SB 1044-A12 (LC 4359) 5/23/17 (CDT/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND TRADE

PROPOSED AMENDMENTS TO A-ENGROSSED SENATE BILL 1044

- On page 1 of the printed A-Engrossed bill, line 2, after "471.162," insert "471.200,".
- 3 On page 5, after line 27, insert:
- **"SECTION 6.** ORS 471.200 is amended to read:
- 5 "471.200. (1) A brewery-public house license allows the licensee:
- "(a) To manufacture on the licensed premises, store, transport, sell to
- 7 wholesale malt beverage and wine licensees of the Oregon Liquor Control
- 8 Commission and export malt beverages;
- 9 "(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 manufac-
- tured 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 prem-
- 18 ises;
- "(f) To sell for consumption off the premises wines and cider in securely
- 20 covered containers supplied by the consumer and having capacities of not
- 21 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;
- 8 "(i) To distribute malt beverages manufactured at the licensed premises 9 to any other premises licensed to the same licensee, whether a manufacturer, 10 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 17 the licensee, is a retail licensee for the purposes of ORS 471.394 and, except 18 as otherwise provided by this section and ORS 471.396, may not acquire or 19 hold any right, title, lien, claim or other interest, financial or otherwise, in, 20 upon or to the premises, equipment, business or merchandise of any man-21 ufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house 22 licensee, or any person having an interest in the licensee, is also a man-23 ufacturer for the purposes of ORS 471.398 and, except as otherwise provided 24 by this section and ORS 471.400, may not acquire or hold any right, title, 25 lien, claim or other interest, financial or otherwise, in, upon or to the 26 premises, equipment, business or merchandise of any other retail licensee, 27 as defined in ORS 471.392. 28
- "(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

13

14

15

16

- as otherwise provided by this section and ORS 471.400, may not accept di-
- 2 rectly or indirectly any financial assistance described in ORS 471.398 from
- any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public
- 4 house licensee, or any person having an interest in the licensee, is also a
- 5 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-
- 6 vided by this section and ORS 471.400, may not provide directly or indirectly
- 7 any financial assistance described in ORS 471.398 to any retail licensee, as
- 8 defined in ORS 471.392. The prohibitions on financial assistance in ORS
- 9 471.398 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
- 17 licensee is eligible for limited on-premises sales licenses and temporary sales
- 18 licenses.
- "(7)[(a)] Notwithstanding subsection (3) of this section, [and except as
- 20 provided in this subsection,] a brewery-public house licensee, or any person
- 21 having an interest in the licensee, may also hold a full on-premises sales li-
- cense. 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
- 24 licensee of both distilled liquor and malt beverages manufactured under the
- 25 brewery-public house license.
- 26 "[(b) The commission may not issue a full on-premises sales license to a
- 27 brewery-public house licensee under the provisions of this subsection if the
- 28 brewery-public house licensee, or any person having an interest in the licensee
- 29 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

- 1 200,000 gallons of wine annually.]
- 2 "(8) Notwithstanding any other provision of this chapter, a brewery-public
- 3 house licensee, or any person having an interest in the licensee, may also
- 4 hold a distillery license. No provision of this chapter prevents a brewery-
- 5 public house licensee that also holds a distillery license from being appointed
- 6 by the commission as the distillery's retail outlet agent for the purpose of
- 7 selling distilled liquors under ORS 471.230.
- 8 "(9) Notwithstanding subsection (3) of this section, the commission by
- 9 rule may authorize a brewery-public house licensee to coproduce special
- 10 events with other manufacturers.
- "(10)(a) Notwithstanding subsection (3) of this section, a brewery-public
- 12 house licensee may hold, directly or indirectly, an interest in a manufacturer
- or wholesaler, provided that the interest does not result in exercise of con-
- 14 trol 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 cor-
- 19 porate manufacturer or wholesaler, may hold, directly or indirectly, an in-
- 20 terest in a brewery-public house licensee, provided that the interest does not
- 21 result in exercise of control over, or participation in the management of, the
- 22 licensee's business or business decisions and does not result in exclusion of
- 23 any competitor's brand of alcoholic liquor.
- "(11) For purposes of ORS chapter 473, a brewery-public house licensee
- shall be considered to be a manufacturer.".
- In line 28, delete "6" and insert "7".
- In line 33, delete "7" and insert "8".
- On page 6, line 26, delete "8" and insert "9".
- In line 45, delete "9" and insert "10".
- On page 7, line 22, delete "10" and insert "11".

- On page 8, line 10, delete "11" and insert "12".
- In line 11, delete "12" and insert "13".
- In line 14, delete "6" and insert "7".
- In line 16, delete "7 to 9" and insert "8 to 10".
- In line 19, delete "13" and insert "14".
