

SB 590 A STAFF MEASURE SUMMARY

Carrier: Sen. Prozanski

Senate Committee On Environment and Natural Resources**Action Date:** 04/02/19**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 4-0-1-0**Yeas:** 4 - Bentz, Dembrow, Prozanski, Roblan**Exc:** 1 - Olsen**Fiscal:** No fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Beth Patrino, LPRO Analyst**Meeting Dates:** 4/2**WHAT THE MEASURE DOES:**

States that for purpose of obligation to redeem beverage containers, the space a dealer occupies equals the retail space if: (1) the retail space is less than 5,000 square feet, (2) the retail space occupies less than 50 percent of the leased or owned space where retail operations are located, and (3) the nonretail space is used in whole or part for the manufacturing of beverages. Authorizes Oregon Liquor Control Commission to issue more than one brewery-public house license at a single premises if each licensee has a valid Brewer's Notice issued by federal Alcohol and Tobacco Tax and Trade Bureau and is in compliance with statute prohibiting financial assistance from wholesaler to retailer. Authorizes a brewery licensee to produce malt beverages for a brewery-public house licensee under a custom order agreement. Authorizes OLCC to adopt rules regarding contents of custom order agreements. Repeals alcohol percentage limit for malt beverage labeled or otherwise designated as beer.

ISSUES DISCUSSED:

- Current law does not differentiate between retail and other types of space for purpose of calculating square footage
- Allowing existing rental agreements at breweries
- Allowing alternative proprietorships where two breweries operate under the same roof
- Outdated beer labelling requirement

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

ORS 459A.710 allows a dealer occupying a space of less than 5,000 square feet in a single area to refuse to accept for bottle deposit redemption any containers of the kind, size, and brand that the dealer does not sell. Current law does not differentiate between types of space for purposes of this calculation.

The Oregon Liquor Control Commission (OLCC) issues licenses for breweries and brewery-public houses under ORS Chapter 471.

Senate Bill 590-A would identify when the space occupied by a dealer equals the retail space for purposes of bottle bill deposit redemption, authorize OLCC to issue more than one brewery-public house license at a single location, and allow a brewery licensee to produce malt beverages for a brewery-public house licensee under a custom order agreement.