

Requested by Senator PROZANSKI

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3239**

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating  
2 new provisions; and”.

3 Delete lines 4 through 32 and delete page 2 and insert:

4 **“SECTION 1.** ORS 471.230 is amended to read:

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

20 “(2) If a distillery licensee holds a valid distilled spirits plant basic permit  
21 issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the li-

1 censed premises, the distillery licensee may:

2 “(a) Permit tastings of distilled liquor approved by the commission for  
3 sale in Oregon and manufactured in Oregon by the distillery licensee or by  
4 another distillery licensee. Tastings may be of the distilled liquor alone or  
5 with a mix of other liquids. If any of the other liquids are distilled liquors,  
6 they must be distilled liquors on the list of products approved by the com-  
7 mission for retail sale in Oregon and must be purchased by the licensee at  
8 the retail price established by the commission. This paragraph does not au-  
9 thorize sales by the drink of distilled liquor. The tastings may be conducted  
10 on the licensed premises of the distillery and at no more than five other  
11 premises owned or leased by the licensee. The commission may allow more  
12 than one distillery licensee to use the same premises at the same time for  
13 conducting tastings if the premises are a primary production location and the  
14 licensees share the premises or are owned by the same entity. If the man-  
15 ufacturer of the distilled liquor obtains distilled liquor for conducting  
16 tastings from the inventory of the commission, the licensee shall pay the  
17 commission a processing fee.

18 “(b) Obtain a special events distillery license.

19 “(c) Apply for appointment by the commission as a distillery retail outlet  
20 agent for purposes of retailing distilled liquor at locations where tastings  
21 are permitted under paragraph (a) of this subsection or subsection (4)(a) of  
22 this section. A distillery retail outlet agent may sell at locations where  
23 tastings are allowed under paragraph (a) of this subsection only distilled li-  
24 quor that is on the list of products approved by the commission for retail  
25 sale in Oregon and is manufactured in Oregon by the distillery licensee or  
26 by another distillery licensee that uses the same premises as a primary pro-  
27 duction location or is owned by the same entity as the distillery licensee.

28 “(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also  
29 hold a full on-premises sales license for a location at the licensed premises  
30 of the distillery and [a] full on-premises sales [*license for one other location*]

1 **licenses for not more than four other locations.** All distilled liquor sold  
2 under [*the*] a full on-premises sales license must be purchased from the  
3 commission.

4 “(4) A distillery licensee that holds a special events distillery license may  
5 conduct an event on premises designated in the special events distillery li-  
6 cense. Except as provided in this subsection, a special events distillery li-  
7 cense may be valid for a period not exceeding five days. The commission  
8 shall limit the approval of special events distillery licenses for a distillery  
9 licensee at the same location to not more than 62 days during a calendar  
10 year. A distillery licensee conducting a special event may:

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

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

27 “(c) If the distillery licensee has been appointed as a distillery retail  
28 outlet agent under subsection (2)(c) of this section, sell distilled liquor in  
29 factory-sealed containers for consumption off the licensed premises. A  
30 distillery retail outlet agent may sell at a location where tastings are al-

1 lowed under paragraph (a) of this subsection only distilled liquor that is on  
2 the list of products approved by the commission for retail sale in Oregon and  
3 is manufactured in Oregon by the distillery licensee. The distillery retail  
4 outlet agent must sell the distilled liquor at the retail price set by the com-  
5 mission for the month of sale.

6 **“SECTION 2. The amendments to ORS 471.230 by section 1 of this**  
7 **2019 Act do not affect a full on-premises sales license term that com-**  
8 **menced prior to January 1, 2019. The Oregon Liquor Control Commis-**  
9 **sion may review a full on-premises sales license issued to or renewed**  
10 **by a distillery licensee after January 1, 2019, and prior to the effective**  
11 **date of this 2019 Act and may continue, cancel, amend or reissue the**  
12 **license as the commission considers appropriate to facilitate the intent**  
13 **of the amendments to ORS 471.230 by section 1 of this 2019 Act. This**  
14 **section does not limit any other authority of the commission to regu-**  
15 **late distillery licenses or full on-premises sales licenses.**

16 **“SECTION 3. Section 2 of this 2019 Act is repealed on January 2,**  
17 **2023.”.**

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