

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND TRADE

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 1044**

1 On page 1 of the printed A-engrossed bill, line 2, after “471.162,” insert
2 “471.230.”

3 On page 5, after line 27, insert:

4 **“SECTION 6.** ORS 471.230 is amended to read:

5 “471.230. (1) A distillery license allows the licensee to import, manufac-
6 ture, distill, rectify, blend, denature and store [*spirits of*] **distilled liquor**
7 **with** an alcoholic content greater than [17] **10** percent alcohol by [*weight*]
8 **volume**, to sell the [*spirits*] **distilled liquor** to the Oregon Liquor Control
9 Commission and to transport the [*spirits*] **distilled liquor** out of this state
10 for sale outside this state. Distillery licensees may purchase and sell distilled
11 liquor from or to another distillery licensee in containers having a capacity
12 greater than one U.S. gallon for blending and manufacturing purposes. A
13 distillery licensee may not sell any alcoholic beverage within this state ex-
14 cept to the commission or as provided in this section. However, any agri-
15 cultural producer or association of agricultural producers or the legal agents
16 of an agricultural producer or association of agricultural producers that
17 manufactures and converts agricultural surpluses, by-products and wastes
18 into denatured ethyl and industrial alcohol for use in the arts and industry
19 are not required to obtain a license from the commission.

20 “(2) If a distillery licensee holds a valid distilled spirits plant basic permit
21 issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the li-

1 censed premises, the distillery licensee may:

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

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

19 “(c) Apply for appointment by the commission as a distillery retail outlet
20 agent for purposes of retailing distilled liquor at locations where tastings
21 are permitted under paragraph (a) of this subsection or subsection (4)(a) of
22 this section. A distillery retail outlet agent may sell at locations where
23 tastings are allowed under paragraph (a) of this subsection only distilled li-
24 quor that is on the list of products approved by the commission for retail
25 sale in Oregon and is manufactured in Oregon by the distillery licensee or
26 by another distillery licensee that uses the same premises as a primary pro-
27 duction location or is owned by the same entity as the distillery licensee.

28 “(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also
29 hold a full on-premises sales license for a location at the licensed premises
30 of the distillery and a full on-premises sales license for one other location.

1 All distilled [*spirits*] **liquor** sold under the full on-premises sales license must
2 be purchased from the commission.

3 “(4) A distillery licensee that holds a special events distillery license may
4 conduct an event on premises designated in the special events distillery li-
5 cense. Except as provided in this subsection, a special events distillery li-
6 cense may be valid for a period not exceeding five days. The commission
7 shall limit the approval of special events distillery licenses for a distillery
8 licensee at the same location to not more than 62 days during a calendar
9 year. A distillery licensee conducting a special event may:

10 “(a) Permit tastings of distilled liquor approved by the commission for
11 sale in Oregon and manufactured in Oregon by the distillery licensee.
12 Tastings may be of the distilled liquor alone or with a mix of other liquids.
13 If any of the other liquids are distilled liquors, they must be distilled liquors
14 on the list of products approved by the commission for retail sale in Oregon
15 and must be purchased by the licensee at the retail price established by the
16 commission. If the manufacturer of the distilled liquor obtains distilled li-
17 quor for conducting tastings from the inventory of the commission, the
18 licensee shall pay the commission a processing fee.

19 “(b) Permit sales by the drink of distilled liquor. A drink that a distillery
20 licensee sells under this paragraph must include distilled liquor that the
21 licensee manufactured in Oregon. Any distilled liquor contained in the drink
22 must be on the list of products approved by the commission for retail sale
23 in Oregon. The distillery licensee selling the drink must purchase all dis-
24 tilled liquor contained in the drink at the retail price set by the commission
25 for the month in which the drink is sold.

26 “(c) If the distillery licensee has been appointed as a distillery retail
27 outlet agent under subsection (2)(c) of this section, sell distilled liquor in
28 factory-sealed containers for consumption off the licensed premises. A
29 distillery retail outlet agent may sell at a location where tastings are al-
30 lowed under paragraph (a) of this subsection only distilled liquor that is on

1 the list of products approved by the commission for retail sale in Oregon and
2 is manufactured in Oregon by the distillery licensee. The distillery retail
3 outlet agent must sell the distilled liquor at the retail price set by the com-
4 mission for the month of sale.”.

5 In line 28, delete “6” and insert “7”.

6 In line 33, delete “7” and insert “8”.

7 On page 6, line 26, delete “8” and insert “9”.

8 In line 45, delete “9” and insert “10”.

9 On page 7, line 22, delete “10” and insert “11”.

10 On page 8, line 10, delete “11” and insert “12”.

11 In line 11, delete “12” and insert “13”.

12 In line 14, delete “6” and insert “7”.

13 In line 16, delete “7 to 9” and insert “8 to 10”.

14 In line 19, delete “13” and insert “14”.

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