79th OREGON LEGISLATIVE ASSEMBLY--2018 Regular Session

Senate Bill 1564

Sponsored by Senator BEYER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Allows distillery licensee to apply for tasting room permit. Authorizes licensee to conduct tastings and limited sales of distilled liquor at retail under tasting room permit.

A BILL FOR AN ACT

Relating to distilled liquor tasting rooms; creating new provisions; and amending ORS 471.311.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2018 Act is added to and made a part of ORS chapter 471.

SECTION 2. (1) A distillery licensee under ORS 471.230 may apply to the Oregon Liquor Control Commission for a tasting room permit for a location on or in close proximity to a distillery premises of the licensee. Except as provided in this section, a tasting room permit allows the distillery licensee to:

(a) Conduct tastings of distilled liquor at the tasting room; and

(b) Notwithstanding ORS 471.394 or 471.740, sell distilled liquor at the tasting room in sealed containers at retail for off-premises, off-location consumption.

(2) A distillery licensee must be the sole owner of the tasting room. The number of tasting room permits held by the licensee may not exceed the number of distillery premises of the licensee. Distilled liquor sold at retail at a tasting room must be from a single distillery premises of the licensee. Distilled liquor manufactured at a distillery premises may not be sold at retail at more than one tasting room. A tasting offered at a tasting room must include distilled liquor from one or more distillery premises of the licensee.

(3) A distillery licensee may charge a fee for tastings offered at a tasting room. A distillery licensee that sells distilled liquor at retail at a tasting room shall charge the same price that the commission sets for retail sale of that distilled liquor by liquor stores for the month in which the sale occurs. Annual sales of distilled liquor at retail under a tasting room permit may not exceed $500,000. The licensee must file monthly reports of tasting room retail sales as provided by the commission by rule.

(4) A retail sale of distilled liquor under a tasting room permit is a direct sale by the distillery licensee. The distillery licensee is not considered to be an agent of the commission for purposes of ORS 471.752 with regard to the retail sale and is not entitled to compensation from the commission for the sale.

(5) The privileges granted under this section to a distillery licensee holding a tasting room permit are in addition to any privileges granted to a distillery licensee under ORS 471.230. Except as provided by a rule described in this subsection, a permit holder may not conduct tasting or sales activities under authority of ORS 471.230 on a tasting room premi-
ises. The commission may adopt rules allowing a distillery licensee that has met the annual
limit on tasting room retail sales in subsection (3) of this section to act as a distillery retail
outlet agent for the purpose of selling additional amounts of the same distilled liquor at retail
at the tasting room.

(6) A distillery licensee that holds a tasting room permit may apply for a special events
tasting room license. A special events tasting room license allows the conducting of tasting
room activities on premises designated in the special events license. Distilled liquor sold by
a permit holder at retail at a special event must be included in the monthly reported retail
sales for a tasting room operated by the permit holder. Except as provided in this subsection,
a special events tasting room license may be valid for a period not exceeding five days. The
commission shall limit the approval of special events tasting room licenses for a permit
holder at the same location to not more than 62 days during a calendar year.

(7) In accordance with applicable provisions of ORS chapter 183, the commission may
adopt rules the commission deems reasonable or necessary for the administration of this
section.

SECTION 3. ORS 471.311 is amended to read:

471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make
application to the Oregon Liquor Control Commission upon forms to be furnished by the commission
showing the name and address of the applicant, location of the place of business that is to be oper-
ated under the license, and such other pertinent information as the commission may require. A
license may not be granted or renewed until the applicant has complied with the provisions of this
chapter and the rules of the commission.

(2) The commission may reject any application that is not submitted in the form required by
rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
A hearing under this subsection is not subject to the requirements for contested case proceedings
under ORS chapter 183.

(3) The commission shall charge an application fee, not to exceed $150, to process an application
for the issuance of a new license under this chapter or a license following a change in ownership.
The application fee applies only to an application for a class of license having an annual license fee.
The application fee is nonrefundable, except that the commission shall refund the fee if the applicant
completes, submits and maintains an application and the commission does not, on or before 75 days
following receipt of the completed application, propose that the license be granted, granted with
conditions or refused. The commission shall adopt rules to:

(a) Establish application fees by class of license; and

(b) Define a completed application for purposes of this subsection.

(4) Subject to subsection (5) of this section, the commission shall assess a nonrefundable fee for
processing a renewal application for any license authorized by this chapter only if the renewal ap-
application is received by the commission less than 20 days before expiration of the license. If the
renewal application is received prior to expiration of the license but less than 20 days prior to ex-
piration, the fee shall be 25 percent of the annual license fee. If a renewal application is received
by the commission after expiration of the license but no more than 30 days after expiration, the fee
shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-
proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

(5) The commission may waive the fee imposed under subsection (4) of this section if the com-
mission finds that failure to submit a timely application was due to unforeseen circumstances or to
a delay in processing the application by the local governing authority that is no fault of the licensee.

(6) The license fee is nonrefundable and must be paid by each applicant upon the granting or committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the minimum bond required of each class of license under this chapter are as follows:

<table>
<thead>
<tr>
<th>License</th>
<th>Minimum Fee</th>
<th>Minimum Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brewery, including Certificate of Approval</td>
<td>$500</td>
<td>$1,000</td>
</tr>
<tr>
<td>Winery</td>
<td>$250</td>
<td>$1,000</td>
</tr>
<tr>
<td>Distillery</td>
<td>$100</td>
<td>None</td>
</tr>
<tr>
<td>Wholesale Malt Beverage and Wine</td>
<td>$275</td>
<td>$1,000</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$100</td>
<td>$1,000</td>
</tr>
<tr>
<td>Brewery-Public House, including Certificate of Approval</td>
<td>$250</td>
<td>$1,000</td>
</tr>
<tr>
<td>Limited On-Premises Sales</td>
<td>$200</td>
<td>None</td>
</tr>
<tr>
<td>Off-Premises Sales</td>
<td>$100</td>
<td>None</td>
</tr>
<tr>
<td>Temporary Sales</td>
<td>$50 per day</td>
<td></td>
</tr>
<tr>
<td>Grower sales privilege license</td>
<td>$250</td>
<td>$1,000</td>
</tr>
<tr>
<td>Special events brewery license</td>
<td>$10 per day</td>
<td></td>
</tr>
<tr>
<td>Special events winery license</td>
<td>$10 per day</td>
<td></td>
</tr>
<tr>
<td>Special events grower sales privilege license</td>
<td>$10 per day</td>
<td></td>
</tr>
<tr>
<td>Special events brewery-public house license</td>
<td>$10 per day</td>
<td></td>
</tr>
<tr>
<td>Special events distillery license</td>
<td>$10 per day</td>
<td></td>
</tr>
<tr>
<td>Special events tasting room license</td>
<td>$10 per day</td>
<td></td>
</tr>
</tbody>
</table>

(7) The fee for a certificate of approval or special certificate of approval granted under ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a certificate of approval or special certificate of approval. No bond is required for the granting of a certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-
period commencing on the date of issuance and ending on December 31 of the fifth calendar year follow-
ing the calendar year of issuance. The fee for a certificate of approval is $175. Special certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval is $10.

(8) Except as provided in subsection (9) of this section, the annual license fee for a full on-premises sales license is $400. No bond is required for any full on-premises sales license.

(9) The annual license fee for a full on-premises sales license held by a nonprofit private club as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state, is $200.

(10) The annual fee for a wine self-distribution permit is $100, and the minimum bond is $1,000.