

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 583**

1 On page 1 of the printed A-engrossed bill, line 2, after the first semicolon
2 delete the rest of the line and insert “creating new provisions; amending ORS
3 471.168, 471.186, 471.200, 471.223, 471.242, 471.282, 471.311, 471.392, 471.402,
4 471.404 and 471.501; and repealing ORS 471.220.”.

5 Delete lines 4 through 11 and delete pages 2 through 5 and insert:

6 **“SECTION 1. Section 2 of this 2015 Act is added to and made a part**
7 **of ORS chapter 471.**

8 **“SECTION 2. A brewery license allows the licensee to do the fol-**
9 **lowing:**

10 **“(1) Manufacture malt beverages.**

11 **“(2) Import, store and transport malt beverages manufactured at**
12 **the premises or at another premises owned by the same licensee or**
13 **manufactured through a collaboration between the licensee and an-**
14 **other manufacturer.**

15 **“(3) Sell at wholesale and distribute to licensees of the Oregon Li-**
16 **quor Control Commission malt beverages manufactured at the prem-**
17 **ises or at another premises owned by the same licensee or**
18 **manufactured through a collaboration between the licensee and an-**
19 **other manufacturer.**

20 **“(4) Obtain a wholesale malt beverage and wine license for the**
21 **purpose of distributing malt beverages not described in subsection (3)**
22 **of this section.**

1 **“(5) Export malt beverages manufactured at the premises or at an-**
2 **other premises owned by the same licensee or manufactured through**
3 **a collaboration between the licensee and another manufacturer.**

4 **“(6) Sell at retail for consumption on the licensed premises malt**
5 **beverages manufactured by the licensee at the premises or at another**
6 **premises owned by the same licensee or manufactured through a col-**
7 **laboration between the licensee and another manufacturer.**

8 **“(7) Sell on the licensed premises, at retail, in pasteurized or**
9 **unpasteurized form for off-premises consumption and in securely cov-**
10 **ered containers supplied by the consumer and having a capacity of not**
11 **more than two gallons each, malt beverages manufactured at the**
12 **premises or at another premises owned by the same licensee or man-**
13 **ufactured through a collaboration between the licensee and another**
14 **manufacturer.**

15 **“(8) Sell on the licensed premises, at retail, in brewery-sealed con-**
16 **tainers and directly to the consumer for off-premises consumption,**
17 **malt beverages manufactured by the licensee at the premises or at**
18 **another premises owned by the same licensee or manufactured**
19 **through a collaboration between the licensee and another manufac-**
20 **turer.**

21 **“(9) Obtain a special events brewery license to conduct activities**
22 **described in subsections (6) to (8) of this section at a designated tem-**
23 **porary location for a period not exceeding five days.**

24 **“SECTION 3. ORS 471.168 is amended to read:**

25 **“471.168. (1) For the purpose of providing coverage for injuries suffered**
26 **by persons by reason of the conduct of intoxicated persons who were served**
27 **alcoholic beverages on licensed premises while visibly intoxicated, all per-**
28 **sons holding a license described in this section must either:**

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

30 **“(b) Maintain a bond with a corporate surety authorized to transact**

1 business in this state in the amount of not less than \$300,000.

2 “(2) The Oregon Liquor Control Commission may by rule require liquor
3 liability insurance or bond in an amount larger than the minimum amount
4 provided for in subsection (1) of this section.

5 “(3) The requirements of this section apply to full on-premises sales li-
6 censes, limited on-premises sales licenses and brewery-public house licenses.
7 The requirements of this section apply to temporary sales licenses, special
8 events winery licenses, special events grower sales privilege licenses, special
9 events brewery-public house licenses, **special events brewery licenses** and
10 special events distillery licenses if the event that is licensed is open to the
11 public and attendance at the event is anticipated to exceed 300 individuals
12 per day.

13 “(4) The requirements of this section apply to winery licenses, brewery
14 licenses and grower sales privilege licenses unless an applicant for issuance
15 of the license or renewal of the license submits with the application for is-
16 suance or renewal of the license an affidavit that states that the licensee
17 will not allow consumption of alcoholic beverages on the premises.

18 “(5) All licensees subject to the requirements of this section must supply
19 proof of compliance at the time the license is issued or renewed. The com-
20 mission by rule shall determine the manner in which proof of compliance
21 may be made under the provisions of this subsection. The commission may
22 require a licensee to present proof of compliance with liquor liability insur-
23 ance and bond requirements at any time upon request of the commission.

24 “(6) Failure of a licensee to comply with liquor liability insurance or bond
25 requirements imposed under this section constitutes a serious threat to pub-
26 lic health and safety. In addition to any action available to the commission
27 under ORS 471.313 or 471.315, the commission may immediately suspend or
28 refuse renewal of a license as provided under ORS 183.430 (2) if the licensee
29 fails to comply with those insurance or bond requirements.

30 “(7) If a licensee fails to provide proof of compliance with liquor liability

1 insurance or bond requirements imposed under this section at the time of
2 license renewal or when requested by the commission, the failure is suffi-
3 cient reason for the commission to find for purposes of ORS 183.430 (2) that
4 the licensee has failed to comply with the insurance or bond requirements.

5 **“SECTION 4.** ORS 471.186 is amended to read:

6 “471.186. (1) [*The holder of an off-premises sales license may*] **An off-**
7 **premises sales license allows the licensee to do the following:**

8 **“(a)** Sell factory-sealed containers of **malt beverages**, wine[, *malt*
9 *beverages*] and cider. Factory-sealed containers of malt beverages sold under
10 the license may not hold more than two and one-quarter gallons.

11 “[~~(2)~~] **(b)** [*The holder of an off-premises sales license may*] Sell for con-
12 sumption off the licensed premises malt beverages, wines and cider in
13 securely covered containers supplied by the consumer and having capacities
14 of not more than two gallons each.

15 “[~~(3)~~] **(c)** [*The holder of an off-premises sales license may*] Provide sample
16 tasting of alcoholic beverages on the licensed premises if the licensee makes
17 written application to the Oregon Liquor Control Commission and receives
18 approval from the commission to conduct tastings on the premises. Tastings
19 must be limited to the alcoholic beverages that may be sold under the priv-
20 ileges of the license.

21 **“(d) Deliver malt beverages, wine or cider sold under the privileges**
22 **of the license to retail customers in this state without a direct shipper**
23 **permit issued under ORS 471.282. Any deliveries by the holder of an**
24 **off-premises sales license are subject to any rules adopted by the**
25 **commission relating to deliveries made under this subsection. Deliv-**
26 **eries under this subsection:**

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

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

30 **“(C) Must be made in containers that are conspicuously labeled**

1 **with the words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON**
2 **AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’**

3 “[4] (2) An off-premises sales license may not be issued for use at a
4 premises that is mobile.

5 “[5] (3) Except as provided in ORS 471.402, a manufacturer or wholesaler
6 may not provide or pay for sample tastings of alcoholic beverages for the
7 public on premises licensed under an off-premises sales license.

8 “[6] *The holder of an off-premises sales license may deliver wine or cider*
9 *that is sold under the privileges of the license to retail customers in this state*
10 *without a direct shipper permit issued under ORS 471.282. Any deliveries by*
11 *the holder of an off-premises sales license are subject to any rules adopted by*
12 *the commission relating to deliveries made under this subsection. Deliveries*
13 *under this subsection:]*

14 “[a] *May be made only to a person who is at least 21 years of age;*]

15 “[b] *May be made only for personal use and not for the purpose of resale;*
16 *and]*

17 “[c] *Must be made in containers that are conspicuously labeled with the*
18 *words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21*
19 *YEARS OR OLDER REQUIRED FOR DELIVERY.’]*

20 “[7] (4) The holder of an off-premises sales license that makes deliveries
21 of **malt beverages**, wine or cider under subsection [(6)] (1)(d) of this section
22 must take all actions necessary to ensure that a carrier used by the licensee
23 does not deliver any **malt beverages**, wine or cider unless the carrier:

24 (a) Obtains the signature of the recipient of the **malt beverages**, wine
25 or cider upon delivery;

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

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

30 “[8] (5) Any person who knowingly or negligently delivers **malt**

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

5 “[9] (6) If a court determines that deliveries of **malt beverages**, wine
6 or cider under subsection [(6)] (1)(d) of this section cannot be restricted to
7 holders of off-premises sales licenses, and the decision is a final judgment
8 that is no longer subject to appeal, the holder of an off-premises sales license
9 may not make deliveries of **malt beverages**, wine or cider under the pro-
10 visions of subsection [(6)] (1)(d) of this section after entry of the final judg-
11 ment.

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

13 “471.200. [(1) A brewery-public house license allows the licensee:]

14 “[a] *To manufacture on the licensed premises, store, transport, sell to*
15 *wholesale malt beverage and wine licensees of the Oregon Liquor Control*
16 *Commission and export malt beverages;*]

17 “[b] *To sell malt beverages manufactured on or off the licensed premises*
18 *at retail for consumption on or off the premises;*]

19 “[c] *To sell malt beverages in brewery-sealed packages at retail directly to*
20 *the consumer for consumption off the premises;*]

21 “[d] *To sell on the licensed premises at retail malt beverages manufactured*
22 *on or off the licensed premises in unpasteurized or pasteurized form directly*
23 *to the consumer for consumption off the premises, delivery of which may be*
24 *made in a securely covered container supplied by the consumer;*]

25 “[e] *To sell wine and cider at retail for consumption on or off the*
26 *premises;*]

27 “[f] *To sell for consumption off the premises wines and cider in securely*
28 *covered containers supplied by the consumer and having capacities of not more*
29 *than two gallons each;*]

30 “[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 *“(2) In addition to the privileges specified in subsection (1) of this section,*
8 *in any calendar year a brewery-public house licensee may sell at wholesale to*
9 *licensees of the commission malt beverages produced by the brewery-public*
10 *house licensee if the brewery-public house licensee produced 5,000 barrels or*
11 *less of malt beverages in the immediately preceding calendar year.]*

12 **“(1) A brewery-public house license allows the licensee to do the**
13 **following:**

14 **“(a) Manufacture malt beverages.**

15 **“(b) Store and transport malt beverages manufactured at the**
16 **premises or at another brewery-public house premises owned by the**
17 **same licensee or manufactured through a collaboration between the**
18 **licensee and another manufacturer.**

19 **“(c) Distribute, without limitation, to licensed premises owned by**
20 **the same licensee, whether a manufacturing, wholesale or retail**
21 **premises, malt beverages manufactured at the premises or at another**
22 **brewery-public house premises owned by the same licensee or manu-**
23 **factured through a collaboration between the licensee and another**
24 **manufacturer.**

25 **“(d) Distribute, without limitation, to a manufacturer malt**
26 **beverages that the licensee manufactured through a collaboration be-**
27 **tween the licensee and the recipient manufacturer.**

28 **“(e) In addition to any other distributions authorized under this**
29 **section, sell at wholesale and distribute to licensees of the Oregon Li-**
30 **quor Control Commission during a calendar year no more than 7,500**

1 barrels of malt beverages manufactured at the premises.

2 “(f) Export, in any amount, malt beverages manufactured at the
3 licensed premises or at another brewery-public house premises owned
4 by the same licensee or manufactured through a collaboration between
5 the licensee and another manufacturer.

6 “(g) Sell malt beverages, wine and cider at the licensed premises
7 at retail, for on-premises or off-premises consumption.

8 “(h) Sell malt beverages, wine and cider at the licensed premises,
9 at retail in manufacturer-sealed containers, for off-premises con-
10 sumption.

11 “(i) Sell pasteurized or unpasteurized malt beverages, wine and
12 cider on the licensed premises, at retail for off-premises consumption,
13 in securely covered containers supplied by the consumer and having
14 capacities of not more than two gallons.

15 “(j) Conduct activities described in paragraphs (g) to (i) of this
16 subsection at a second location as may be designated by the commis-
17 sion.

18 “(k) Obtain a special events brewery-public house license entitling
19 the holder to conduct the activities allowed under paragraphs (g) to
20 (i) this subsection at a designated temporary location for a period not
21 exceeding five days.

22 (L) Notwithstanding any other provision of this chapter, hold, di-
23 rectly or indirectly, an interest in an off-premises sales licensee.

24 “[3] (2) A brewery-public house licensee, or any person having an in-
25 terest in the licensee, is a retail licensee for the purposes of ORS 471.394 and,
26 except as otherwise provided by this section and ORS 471.396, may not ac-
27 quire or hold any right, title, lien, claim or other interest, financial or oth-
28 erwise, in, upon or to the premises, equipment, business or merchandise of
29 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
30 house licensee, or any person having an interest in the licensee, is also a

1 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
2 vided by this section and ORS 471.400, may not acquire or hold any right,
3 title, lien, claim or other interest, financial or otherwise, in, upon or to the
4 premises, equipment, business or merchandise of any other retail licensee,
5 as defined in ORS 471.392.

6 “[4] (3) A brewery-public house licensee, or any person having an in-
7 terest in the licensee, is a retail licensee for the purposes of ORS 471.398 and,
8 except as otherwise provided by this section and ORS 471.400, may not accept
9 directly or indirectly any financial assistance described in ORS 471.398 from
10 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
11 house licensee, or any person having an interest in the licensee, is also a
12 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
13 vided by this section and ORS 471.400, may not provide directly or indirectly
14 any financial assistance described in ORS 471.398 to any retail licensee, as
15 defined in ORS 471.392. The prohibitions on financial assistance in ORS
16 471.398 do not apply to financial assistance between manufacturing and retail
17 businesses licensed to the same person under the provisions of this section.

18 “[5] *Notwithstanding subsection (3) of this section, a brewery-public house*
19 *licensee, or any person having an interest in the licensee, may also hold a*
20 *winery license authorized by ORS 471.223. A brewery-public house licensee,*
21 *or any person having an interest in the licensee, may also hold a warehouse*
22 *license authorized by ORS 471.242.]*

23 “[6] *Notwithstanding subsection (3) of this section, a brewery-public house*
24 *licensee is eligible for limited on-premises sales licenses and temporary sales*
25 *licenses.]*

26 “[7)(a) *Notwithstanding subsection (3) of this section, and except as pro-*
27 *vided in this subsection, a brewery-public house licensee, or any person having*
28 *an interest in the licensee, may also hold a full on-premises sales license.]*

29 “(4) **Notwithstanding subsection (2) of this section, a brewery-public**
30 **house licensee, or any person having an interest in the licensee, may**

1 **also hold the following:**

2 **“(a) Except as provided in subsection (6) of this section, a full on-**
3 **premises sales license issued under ORS 471.175. If a person holds both**
4 **a brewery-public house license and a full on-premises sales license,**
5 **nothing in this chapter shall prevent the sale by the licensee of both**
6 **distilled liquor and malt beverages manufactured under the brewery-**
7 **public house license.**

8 **“(b) A limited on-premises sales license issued under ORS 471.178.**

9 **“(c) A temporary sales license issued under ORS 471.190.**

10 **“(d) A winery license issued under ORS 471.223.**

11 **“(e) A distillery license issued under ORS 471.230.**

12 **“(f) A warehouse license issued under ORS 471.242.**

13 **“(5) If a person holds both a brewery-public house license and a full on-**
14 **premises sales license, nothing in this chapter shall prevent the sale by the**
15 **licensee of both distilled liquor and malt beverages manufactured under the**
16 **brewery-public house license.**

17 **“[(b)] (6) The commission may not issue a full on-premises sales license**
18 **to a brewery-public house licensee under the provisions of this subsection if**
19 **the brewery-public house licensee, or any person having an interest in the**
20 **licensee or exercising control over the licensee, is a brewery that brews more**
21 **than 200,000 barrels of malt beverages annually or a winery that produces**
22 **more than 200,000 gallons of wine annually.**

23 **“[(8)] (7) [Notwithstanding any other provision of this chapter, a brewery-**
24 **public house licensee, or any person having an interest in the licensee, may**
25 **also hold a distillery license.] No provision of this chapter prevents a**
26 **brewery-public house licensee that also holds a distillery license from being**
27 **appointed by the commission as the distillery’s retail outlet agent for the**
28 **purpose of selling distilled liquors under ORS 471.230.**

29 **“[(9)] (8) Notwithstanding subsection [(3)] (2) of this section, the com-**
30 **mission by rule may authorize a brewery-public house licensee to coproduce**

1 special events with other manufacturers.

2 “[~~(10)(a)~~] **(9)(a)** Notwithstanding subsection [~~(3)~~] **(2)** of this section, a
3 brewery-public house licensee may hold, directly or indirectly, an interest in
4 a manufacturer or wholesaler, provided that the interest does not result in
5 exercise of control over, or participation in the management of, the
6 manufacturer’s or wholesaler’s business or business decisions and does not
7 result in exclusion of any competitor’s brand of alcoholic liquor.

8 “(b) Notwithstanding subsection [~~(3)~~] **(2)** of this section, a manufacturer
9 or wholesaler, and any officer, director or substantial stockholder of any
10 corporate manufacturer or wholesaler, may hold, directly or indirectly, an
11 interest in a brewery-public house licensee, provided that the interest does
12 not result in exercise of control over, or participation in the management
13 of, the licensee’s business or business decisions and does not result in ex-
14 clusion of any competitor’s brand of alcoholic liquor.

15 “[~~(11)~~] **(10)** For purposes of ORS chapter 473, a brewery-public house
16 licensee shall be considered to be a manufacturer.

17 **“SECTION 6.** ORS 471.223 is amended to read:

18 “471.223. (1) As used in this section, ‘control’ means that the licensee:

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

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

24 “(2) A winery license shall allow the licensee:

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

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

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

1 “(d) To sell wines or cider at wholesale to the Oregon Liquor Control
2 Commission or to licensees of the commission.

3 “(e) To sell wines or cider at retail directly to the consumer for con-
4 sumption on or off the licensed premises.

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

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

10 “(h) To conduct any activities described in paragraphs (a) to (g) of this
11 subsection at a second or third premises as may be designated by the com-
12 mission.

13 “(i) To purchase from or through the commission brandy or other distilled
14 liquors for fortifying wines.

15 “(j) To obtain a special events winery license that shall entitle the holder
16 to conduct the activities allowed under paragraphs (e) to (g) of this sub-
17 section at a designated location other than the one set forth in the winery
18 license for a period not to exceed five days.

19 “(3) A winery licensee shall allow a patron to remove a partially con-
20 sumed bottle of wine from the licensed premises if the patron is not a minor
21 and the patron is not visibly intoxicated.

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

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

26 “(b) Possess a valid wine blender or valid wholesaler basic permit issued
27 by the federal Alcohol and Tobacco Tax and Trade Bureau and have a writ-
28 ten contract with a winery licensed under paragraph (a) of this subsection
29 that authorizes the winery to produce for the licensee a brand of wine or
30 cider that is under the control of the licensee.

1 “(5) A winery licensee may sell and ship **malt beverages**, wine or cider
2 directly to a resident of this state only if the licensee has a direct shipper
3 permit issued under ORS 471.282.

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

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

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

21 “(8) If a winery licensee does not possess at a bonded premises within
22 Oregon a valid producer and blender basic permit issued by the federal Al-
23cohol and Tobacco Tax and Trade Bureau, the licensee may exercise the
24 privileges described in this section only for wine and cider brands that are
25 under the control of the licensee.

26 “**SECTION 7.** ORS 471.242 is amended to read:

27 “471.242. (1) A warehouse license shall allow the licensee to store, import,
28 bottle, produce, blend, transport and export nontax paid, bonded wine or
29 wine on which the tax is paid and to store, import and export nontax paid
30 malt beverages and cider, or malt beverages and cider on which the tax is

1 paid. Wine, cider and malt beverages may be removed from the licensed
2 premises only for:

3 “(a) Sale for export;

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

5 “(c) Sale or shipment to another warehouse licensee;

6 “(d) Sale or shipment to a winery licensee;

7 “(e) Shipment of wine or cider produced by a winery licensee to a licensee
8 of the Oregon Liquor Control Commission authorized to sell wine or cider
9 at retail if the shipment is made pursuant to a sale to the retail licensee by
10 the holder of a winery license issued under ORS 471.223, a grower sales
11 privilege license issued under ORS 471.227 or a wholesale malt beverage and
12 wine license issued under ORS 471.235; or

13 “(f) Shipment of **malt beverages**, wine or cider to a person for personal
14 use, as described in subsection (7) of this section.

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

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

20 “(4) A warehouse must be physically secure in an area zoned for the in-
21 tended use and be physically separated from any other use.

22 “(5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall
23 be considered a manufacturer.

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

26 “(7) **Malt beverages**, wine or cider may be removed from the premises
27 licensed under this section for shipment pursuant to a sale under ORS
28 471.282. The warehouse licensee shall take reasonable steps to ensure that
29 shipments are made in containers that are conspicuously labeled with the
30 words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS

1 OR OLDER REQUIRED FOR DELIVERY.’ In addition, the warehouse
2 licensee shall take reasonable steps to ensure that any carrier used by the
3 licensee does not deliver any **malt beverages**, wine or cider unless the car-
4 rier:

5 “(a) Obtains the signature of the recipient of the **malt beverages**, wine
6 or cider upon delivery;

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

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

11 **“SECTION 8.** ORS 471.282 is amended to read:

12 “471.282. (1) Notwithstanding any other provision of this chapter and ex-
13 cept as provided by ORS 471.186 [(6)] **(1)(d)**, a person may sell and ship **malt**
14 **beverages**, wine or cider directly to a resident of Oregon only if the person
15 holds a direct shipper permit. The Oregon Liquor Control Commission shall
16 issue a direct shipper permit only to:

17 “(a) A person that holds a license issued by this state or another state
18 that authorizes the manufacture of **malt beverages**, wine or cider;

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

22 “(c) A person that holds a license authorizing the sale of **malt**
23 **beverages**, wine or cider at retail; or

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

28 **“(2) The holder of a direct shipper permit that is a licensee of an-**
29 **other state may deliver malt beverages under the permit only if that**
30 **other state makes direct shipper permits, or the equivalent, available**

1 **for the delivery of malt beverages by persons holding commission li-**
2 **censes authorizing the manufacture or retail sale of malt beverages.**

3 “[2)(a)] **(3)(a)** A person may apply for a direct shipper permit by filing
4 an application with the commission. The application must be made in such
5 form as may be prescribed by the commission.

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

9 “(c) If the application is based on a license issued by another state, the
10 person must include in the application a true copy of the license issued to
11 the person by the other state or include sufficient information to allow ver-
12 ification of the license by electronic means or other means acceptable to the
13 commission.

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

19 “[3)] **(4)** Sales and shipments under a direct shipper permit:

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

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

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

25 “[4)] **(5)** Sales and shipments under a direct shipper permit must be made
26 directly to a resident of this state in containers that are conspicuously la-
27 beled with the words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON
28 AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’

29 “[5)] **(6)** A person holding a direct shipper permit must take all actions
30 necessary to ensure that a carrier used by the permit holder does not deliver

1 any **malt beverages**, wine or cider unless the carrier:

2 “(a) Obtains the signature of the recipient of the **malt beverages**, wine
3 or cider upon delivery;

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

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

8 “[~~(6)(a)~~] **(7)(a)** A person holding a direct shipper permit must report to the
9 commission all shipments of **malt beverages**, wine or cider made to Oregon
10 residents under the permit [*as required by ORS chapter 473*] **on a quarterly**
11 **basis**. The report must be made in a form prescribed by the commission.

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

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

18 “[~~(7)(a)~~] **(8)(a)** A person holding a direct shipper permit must timely pay
19 to the commission all taxes imposed under ORS chapter 473 on **malt**
20 **beverages**, wine and cider sold and shipped under the permit. For the pur-
21 pose of the privilege tax imposed under ORS chapter 473, all **malt**
22 **beverages**, wine or cider sold and shipped pursuant to a direct shipper per-
23 mit is sold in this state.

24 “(b) A person holding a direct shipper permit based on a license issued
25 by another state must timely pay to the commission all taxes imposed under
26 ORS chapter 473 on all **malt beverages**, wine or cider sold and shipped di-
27 rectly to Oregon residents under the permit. The permit holder, not the
28 purchaser, is responsible for the tax.

29 “[~~(8)~~] **(9)** A direct shipper permit must be renewed annually. If the person
30 holds the permit based on an annual license issued by another state, the

1 person may renew the permit by paying a \$50 renewal fee and providing the
2 commission with a true copy of a current license issued to the person by the
3 other state or with sufficient information to allow verification of the license
4 by electronic means or other means acceptable to the commission. If the
5 person holds the permit based on an annual license issued by this state, the
6 person may renew the permit at the same time that the person renews the
7 license.

8 “[9] (10) The commission may refuse to issue or may suspend or revoke
9 a direct shipper permit if the permit holder fails to comply with the pro-
10 visions of this section. A person may sell and ship **malt beverages**, wine
11 or cider under a direct shipper permit only for as long as the person has the
12 license issued by this state or another state that authorizes the person to
13 hold a direct shipper permit. **A direct shipper permit does not authorize**
14 **the shipment of malt beverages by a permit holder described in sub-**
15 **section (1)(b) of this section or lacking authority as provided under**
16 **subsection (2) of this section.**

17 “[10] (11) Any person who knowingly or negligently delivers **malt**
18 **beverages**, wine or cider under the provisions of this section to a person
19 under 21 years of age, or who knowingly or negligently delivers **malt**
20 **beverages**, wine or cider under the provisions of this section to a visibly
21 intoxicated person, violates ORS 471.410.

22 “[11] (12) A person may not make sales and shipments of **malt**
23 **beverages**, wine or cider directly to Oregon residents unless the person
24 holds a direct shipper permit issued under this section. Any person who
25 knowingly makes, participates in, transports, imports or receives a shipment
26 of **malt beverages**, wine or cider that is in violation of this section commits
27 a misdemeanor as provided in ORS 471.990 (1).

28 **“SECTION 9.** ORS 471.311 is amended to read:

29 “471.311. (1) Any person desiring a license or renewal of a license under
30 this chapter shall make application to the Oregon Liquor Control Commis-

1 sion upon forms to be furnished by the commission showing the name and
2 address of the applicant, location of the place of business that is to be op-
3 erated under the license, and such other pertinent information as the com-
4 mission may require. [No] **A** license [shall] **may not** be granted or renewed
5 until the applicant has complied with the provisions of this chapter and the
6 rules of the commission.

7 “(2) The commission may reject any application that is not submitted in
8 the form required by rule. The commission shall give applicants an opportu-
9 nity to be heard if an application is rejected. A hearing under this subsection
10 is not subject to the requirements for contested case proceedings under ORS
11 chapter 183.

12 “(3) Subject to subsection (4) of this section, the commission shall assess
13 a nonrefundable fee for processing a renewal application for any license au-
14 thorized by this chapter only if the renewal application is received by the
15 commission less than 20 days before expiration of the license. If the renewal
16 application is received prior to expiration of the license but less than 20 days
17 prior to expiration, [this] **the** fee shall be 25 percent of the annual license
18 fee. If a renewal application is received by the commission after expiration
19 of the license but no more than 30 days after expiration, [this] **the** fee shall
20 be 40 percent of the annual license fee. This subsection does not apply to a
21 certificate of approval, a brewery-public house license or any license that is
22 issued for a period of less than 30 days.

23 “(4) The commission may waive the fee imposed under subsection (3) of
24 this section if [it] **the commission** finds that failure to submit a timely ap-
25 plication was due to unforeseen circumstances or to a delay in processing
26 the application by the local governing authority that is no fault of the
27 licensee.

28 “(5) The license fee is nonrefundable and [shall] **must** be paid by each
29 applicant upon the granting or committing of a license. Subject to ORS
30 471.155 and 473.065, the annual or daily license fee and the minimum bond

1 required of each class of license under this chapter are as follows:

2 “

	Minimum	
License	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
[<i>Special events winery</i>]		
[<i>license</i>	<i>\$ 10 per day</i>]	
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		
brewery license	\$ 10 per day	
Special events winery		
license	\$ 10 per day	
Special events grower		
sales privilege		
license	\$ 10 per day	
Special events		
brewery-public house		

1 license \$ 10 per day

2 Special events

3 distillery

4 license \$ 10 per day

5 “

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

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

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

22 “(9) The annual fee for a [*wine*] self-distribution permit is \$100, and the
23 minimum bond is \$1,000.

24 “**SECTION 10.** ORS 471.392 is amended to read:

25 “471.392. For the purposes of ORS 471.392 to 471.400:

26 “(1) ‘Manufacturer or wholesaler’ means:

27 “(a) A person holding a brewery license issued under [*ORS 471.220*] **sec-**
28 **tion 2 of this 2015 Act**, a winery license issued under ORS 471.223, a grower
29 sales privilege license issued under ORS 471.227, a distillery license issued
30 under ORS 471.230, a wholesale malt beverage and wine license issued under

1 ORS 471.235 or a warehouse license issued under ORS 471.242.

2 “(b) Any manufacturer of alcoholic liquors whose products are sold in the
3 State of Oregon.

4 “(2) ‘Retail licensee’ means the holder of a full or limited on-premises
5 sales license, an off-premises sales license or a temporary sales license. ‘Re-
6 tail licensee’ does not include a bona fide trade association that represents
7 retail licensees and that is open to all persons licensed under at least one
8 type of retail license.

9 **“SECTION 11.** ORS 471.402 is amended to read:

10 “471.402. The holder of a brewery license issued under [ORS 471.220]
11 **section 2 of this 2015 Act**, a winery license issued under ORS 471.223, a
12 grower sales privilege license issued under ORS 471.227, a brewery-public
13 house license issued under ORS 471.200, a warehouse license issued under
14 ORS 471.242 or a manufacturer certificate of approval issued under ORS
15 471.244 may provide or pay for sample tastings of wine, cider or malt
16 beverages for the public on premises licensed under a full or limited on-
17 premises sales license or under an off-premises sales license.

18 **“SECTION 12.** ORS 471.404 is amended to read:

19 “471.404. (1) Alcoholic liquor may not be imported into this state by any
20 person other than a holder of a brewery, winery, distillery, **warehouse or**
21 **wholesale malt beverage and wine** [or *wholesaler’s*] license, except as fol-
22 lows:

23 “(a) Alcoholic liquor ordered by and en route to the Oregon Liquor Con-
24 trol Commission, under a certificate of approval issued by the commission.

25 “(b) Wines for sacramental purposes according to rules adopted by the
26 commission.

27 “(c) Alcoholic liquor that is in transit on a common carrier to a destina-
28 tion outside Oregon.

29 “(d) Alcoholic liquor coming into Oregon on a common carrier according
30 to orders placed by a [*licensed*] brewery, winery, **warehouse or wholesale**

1 **malt beverage and wine licensee** [*or wholesaler*].

2 “(e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing,
3 mechanical or industrial use, under a certificate of approval issued by the
4 commission.

5 “(f) Wine or cider that is sold and transported by the holder of a wine
6 self-distribution permit to a retail licensee that has the endorsement de-
7 scribed in ORS 471.274 (5).

8 “(g) **Malt beverages**, wine or cider shipped directly to a resident of this
9 state under a direct shipper permit issued pursuant to ORS 471.282.

10 “(h) **Alcohol described in ORS 471.405 (4) possessed by an individual**
11 **entering this state.**

12 “(2) The commission may require importers of alcoholic liquor to pay a
13 reasonable handling fee based on the quantity and type of alcoholic liquor
14 being imported.

15 **SECTION 13.** ORS 471.501 is amended to read:

16 “471.501. Nothing in this chapter prevents a brewery licensed under [*ORS*
17 *471.220*] **section 2 of this 2015 Act** or a brewery-public house licensed under
18 ORS 471.200 from establishing a refund value for malt beverage containers
19 under the provisions of ORS 459A.705 that is in excess of five cents, or in
20 excess of 10 cents as described in ORS 459A.705 (2), per container for the
21 purpose of encouraging purchasers to return the containers directly to the
22 brewery or brewery-public house. A refund value in excess of five cents, or
23 in excess of 10 cents as described in ORS 459A.705 (2), per container may be
24 paid under this section only to persons who are not licensed under this
25 chapter and who return the containers directly to the brewery or brewery-
26 public house.

27 **SECTION 14.** **ORS 471.220 is repealed.**

28 **SECTION 15.** **Section 2 of this 2015 Act applies to valid brewery li-**
29 **censes on or after the effective date of this 2015 Act regardless of the**
30 **issuance date of the license.”.**

