

House Bill 3239

Sponsored by Representative HELT

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**.

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

A BILL FOR AN ACT

1 Relating to alcoholic beverages; amending ORS 471.230.

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

3 **SECTION 1.** ORS 471.230 is amended to read:

4 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,
5 denature and store distilled liquor with an alcoholic content greater than 10 percent alcohol by
6 volume, to sell the distilled liquor to the Oregon Liquor Control Commission and to transport the
7 distilled liquor out of this state for sale outside this state. Distillery licensees may purchase and sell
8 distilled liquor from or to another distillery licensee in containers having a capacity greater than
9 one U.S. gallon for blending and manufacturing purposes. A distillery licensee may not sell any al-
10 coholic beverage within this state except to the commission or as provided in this section. However,
11 any agricultural producer or association of agricultural producers or the legal agents of an agri-
12 cultural producer or association of agricultural producers that manufactures and converts agricul-
13 tural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the
14 arts and industry are not required to obtain a license from the commission.

15
16 (2) If a distillery licensee holds a valid distilled spirits plant basic permit issued by the federal
17 Alcohol and Tobacco Tax and Trade Bureau for the licensed premises, the distillery licensee may:

18 (a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manu-
19 factured in Oregon by the distillery licensee or by another distillery licensee. Tastings may be of
20 the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled li-
21 quors, they must be distilled liquors on the list of products approved by the commission for retail
22 sale in Oregon and must be purchased by the licensee at the retail price established by the com-
23 mission. This paragraph does not authorize sales by the drink of distilled liquor. The tastings may
24 be conducted on the licensed premises of the distillery and at no more than five other premises
25 owned or leased by the licensee. The commission may allow more than one distillery licensee to use
26 the same premises at the same time for conducting tastings if the premises are a primary production
27 location and the licensees share the premises or are owned by the same entity. If the manufacturer
28 of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the
29 commission, the licensee shall pay the commission a processing fee.

30 (b) Obtain a special events distillery license.

31 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of
32 retailing distilled liquor at locations where tastings are permitted under paragraph (a) of this sub-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 section or subsection (4)(a) of this section. A distillery retail outlet agent may sell at locations
 2 where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the
 3 list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon
 4 by the distillery licensee or by another distillery licensee that uses the same premises as a primary
 5 production location or is owned by the same entity as the distillery licensee.

6 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may *[also hold a full on-premises*
 7 *sales license for a location at the licensed premises of the distillery and a full on-premises sales license*
 8 *for one other location]* **hold one or more full on-premises sales licenses.** All distilled liquor sold
 9 under *[the]* a full on-premises sales license must be purchased from the commission.

10 (4) A distillery licensee that holds a special events distillery license may conduct an event on
 11 premises designated in the special events distillery license. Except as provided in this subsection,
 12 a special events distillery license may be valid for a period not exceeding five days. The commission
 13 shall limit the approval of special events distillery licenses for a distillery licensee at the same lo-
 14 cation to not more than 62 days during a calendar year. A distillery licensee conducting a special
 15 event may:

16 (a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manu-
 17 factured in Oregon by the distillery licensee. Tastings may be of the distilled liquor alone or with
 18 a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors
 19 on the list of products approved by the commission for retail sale in Oregon and must be purchased
 20 by the licensee at the retail price established by the commission. If the manufacturer of the distilled
 21 liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the
 22 licensee shall pay the commission a processing fee.

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

28 (c) If the distillery licensee has been appointed as a distillery retail outlet agent under sub-
 29 section (2)(c) of this section, sell distilled liquor in factory-sealed containers for consumption off the
 30 licensed premises. A distillery retail outlet agent may sell at a location where tastings are allowed
 31 under paragraph (a) of this subsection only distilled liquor that is on the list of products approved
 32 by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee.
 33 The distillery retail outlet agent must sell the distilled liquor at the retail price set by the com-
 34 mission for the month of sale.