **manufactured** by the brewery-public house  
16 licensee *[if the brewery-public house licensee produced 5,000 barrels or less of*  
17 *malt beverages 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*]

1 **manufactures** more than 200,000 barrels of malt beverages annually or a  
2 winery that produces 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) Notwithstanding any other provision of this chapter, a**  
26 **brewery-public house licensee may hold, directly or indirectly, an in-**  
27 **terest in an off-premises sales licensee if:**

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

30 **“(b) The brewery-public house licensee does not exercise control**

1 **over or participate in management or business decisions of the off-**  
2 **premises sales licensee or influence purchases or sales by the off-**  
3 **premises sales licensee to exclude or disadvantage a competitor’s**  
4 **brand of alcoholic liquor.**

5 “[~~(11)~~] (12) For purposes of ORS chapter 473, a brewery-public house  
6 licensee shall be considered to be a manufacturer.

7 **“SECTION 2.** ORS 471.220 is amended to read:

8 “471.220. (1) A brewery license shall allow the manufacture[,] **of malt**  
9 **beverages and cider and the** importation, storage, transportation, whole-  
10 sale sale and distribution to licensees of the Oregon Liquor Control Com-  
11 mission, and [~~the~~] export, of **the** malt beverages **and cider**. A brewery  
12 licensee may not sell within the State of Oregon any beer containing more  
13 than six percent alcohol by volume. Except as provided in subsection (2) of  
14 this section, a brewery licensee may not sell malt beverages **or cider** for  
15 consumption on the licensed premises.

16 “(2) A brewery licensee may:

17 “(a) Sell malt beverages [~~brewed~~] **and cider manufactured** on the li-  
18 censed premises for consumption on the licensed premises; and

19 “(b) Sell malt beverages [~~brewed~~] **and cider manufactured** on the li-  
20 censed premises, in quantities of not less than four gallons, to an unlicensed  
21 organization, lodge, picnic party or private gathering. An unlicensed organ-  
22 ization, lodge, picnic party or private gathering may not resell the malt  
23 beverages **or cider** that a brewery licensee sells under this paragraph.

24 **“SECTION 3.** ORS 471.282 is amended to read:

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

30 “(a) A person that holds a license issued by this state or another state

1 that authorizes the manufacture of wine or cider;

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

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

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

11 “(2)(a) A person may apply for a direct shipper permit by filing an appli-  
12 cation with the commission. The application must be made in such form as  
13 may be prescribed by the commission.

14 “(b) If the application is based on a license issued by this state, the per-  
15 son must include in the application the number of the license issued to the  
16 person.

17 “(c) If the application is based on a license issued by another state, the  
18 person must include in the application a true copy of the license issued to  
19 the person by the other state or include sufficient information to allow ver-  
20 ification of the license by electronic means or other means acceptable to the  
21 commission.

22 “(d) If the application is based on a license issued by another state, or the  
23 application is by a nonprofit trade association described in subsection (1)(d)  
24 of this section, the person or association must pay a \$50 registration fee and  
25 maintain a bond or other security described in ORS 471.155 in the minimum  
26 amount of \$1,000.

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

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

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

30 and

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

3       “(4) Sales and shipments under a direct shipper permit must be made di-  
4 rectly to a resident of this state in containers that are conspicuously labeled  
5 with the words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE  
6 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’

7       “(5) A person holding a direct shipper permit must take all actions nec-  
8 essary to ensure that a carrier used by the permit holder does not deliver  
9 any wine or cider unless the carrier:

10       “(a) Obtains the signature of the recipient of the wine or cider upon de-  
11 livery;

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

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

16       “(6)(a) A person holding a direct shipper permit must report to the com-  
17 mission all shipments of wine or cider made to Oregon residents under the  
18 permit [*as required by ORS chapter 473*] **on a quarterly basis**. The report  
19 must be made in a form prescribed by the commission.

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

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

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

1       “(b) A person holding a direct shipper permit based on a license issued  
2 by another state must timely pay to the commission all taxes imposed under  
3 ORS chapter 473 on all wine or cider sold and shipped directly to Oregon  
4 residents under the permit. The permit holder, not the purchaser, is respon-  
5 sible for the tax.

6       “(8) A direct shipper permit must be renewed annually. If the person holds  
7 the permit based on an annual license issued by another state, the person  
8 may renew the permit by paying a \$50 renewal fee and providing the com-  
9 mission with a true copy of a current license issued to the person by the  
10 other state or with sufficient information to allow verification of the license  
11 by electronic means or other means acceptable to the commission. If the  
12 person holds the permit based on an annual license issued by this state, the  
13 person may renew the permit at the same time that the person renews the  
14 license.

15       “(9) The commission may refuse to issue or may suspend or revoke a di-  
16 rect shipper permit if the permit holder fails to comply with the provisions  
17 of this section. A person may sell and ship wine or cider under a direct  
18 shipper permit only for as long as the person has the license issued by this  
19 state or another state that authorizes the person to hold a direct shipper  
20 permit.

21       “(10) Any person who knowingly or negligently delivers wine or cider  
22 under the provisions of this section to a person under 21 years of age, or  
23 who knowingly or negligently delivers wine or cider under the provisions of  
24 this section to a visibly intoxicated person, violates ORS 471.410.

25       “(11) A person may not make sales and shipments of wine or cider directly  
26 to Oregon residents unless the person holds a direct shipper permit issued  
27 under this section. Any person who knowingly makes, participates in, trans-  
28 ports, imports or receives a shipment of wine or cider that is in violation  
29 of this section commits a misdemeanor as provided in ORS 471.990 (1).

30       “**SECTION 4. This 2015 Act being necessary for the immediate**



1 **preservation of the public peace, health and safety, an emergency is**  
2 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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