

## **HB 3239 -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Business and General Government**

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**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 5/2, 5/14

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#### **WHAT THE MEASURE DOES:**

Removes limit on number of full on-premises sales licenses that distillery licensee may hold.

#### **ISSUES DISCUSSED:**

- Benefits of allowing Oregon distillers to hold full on-premises sales licenses
- Requirement that distillery licensees who hold full on-premises sales license acquire stock through OLCC system
- Potential impact on existing liquor stores
- Relative merits of allowing distillery licensees to hold an unlimited number of full on-premises sales licenses

#### **EFFECT OF AMENDMENT:**

-2 Increases limit on number of full on-premises sales licenses that distillery licensee may hold for locations other than the premises of the distillery from one to four. Exempts full on-premises sales license term commenced prior to January 1, 2019. Allows OLCC to keep in effect full on-premises sales licenses issued prior to January 1, 2019. Sunsets exemption January 2, 2023.

#### **BACKGROUND:**

The Oregon Liquor Control Commission (OLCC) is responsible for regulating the sale and service of alcoholic beverages in Oregon by administering the Oregon Liquor Control Act. A distillery licensee may make and import distilled spirits into Oregon; export distilled spirits out of Oregon; sell distilled spirits to the OLCC (for sale in a liquor store); and sell distilled spirits in amounts greater than one gallon to another Oregon distillery licensee. A distillery license holder may also obtain a full on-premises sales license for the distillery's location and one other location.

A full on-premises licensee may sell and serve distilled spirits, malt beverages, wine, and cider for consumption on the premises; sell malt beverages, wine, and cider to individuals in a secure container up to two gallons for consumption off the premises; and are eligible to apply for pre-approval to cater specified events off the licensed premises and special event licenses.

House Bill 3239 removes the statutory limit on the number of full on-premises sales licenses that a distillery licensee may hold.