

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

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” delete the
2 rest of the line and insert “471.186, 471.220, 471.223, 471.242, 471.282 and
3 471.404.”.

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

5 **“SECTION 1. ORS 471.186 is amended to read:**

6 “471.186. (1) The holder of an off-premises sales license may sell factory-
7 sealed containers of **malt beverages**, wine[, *malt beverages*] and cider.
8 Factory-sealed containers of malt beverages sold under the license may not
9 hold more than two and one-quarter gallons.

10 “(2) The holder of an off-premises sales license may sell for consumption
11 off the licensed premises malt beverages, wines and cider in securely covered
12 containers supplied by the consumer and having capacities of not more than
13 two gallons each.

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

20 “(4) An off-premises sales license may not be issued for use at a premises
21 that is mobile.

22 “(5) Except as provided in ORS 471.402, a manufacturer or wholesaler may

1 not provide or pay for sample tastings of alcoholic beverages for the public
2 on premises licensed under an off-premises sales license.

3 “(6) The holder of an off-premises sales license may deliver **malt**
4 **beverages**, wine or cider that is sold under the privileges of the license to
5 retail customers in this state without a direct shipper permit issued under
6 ORS 471.282. Any deliveries by the holder of an off-premises sales license are
7 subject to any rules adopted by the commission relating to deliveries made
8 under this subsection. Deliveries under this subsection:

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

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

12 “(c) Must be made in containers that are conspicuously labeled with the
13 words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS
14 OR OLDER REQUIRED FOR DELIVERY.’

15 “(7) The holder of an off-premises sales license that makes deliveries of
16 **malt beverages**, wine or cider under subsection (6) of this section must take
17 all actions necessary to ensure that a carrier used by the licensee does not
18 deliver any **malt beverages**, wine or cider unless the carrier:

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

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

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

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

30 “(9) If a court determines that deliveries of **malt beverages**, wine or

1 cider under subsection (6) of this section cannot be restricted to holders of
2 off-premises sales licenses, and the decision is a final judgment that is no
3 longer subject to appeal, the holder of an off-premises sales license may not
4 make deliveries of **malt beverages**, wine or cider under the provisions of
5 subsection (6) of this section after entry of the final judgment.

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

7 “471.220. (1) A brewery license shall allow the manufacture, importation,
8 storage, transportation, wholesale sale and distribution to licensees of the
9 Oregon Liquor Control Commission, and the export of malt beverages. A
10 brewery licensee may not sell within the State of Oregon any beer containing
11 more than six percent alcohol by volume. Except as provided in subsection
12 (2) of this section, a brewery licensee may not sell malt beverages for con-
13 sumption on the licensed premises.

14 “(2) A brewery licensee may:

15 “(a) Sell malt beverages brewed on the licensed premises **at retail** for
16 consumption on **or off** the licensed premises; [*and*]

17 **“(b) Sell in securely covered containers supplied by the consumer**
18 **and having a capacity of not more than two gallons each, malt**
19 **beverages brewed on the licensed premises, for off-premises consump-**
20 **tion; and**

21 “[*(b)*] **(c) Sell [*malt beverages brewed on the licensed premises*], in quanti-**
22 **ties of not less than four gallons, malt beverages brewed on the licensed**
23 **premises**, to an unlicensed organization, lodge, picnic party or private
24 gathering. An unlicensed organization, lodge, picnic party or private gath-
25 ering may not resell the malt beverages that a brewery licensee sells under
26 this paragraph.

27 **“SECTION 3.** ORS 471.223 is amended to read:

28 “471.223. (1) As used in this section, ‘control’ means that the licensee:

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

30 “(b) Performs or has the legal right to perform all of the acts common to

1 a brand owner under the terms of a trademark license or similar agreement
2 that for the brand under which the wine or cider is labeled has a term of
3 at least three years.

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

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

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

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

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

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

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

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

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

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

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

29 “(3) A winery licensee shall allow a patron to remove a partially con-
30 sumed bottle of wine from the licensed premises if the patron is not a minor

1 and the patron is not visibly intoxicated.

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

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

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

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

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

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

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

1 “(8) If a winery licensee does not possess at a bonded premises within
2 Oregon a valid producer and blender basic permit issued by the federal Al-
3cohol and Tobacco Tax and Trade Bureau, the licensee may exercise the
4 privileges described in this section only for wine and cider brands that are
5 under the control of the licensee.

6 **“SECTION 4.** ORS 471.242 is amended to read:

7 “471.242. (1) A warehouse license shall allow the licensee to store, import,
8 bottle, produce, blend, transport and export nontax paid, bonded wine or
9 wine on which the tax is paid and to store, import and export nontax paid
10 malt beverages and cider, or malt beverages and cider on which the tax is
11 paid. Wine, cider and malt beverages may be removed from the licensed
12 premises only for:

13 “(a) Sale for export;

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

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

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

17 “(e) Shipment of wine or cider produced by a winery licensee to a licensee
18 of the Oregon Liquor Control Commission authorized to sell wine or cider
19 at retail if the shipment is made pursuant to a sale to the retail licensee by
20 the holder of a winery license issued under ORS 471.223, a grower sales
21 privilege license issued under ORS 471.227 or a wholesale malt beverage and
22 wine license issued under ORS 471.235; or

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

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

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

30 “(4) A warehouse must be physically secure in an area zoned for the in-

1 tended use and be physically separated from any other use.

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

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

6 “(7) **Malt beverages**, wine or cider may be removed from the premises
7 licensed under this section for shipment pursuant to a sale under ORS
8 471.282. The warehouse licensee shall take reasonable steps to ensure that
9 shipments are made in containers that are conspicuously labeled with the
10 words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS
11 OR OLDER REQUIRED FOR DELIVERY.’ In addition, the warehouse
12 licensee shall take reasonable steps to ensure that any carrier used by the
13 licensee does not deliver any **malt beverages**, wine or cider unless the car-
14 rier:

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

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 **“SECTION 5.** ORS 471.282 is amended to read:

22 “471.282. (1) Notwithstanding any other provision of this chapter and ex-
23 cept as provided by ORS 471.186 (6), a person may sell and ship **malt**
24 **beverages**, wine or cider directly to a resident of Oregon only if the person
25 holds a direct shipper permit. The Oregon Liquor Control Commission shall
26 issue a direct shipper permit only to:

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

29 “(b) A person that holds a license issued by this state or another state
30 that authorizes the sale of wine or cider produced only from grapes or other

1 fruit grown under the control of the person;

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

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

8 **“(2) The holder of a direct shipper permit that is a licensee of an-**
9 **other state may deliver malt beverages under the permit only if that**
10 **other state makes direct shipper permits, or the equivalent, available**
11 **for the delivery of malt beverages by persons holding a license issued**
12 **by the commission authorizing the manufacture or retail sale of malt**
13 **beverages.**

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

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

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

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

30 “[~~(3)~~] **(4)** Sales and shipments under a direct shipper permit:

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

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

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

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

10 “[(5)] (6) A person holding a direct shipper permit must take all actions
11 necessary to ensure that a carrier used by the permit holder does not deliver
12 any **malt beverages**, wine or cider unless the carrier:

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

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

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

19 “[(6)(a)] (7)(a) A person holding a direct shipper permit must report to the
20 commission **on a quarterly basis** all shipments of **malt beverages**, wine
21 or cider made to Oregon residents under the permit [*as required by ORS*
22 *chapter 473*]. The report must be made in a form prescribed by the commis-
23 sion.

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

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

30 “[(7)(a)] (8)(a) A person holding a direct shipper permit must timely pay

1 to the commission all taxes imposed under ORS chapter 473 on **malt**
2 **beverages**, wine and cider sold and shipped under the permit. For the pur-
3 pose of the privilege tax imposed under ORS chapter 473, all **malt**
4 **beverages**, wine or cider sold and shipped pursuant to a direct shipper per-
5 mit 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 **malt beverages**, wine or cider sold and shipped di-
9 rectly to Oregon residents under the permit. The permit holder, not the
10 purchaser, is responsible for the tax.

11 “[8] (9) A direct shipper permit must be renewed annually. If the person
12 holds the permit based on an annual license issued by another state, the
13 person may renew the permit by paying a \$50 renewal fee and providing the
14 commission 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] (10) The commission may refuse to issue or may suspend or revoke
21 a direct shipper permit if the permit holder fails to comply with the pro-
22 visions of this section. A person may sell and ship **malt beverages**, wine
23 or cider under a direct shipper permit only for as long as the person has the
24 license issued by this state or another state that authorizes the person to
25 hold a direct shipper permit. **A direct shipper permit does not authorize**
26 **the shipment of malt beverages by a permit holder described in sub-**
27 **section (1)(b) of this section or lacking authority as provided under**
28 **subsection (2) of this section.**

29 “[10] (11) Any person who knowingly or negligently delivers **malt**
30 **beverages**, wine or cider under the provisions of this section to a person

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

4 “[~~(11)~~] (12) A person may not make sales and shipments of **malt**
5 **beverages**, wine or cider directly to Oregon residents unless the person
6 holds a direct shipper permit issued under this section. Any person who
7 knowingly makes, participates in, transports, imports or receives a shipment
8 of **malt beverages**, wine or cider that is in violation of this section commits
9 a misdemeanor as provided in ORS 471.990 (1).

10 **“SECTION 6.** ORS 471.404 is amended to read:

11 “471.404. (1) Alcoholic liquor may not be imported into this state by any
12 person other than a holder of a brewery, winery, distillery or wholesaler’s
13 license, except as follows:

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

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

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

20 “(d) Alcoholic liquor coming into Oregon on a common carrier according
21 to orders placed by a licensed brewery, winery or wholesaler.

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

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

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

30 “(2) The commission may require importers of alcoholic liquor to pay a

1 reasonable handling fee based on the quantity and type of alcoholic liquor
2 being imported.”.

3
