

SB 1044 B STAFF MEASURE SUMMARY**Carrier:** Rep. Post**House Committee On Economic Development and Trade****Action Date:** 05/24/17**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 9-0-0-0**Yeas:** 9 - Clem, Gomberg, Helm, Lewis, Lininger, Marsh, Post, Reschke, Smith DB**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Adam Crawford, LPRO Analyst**WHAT THE MEASURE DOES:**

Specifies that lapse, suspension or revocation of certificate, license, permit or other form of authorization issued by Oregon Liquor Control Commission (OLCC) related to alcoholic beverages does not affect OLCC authority to investigate, initiate disciplinary proceedings or modify suspension or revocation of such certificate, license or permit. Specifies a license granted under the Liquor Control Act is subject to cancellation, suspension, or restriction. Allows OLCC to issue restricted license or require mandatory training for any license issued. Sets expiration date for service permit at 5 years post issuance. Eliminates requirement for endorsement of service permit application, increases maximum fee that may be assessed for service permit from \$10 to \$50, and eliminates requirement that permit holder must obtain duplicate of lost, mutilated or destroyed service permit or obtain new permit following name change. Exempts the sale of distilled liquor and OLCC appointment of distillery retail outlet agent from public contracting laws. Exempts moneys from retail sale of distilled liquor held by appointed agent from laws governing public moneys held by financial institutions if the agent has deposited a specified amount with the OLCC. Allows distillery license holder to sell distilled liquor of 10 percent alcohol content by volume. Requires OLCC to hold deposited amount in reserve account and return deposited amount, with interest, upon termination of agent's appointment. Clarifies that moneys from retail sale of distilled liquor held by an agent are not subject to laws governing deposit of public funds if the agent has an amount on deposit, not less than their average daily gross receipts of retail liquor sales, that OLCC deems reasonable and sufficient. Allows OLCC to issue an on-premises sales license to: a winery licensee, a person having interest in or exercising control over such license, or to a brewery that brews more than 200,000 barrels of malt beverages annually; and to a brewery-public house licensee, a person having interest in or exercising control over such license, a brewery that brews more than 200,000 barrels of malt beverages annually, or to a winery that produces more than 200,000 barrels of wine annually. Permits homemade beer, wine and fermented juices to be donated to non-profit and charitable organizations for sale at auction. Allows persons to use identification cards issued by federally recognized Indian tribes or federal territories to purchase alcohol. Modifies written attestation required of persons without specified identification. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Oregon Liquor Control Commission licensing authority
- Possible PERS exemption for specified public safety staff
- Distillery and winery license authorities and requirements

EFFECT OF AMENDMENT:

Specifies a license granted under the Liquor Control Act is subject to cancellation, suspension, or restriction. Allows the Oregon Liquor Control Commission (Commission) to issue a restricted license or require mandatory training for any license issued.

Allows a person to use an identification card issued by a federally recognized Indian tribe or federal territory to purchase alcohol. Modifies written statement used by a person without specified identification to attest to they are

This Summary has not been adopted or officially endorsed by action of the committee.

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over 21 years of age.

Allows Commission to issue an on-premises sales license to a winery licensee, a person having interest or exercising control over a license, or to a brewery that brews more than 200,000 barrels of malt beverages annually. Allows Commission to issue an on-premises sales license to a brewery-public house licensee, a person having interest or exercising control over a license, to a brewery that brews more than 200,000 barrels of malt beverages annually, or to a winery that produces more than 200,000 barrels of wine annually.

Allows distillery license holder to sell distilled liquor of 10 percent alcohol content by volume.

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) is the regulatory agency for businesses that import, manufacture, distribute, sell or serve alcohol in Oregon. It was instituted in 1933 following the end of national alcohol prohibition. Oregon is a "control" state, meaning it has the exclusive right to sell packaged distilled spirits through a statewide distribution center in Portland, which is then sold through retail liquor stores operated by contracted liquor agents. Licenses are issued to private businesses for the sale of packaged beer and wine, and to restaurants, bars and taverns for the sale of beer, wine and distilled spirits by the glass. The OLCC issues a variety of licenses, based on the type of business being operated.

Senate Bill 1044 B makes a number of changes to laws governing alcohol in Oregon. It clarifies that the OLCC's authority to investigate or discipline a license or permit holder does not end with the lapse, suspension or revocation of that license or permit. It increases the fee for a server's permit from \$10 to \$50, but lifts the requirement that the permit application be endorsed by another alcohol licensee or OLCC employee. It exempts the sale of distilled liquor and the OLCC's appointment of distillery retail outlet agents from public contracting laws. It allows the sale of 10 percent alcohol content by volume, down from the current 17 percent and it expands the types of current licensees that may apply for an on-premises sales license. Finally, Senate Bill 1044 B allows an identification card issued by a federal territory or a federally recognized Indian tribe to be used as proof of age to purchase alcohol.