

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2567**

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 14 and
2 delete pages 2 and 3 and insert:

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

4 “471.230. (1) A distillery license allows the licensee to import, manufac-
5 ture, distill, rectify, blend, denature and store spirits of an alcoholic content
6 greater than 17 percent alcohol by weight, to sell the spirits to the Oregon
7 Liquor Control Commission and to transport the spirits out of this state for
8 sale outside this state. [*Distillery licensees are permitted to purchase from and*
9 *through the commission alcoholic beverages for blending and manufacturing*
10 *purposes upon such terms and conditions as the commission may provide.*]

11 **Distillery licensees may purchase and sell distilled liquor from or to**
12 **another distillery licensee in containers having a capacity greater than**
13 **one U.S. gallon for blending and manufacturing purposes.** A distillery
14 licensee may not sell any alcoholic beverage within this state except to the
15 commission or as provided in this section. However, any agricultural pro-
16 ducer or association of agricultural producers or the legal agents of an ag-
17 ricultural producer or association of agricultural producers that
18 manufactures and converts agricultural surpluses, by-products and wastes
19 into denatured ethyl and industrial alcohol for use in the arts and industry
20 are not required to obtain a license from the commission.

21 **“(2) [A] If a distillery licensee holds a valid distilled spirits plant**
22 **basic permit issued by the federal Alcohol and Tobacco Tax and Trade**

1 **Bureau for the licensed premises, the distillery licensee may:**

2 “(a) Permit tastings of [*the*] distilled liquor [*manufactured*] **approved by**
3 **the commission for sale in Oregon and manufactured in Oregon** by the
4 distillery licensee **or by another distillery licensee. Tastings may be of**
5 **the distilled liquor alone or with a mix of other liquids. If any of the**
6 **other liquids are distilled liquors, they must be distilled liquors on the**
7 **list of products approved by the commission for retail sale in Oregon**
8 **and must be purchased by the licensee at the retail price established**
9 **by the commission. This paragraph does not authorize sales by the**
10 **drink of distilled liquor.** The tastings may be conducted on the licensed
11 premises of the distillery and at no more than five other premises owned or
12 leased by the licensee. [*The licensee must purchase the distilled liquor from*
13 *the commission.*] **The commission may allow more than one distillery**
14 **licensee to use the same premises at the same time for conducting**
15 **tastings if the premises are a primary production location and the**
16 **licensees share the premises or are owned by the same entity. If the**
17 **manufacturer of the distilled liquor obtains distilled liquor for con-**
18 **ducting tastings from the inventory of the commission, the licensee**
19 **shall pay the commission a processing fee.**

20 “(b) Obtain a special events distillery license.

21 “(c) Apply for appointment by the commission as a distillery retail outlet
22 agent for purposes of retailing [*only*] distilled liquor [*that the licensee man-*
23 *ufactured in Oregon*] at locations where tastings are permitted under para-
24 graph (a) of this subsection or subsection (4)(a) of this section. **A distillery**
25 **retail outlet agent may sell at locations where tasting are allowed**
26 **under paragraph (a) of this subsection only distilled liquor that is on**
27 **the list of products approved by the commission for retail sale in**
28 **Oregon and is manufactured in Oregon by the distillery licensee or by**
29 **another distillery licensee that uses the same premises as a primary**
30 **production location or is owned by the same entity as the distillery**

1 **licensee.**

2 “(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also
3 hold a full on-premises sales license for a location at the licensed premises
4 of the distillery and a full on-premises sales license for one other location.
5 All distilled spirits sold under the full on-premises sales license must be
6 purchased from the commission.

7 “[*(4)(a) A distillery licensee that holds a special events distillery license*
8 *may conduct an event on a premises at a designated location other than the*
9 *location set forth in the distillery license for a period not exceeding five days.*
10 *A distillery licensee conducting an event may:*]

11 “[*(A) Permit tastings of distilled liquor manufactured by the distillery.*]

12 “[*(B) Permit sales by the drink of distilled liquor manufactured by the*
13 *distillery.*]

14 “[*(C) If the distillery licensee has been appointed as a distillery retail outlet*
15 *agent under subsection (2)(c) of this section, sell factory sealed containers of*
16 *distilled liquor manufactured by the distillery for consumption off the licensed*
17 *premises of the event.*]

18 “(4) **A distillery licensee that holds a special events distillery license**
19 **may conduct an event on premises designated in the special events**
20 **distillery license. Except as provided in this subsection, a special**
21 **events distillery license may be valid for a period not exceeding five**
22 **days. The commission shall limit the approval of special events**
23 **distillery licenses for a distillery licensee at the same location to not**
24 **more than 62 days during a calendar year. A distillery licensee con-**
25 **ducting a special event may:**

26 “(a) **Permit tastings of distilled liquor approved by the commission**
27 **for sale in Oregon and manufactured in Oregon by the distillery**
28 **licensee. Tastings may be of the distilled liquor alone or with a mix**
29 **of other liquids. If any of the other liquids are distilled liquors, they**
30 **must be distilled liquors on the list of products approved by the com-**

1 mission for retail sale in Oregon and must be purchased by the
2 licensee at the retail price established by the commission. If the
3 manufacturer of the distilled liquor obtains distilled liquor for con-
4 ducting tastings from the inventory of the commission, the licensee
5 shall pay the commission a processing fee.

6 “(b) Permit sales by the drink of distilled liquor. A drink that a
7 distillery licensee sells under this paragraph must include distilled li-
8 quor that the licensee manufactured in Oregon. Any distilled liquor
9 contained in the drink must be on the list of products approved by the
10 commission for retail sale in Oregon. The distillery licensee selling the
11 drink must purchase all distilled liquor contained in the drink at the
12 retail price set by the commission for the month in which the drink
13 is sold.

14 “(c) If the distillery licensee has been appointed as a distillery retail
15 outlet agent under subsection (2)(c) of this section, sell distilled liquor
16 in factory-sealed containers for consumption off the licensed premises.
17 A distillery retail outlet agent may sell at a location where tastings
18 are allowed under paragraph (a) of this subsection only distilled liquor
19 that is on the list of products approved by the commission for retail
20 sale in Oregon and is manufactured in Oregon by the distillery
21 licensee. The distillery retail outlet agent must sell the distilled liquor
22 at the retail price set by the commission for the month of sale.

23 “[*(b) A distillery licensee that holds a special events distillery license:*]

24 “[*(A) Must purchase distilled liquor that the licensee uses for conducting*
25 *tastings at the event from the commission at the price set by the commission*
26 *for distilled liquor removed from bond for tastings.*]

27 “[*(B) Must purchase distilled liquor that the licensee uses for sales by the*
28 *drink at the event at the retail price set by the commission for the month in*
29 *which the distilled liquor is sold by the drink.*]

30 “[*(C) Must purchase distilled liquor that the licensee sells in factory sealed*

1 containers at the event at the retail price set by the commission for the month
2 in which the licensee makes the purchase.]

3 “[D) Must sell distilled liquor described in subparagraph (C) of this par-
4 agraph at the retail price set by the commission for the month in which the
5 licensee makes the sale.]

6 **“SECTION 2. This 2015 Act being necessary for the immediate**
7 **preservation of the public peace, health and safety, an emergency is**
8 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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