HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 1044

By COMMITTEE ON ECONOMIC DEVELOPMENT AND TRADE

June 1

1	On page 1 of the printed A-engrossed bill, line 2, delete "471.162," and insert "471.130, 471.162,
2	471.200, 471.223, 471.230, 471.292, 471.313, 471.315,".
3	On page 4, after line 31, insert:
4	"SECTION 5. ORS 471.130 is amended to read:
5	"471.130. (1) All licensees and permittees of the Oregon Liquor Control Commission, before
6	selling or serving alcoholic liquor to any person about whom there is any reasonable doubt of the
7	person's having reached 21 years of age, shall require such person to produce one of the following
8	pieces of identification:
9	"(a) The person's passport.
10	"(b) The person's motor vehicle operator's license[, whether issued in this state or by any other
11	state, so long as the license has a picture of the person] issued by this state or another state of
12	the United States.
13	"(c) An identification card issued under ORS 807.400.
14	"(d) A United States military identification card.
15	"(e) An identification card issued by a federally recognized Indian tribe.
16	"[(e)] (f) Any other identification card issued by a state or territory of the United States that
17	bears a picture of the person, the name of the person, the person's date of birth and a physical de-
18	scription of the person.
19	"(2) If a person does not have identification as described in subsection (1) of this section, the
20	permittee or licensee shall require such person to make a written statement of age and furnish ev-
21	idence of the person's true age and identity. The written statement of age shall be on a form fur-
22	nished or approved by the commission, including but not limited to the following information:
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25	Date
26	I am 21 years of age or over.
27	Signature
28	Description of evidence in support of age and identity:
29	Identification No. (if any)
30	Identification No. (if any)
31	(Fill in information pertaining to any two or more pieces of evidence submitted by the person.)
32	I hereby certify that I have accurately recorded identification of the evidence submitted to
33	complete this form.
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35	Signature of permittee or licensee

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- [165.805. (1) A person commits the crime of misrepresentation of age by a minor if:]
- [(a) Being less than a certain, specified age, the person knowingly purports to be of any age other than the person's true age with the intent of securing a right, benefit or privilege which by law is denied to persons under that certain, specified age; or]
 - [(b) (Not applicable.)]
 - [(2) Misrepresentation of age by a minor is a Class C misdemeanor.]

A person under 21 years of age who knowingly misrepresents the person's true age with the intent of obtaining alcohol in violation of ORS chapter 471 may be subject to criminal penalties under ORS 165.805.

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In line 32, delete "5" and insert "6".

On page 5, after line 27, insert:

"SECTION 7. ORS 471.200 is amended to read:

"471.200. (1) A brewery-public house license allows the licensee:

- "(a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the Oregon Liquor Control Commission and export malt beverages;
- "(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on or off the premises;
- "(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;
- "(d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed premises in unpasteurized or pasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a securely covered container supplied by the consumer;
 - "(e) To sell wine and cider at retail for consumption on or off the premises;
- "(f) To sell for consumption off the premises wines and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each;
- "(g) To conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this subsection at one location other than the premises where the manufacturing occurs;
- "(h) To obtain a special events brewery-public house license entitling the holder to conduct the activities allowed under paragraphs (b) to (f) of this subsection at a designated location other than the location set forth in the brewery-public house license for a period not exceeding five days;
- "(i) To distribute malt beverages manufactured at the licensed premises to any other premises licensed to the same licensee, whether a manufacturer, wholesaler or retail premises; and
- "(j) To distribute for export, in any amount, malt beverages manufactured at the licensed premises.
- "(2) In addition to the privileges specified in subsection (1) of this section, in any calendar year a brewery-public house licensee may sell at wholesale and distribute to licensees of the commission no more than 7,500 barrels of malt beverages produced by the brewery-public house licensee.
- "(3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,

as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of any other retail licensee, as defined in ORS 471.392.

- "(4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or indirectly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance between manufacturing and retail businesses licensed to the same person under the provisions of this section.
- "(5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A brewery-public house licensee, or any person having an interest in the licensee, may also hold a warehouse license authorized by ORS 471.242.
- "(6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for limited on-premises sales licenses and temporary sales licenses.
- "(7)[(a)] Notwithstanding subsection (3) of this section, [and except as provided in this subsection,] a brewery-public house licensee, or any person having an interest in the licensee, may also hold a full on-premises sales license. If a person holds both a brewery-public house license and a full on-premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled liquor and malt beverages manufactured under the brewery-public house license.
- "[(b) The commission may not issue a full on-premises sales license to a brewery-public house licensee under the provisions of this subsection if the brewery-public house licensee, or any person having an interest in the licensee or exercising control over the licensee, is a brewery that brews more than 200,000 barrels of malt beverages annually or a winery that produces more than 200,000 gallons of wine annually.]
- "(8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any person having an interest in the licensee, may also hold a distillery license. No provision of this chapter prevents a brewery-public house licensee that also holds a distillery license from being appointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled liquors under ORS 471.230.
- "(9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a brewery-public house licensee to coproduce special events with other manufacturers.
- "(10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold, directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does not result in exercise of control over, or participation in the management of, the manufacturer's or wholesaler's business or business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.
- "(b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer, director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, di-

- rectly or indirectly, an interest in a brewery-public house licensee, provided that the interest does not result in exercise of control over, or participation in the management of, the licensee's business or business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.
- 4 "(11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to 5 be a manufacturer.
 - "SECTION 8. ORS 471.223 is amended to read:

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- "471.223. (1) As used in this section, 'control' means that the licensee:
- "(a) Owns the brand under which the wine or cider is labeled; or
- "(b) Performs or has the legal right to perform all of the acts common to a brand owner under the terms of a trademark license or similar agreement that for the brand under which the wine or cider is labeled has a term of at least three years.
 - "(2) A winery license shall allow the licensee:
 - "(a) To import wine or cider in containers that have a capacity of more than four liters.
- "(b) To import wine or cider in containers that have a capacity of four liters or less if the brand of wine or cider is under the control of the licensee.
 - "(c) To bottle, produce, blend, store, transport or export wines or cider.
- "(d) To sell wines or cider at wholesale to the Oregon Liquor Control Commission or to licensees of the commission.
- "(e) To sell wines or cider at retail directly to the consumer for consumption on or off the licensed premises.
 - "(f) To sell malt beverages at retail for consumption on or off the licensed premises.
- "(g) To sell for consumption off the premises malt beverages, wines and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each.
- "(h) To conduct any activities described in paragraphs (a) to (g) of this subsection at a second or third premises as may be designated by the commission.
- "(i) To purchase from or through the commission brandy or other distilled liquors for fortifying wines.
- "(j) To obtain a special events winery license that shall entitle the holder to conduct the activities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the one set forth in the winery license for a period not to exceed five days.
- "(3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.
 - "(4) In order to hold a winery license the licensee shall:
- "(a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau; or
- "(b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under paragraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine or cider that is under the control of the licensee.
- "(5) A winery licensee may sell and ship malt beverages, wine or cider directly to a resident of this state only if the licensee has a direct shipper permit issued under ORS 471.282.
- "[(6)(a)] (6) [Except as provided in paragraph (b) of this subsection,] A winery licensee, or any person having an interest in the licensee, may also hold a full on-premises sales license. If a winery licensee, or a person having an interest in the licensee, also holds a full on-premises sales license, the provisions of this chapter do not prevent the licensee or person from both selling wine or cider

bottled and produced under the winery license and selling alcoholic liquor as authorized under the full on-premises sales license.

- "[(b) The commission may not issue a full on-premises sales license to a winery licensee under the provisions of this subsection if the winery licensee, or any person having an interest in the licensee or exercising control over the licensee, is a brewery that brews more than 200,000 barrels of malt beverages annually.]
- "(7) More than one winery licensee may exercise the privileges of a winery license at a single location. The commission may not refuse to issue a winery license to a person for the production of wine or cider on specified premises based on the fact that other winery licensees also produce wine or cider on those premises.
- "(8) If a winery licensee does not possess at a bonded premises within Oregon a valid producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the licensee may exercise the privileges described in this section only for wine and cider brands that are under the control of the licensee.

"SECTION 9. ORS 471.230 is amended to read:

- "471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend, denature and store [spirits of] distilled liquor with an alcoholic content greater than [17] 10 percent alcohol by [weight] volume, to sell the [spirits] distilled liquor to the Oregon Liquor Control Commission and to transport the [spirits] distilled liquor out of this state for sale outside this state. Distillery licensees may purchase and sell distilled liquor from or to another distillery licensee in containers having a capacity greater than one U.S. gallon for blending and manufacturing purposes. A distillery licensee may not sell any alcoholic beverage within this state except to the commission or as provided in this section. However, any agricultural producer or association of agricultural producers or the legal agents of an agricultural producer or association of agricultural producers that manufactures and converts agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are not required to obtain a license from the commission.
- "(2) If a distillery licensee holds a valid distilled spirits plant basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the licensed premises, the distillery licensee may:
- "(a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manufactured in Oregon by the distillery licensee or by another distillery licensee. Tastings may be of the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors on the list of products approved by the commission for retail sale in Oregon and must be purchased by the licensee at the retail price established by the commission. This paragraph does not authorize sales by the drink of distilled liquor. The tastings may be conducted on the licensed premises of the distillery and at no more than five other premises owned or leased by the licensee. The commission may allow more than one distillery licensee to use the same premises at the same time for conducting tastings if the premises are a primary production location and the licensees share the premises or are owned by the same entity. If the manufacturer of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the licensee shall pay the commission a processing fee.
 - "(b) Obtain a special events distillery license.
- "(c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of retailing distilled liquor at locations where tastings are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section. A distillery retail outlet agent may sell at locations

- where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee or by another distillery licensee that uses the same premises as a primary production location or is owned by the same entity as the distillery licensee.
- "(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises sales license for a location at the licensed premises of the distillery and a full on-premises sales license for one other location. All distilled [spirits] liquor sold under the full on-premises sales license must be purchased from the commission.
- "(4) A distillery licensee that holds a special events distillery license may conduct an event on premises designated in the special events distillery license. Except as provided in this subsection, a special events distillery license may be valid for a period not exceeding five days. The commission shall limit the approval of special events distillery licenses for a distillery licensee at the same location to not more than 62 days during a calendar year. A distillery licensee conducting a special event may:
- "(a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manufactured in Oregon by the distillery licensee. Tastings may be of the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors on the list of products approved by the commission for retail sale in Oregon and must be purchased by the licensee at the retail price established by the commission. If the manufacturer of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the licensee shall pay the commission a processing fee.
- "(b) Permit sales by the drink of distilled liquor. A drink that a distillery licensee sells under this paragraph must include distilled liquor that the licensee manufactured in Oregon. Any distilled liquor contained in the drink must be on the list of products approved by the commission for retail sale in Oregon. The distillery licensee selling the drink must purchase all distilled liquor contained in the drink at the retail price set by the commission for the month in which the drink is sold.
- "(c) If the distillery licensee has been appointed as a distillery retail outlet agent under subsection (2)(c) of this section, sell distilled liquor in factory-sealed containers for consumption off the licensed premises. A distillery retail outlet agent may sell at a location where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee. The distillery retail outlet agent must sell the distilled liquor at the retail price set by the commission for the month of sale.

"SECTION 10. ORS 471.292 is amended to read:

- "471.292. (1) A license granted under the Liquor Control Act [or the Oregon Distilled Liquor Control Act] shall:
 - "(a) Be a purely personal privilege.
 - "(b) Be valid for the period stated in the license.
- "(c) Be renewable in the manner provided in ORS 471.311, except for a cause which would be grounds for refusal to issue such license under ORS 471.313.
- "(d) Be [revocable or suspendible] subject to cancellation, suspension or restriction as provided in ORS 471.315.
- "(e) Be transferable from the place for which the license was originally issued to another location subject to the provisions of the Liquor Control Act, [the Oregon Distilled Liquor Control Act,] any rules of the Oregon Liquor Control Commission and any municipal ordinance or local

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- 2 "(f) Cease upon the death of the licensee, except as provided in subsection (2) of this section.
- 3 "(g) Not constitute property.
- 4 "(h) Not be alienable.
- 5 "(i) Not be subject to attachment or execution.
 - "(j) Not descend by the laws of testate or intestate devolution.
 - "(2) The commission may, by order, provide for the manner and conditions under which:
- 8 "(a) Alcoholic liquors left by any deceased, insolvent or bankrupt person or licensee, or subject 9 to a security interest, may be foreclosed, sold under execution or otherwise disposed of.
 - "(b) The business of any deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.
 - "(c) A business licensed pursuant to this chapter subject to a security interest may be continued in business by a secured party as defined in ORS 79.0102 for a reasonable period after default on the indebtedness by the debtor.
 - "(d) A license granted under this chapter may be transferred from the place for which the license was originally issued to another location.
 - "SECTION 11. ORS 471.313 is amended to read:
 - "471.313. The Oregon Liquor Control Commission may refuse to **issue a** license, **or may issue** a **restricted license**, **to** any applicant under the provisions of this chapter if the commission has reasonable ground to believe any of the following to be true:
 - "(1) That there are sufficient licensed premises in the locality set out in the application, or that the granting of a license in the locality set out in the application is not demanded by public interest or convenience. In determining whether there are sufficient licensed premises in the locality, the commission shall consider seasonal fluctuations in the population of the locality and shall ensure that there are adequate licensed premises to serve the needs of the locality during the peak seasons.
 - "(2) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is not maintaining the insurance or bond required by ORS 471.168.
 - "(3) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for consumption on the premises has been financed or furnished with money or property by, or has any connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.
 - "(4) That the applicant:
 - "(a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to excess.
 - "(b) Has made false statements to the commission.
 - "(c) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
 - "(d) Has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.
 - "(e) Has maintained an insanitary establishment.
- 41 "(f) Is not of good repute and moral character.
- 42 "(g) Did not have a good record of compliance with the alcoholic liquor laws of this state and 43 the rules of the commission when previously licensed.
- 44 "(h) Is not the legitimate owner of the business proposed to be licensed, or other persons have 45 ownership interests in the business which have not been disclosed.

- "(i) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.
- "(j) Is unable to read or write the English language or to understand the laws of Oregon relating to alcoholic liquor or the rules of the commission.
- "(5) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises proposed to be licensed or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior which is grounds for refusal of a license under this section, where so related to the sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Histories from premises currently or previously operated by the applicant may be considered when reasonable inference may be made that similar activities will occur as to the premises proposed to be licensed. The applicant may overcome the history by showing that the problems are not serious or persistent or that the applicant demonstrates a willingness and ability to control adequately the premises proposed to be licensed and patrons' behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

"SECTION 12. ORS 471.315 is amended to read:

"471.315. (1) The Oregon Liquor Control Commission may cancel, [or] suspend, restrict or require mandatory training for any license issued under this chapter, or impose a civil penalty in lieu of or in addition to a suspension as provided by ORS 471.322, if the commission finds or has reasonable ground to believe any of the following to be true:

"(a) That the licensee:

- "(A) Has violated any provision of this chapter or ORS 474.115 or any rule of the commission adopted pursuant thereto.
- "(B) Has made any false representation or statement to the commission in order to induce or prevent action by the commission.
- "(C) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the insurance or bond required by ORS 471.168.
 - "(D) Has maintained an insanitary establishment.
- "(E) Is insolvent or incompetent or physically unable to carry on the management of the establishment of the licensee.
- "(F) Is in the habit of using alcoholic liquor, habit-forming drugs or controlled substances to excess.
- "(G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly intoxicated at the time of sale.
- "(H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who is visibly intoxicated at the time of consumption.
 - "(I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.
- "(J) Since the granting of the license, has been convicted of a felony, of violating any of the liquor laws of this state, general or local, or of any misdemeanor or violation of any municipal ordinance committed on the licensed premises.
- "(b) That any person licensed to sell at retail for consumption on the premises is acting as an agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or prop-

erty, or has accepted gratuities or rebates, or has obtained the use of equipment from any manufacturer or wholesaler of alcoholic liquor or any agent thereof.

"(c) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises or involving patrons of the establishment in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior that is grounds for cancellation or suspension of a license under this section, where so related to the sale or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Mitigating factors include a showing by the licensee that the problems are not serious or persistent or that the licensee has demonstrated a willingness and ability to control adequately the licensed premises and patrons' behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

"(d) That there is any other reason that, in the opinion of the commission, based on public convenience or necessity, warrants canceling or suspending such license.

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"(2) Civil penalties under this section shall be imposed as provided in ORS 183.745.".
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In line 28, delete "6" and insert "13".
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- In line 33, delete "7" and insert "14".
- 20 On page 6, line 26, delete "8" and insert "15".
- In line 45, delete "9" and insert "16".
- 22 On page 7, line 22, delete "10" and insert "17".
- 23 On page 8, line 10, delete "11" and insert "18".
- In line 11, delete "12" and insert "19".
- In line 14, delete "6" and insert "13".
- 26 In line 16, delete "7 to 9" and insert "14 to 16".
- In line 19, delete "13" and insert "20".