

**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”.

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 on the licensed premises, store, transport, sell to
8 wholesale malt beverage and wine licensees of the Oregon Liquor Control
9 Commission and export malt beverages;

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

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

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

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

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

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

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

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

11 “(2) In addition to the privileges specified in subsection (1) of this section,
12 in any calendar year a brewery-public house licensee may sell at wholesale
13 **and distribute** to licensees of the commission **no more than 7,500 barrels**
14 **of** malt beverages *[produced]* **manufactured** by the brewery-public house
15 licensee *[if the brewery-public house licensee produced 5,000 barrels or less of*
16 *malt beverages in the immediately preceding calendar year]*.

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

29 “(4) A brewery-public house licensee, or any person having an interest in
30 the licensee, is a retail licensee for the purposes of ORS 471.398 and, except

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

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

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

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

26 “(b) The commission may not issue a full on-premises sales license to a
27 brewery-public house licensee under the provisions of this subsection if the
28 brewery-public house licensee, or any person having an interest in the
29 licensee or exercising control over the licensee, is a brewery that [*brews*]
30 **manufactures** more than 200,000 barrels of malt beverages annually or a

1 winery that produces more than 200,000 gallons of wine annually.

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

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

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

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

24 “(11) **Notwithstanding any other provision of this chapter, a**
25 **brewery-public house licensee may hold, directly or indirectly, an in-**
26 **terest in an off-premises sales licensee.**

27 “[~~(11)~~] (12) For purposes of ORS chapter 473, a brewery-public house
28 licensee shall be considered to be a manufacturer.

29 “**SECTION 2.** ORS 471.282 is amended to read:

30 “471.282. (1) Notwithstanding any other provision of this chapter and ex-

1 cept as provided by ORS 471.186 (6), a person may sell and ship wine or cider
2 directly to a resident of Oregon only if the person holds a direct shipper
3 permit. The Oregon Liquor Control Commission shall issue a direct shipper
4 permit only to:

5 “(a) A person that holds a license issued by this state or another state
6 that authorizes the manufacture of wine or cider;

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

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

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

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

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

22 “(c) If the application is based on a license issued by another state, the
23 person must include in the application a true copy of the license issued to
24 the person by the other state or include sufficient information to allow ver-
25 ification of the license by electronic means or other means acceptable to the
26 commission.

27 “(d) If the application is based on a license issued by another state, or the
28 application is by a nonprofit trade association described in subsection (1)(d)
29 of this section, the person or association must pay a \$50 registration fee and
30 maintain a bond or other security described in ORS 471.155 in the minimum

1 amount of \$1,000.

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

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

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

5 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 “(11) A person may not make sales and shipments of wine or cider directly

1 to Oregon residents unless the person holds a direct shipper permit issued
2 under this section. Any person who knowingly makes, participates in, trans-
3 ports, imports or receives a shipment of wine or cider that is in violation
4 of this section commits a misdemeanor as provided in ORS 471.990 (1).

5 **“SECTION 3. This 2015 Act being necessary for the immediate**
6 **preservation of the public peace, health and safety, an emergency is**
7 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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