

DRAFT

SUMMARY

Creates off-premises distilled liquor retail license to be issued to eligible grocery store to sell craft distilled liquor, low-proof spirit beverages and private label distilled liquor. Creates wholesale distilled liquor sales license to import, store, transport, export, sell at wholesale and distribute craft distilled liquor, low-proof spirit beverages and private label distilled liquor. Defines “craft distilled liquor,” “low-proof spirit beverages” and “private label distilled liquor.”

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to alcoholic beverages; creating new provisions; amending ORS
3 471.001, 471.175, 471.230, 471.244 and 471.311; and prescribing an effective
4 date.

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

6 **SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made**
7 **a part of ORS chapter 471.**

8 **SECTION 2. (1) The holder of an off-premises distilled liquor retail**
9 **license may:**

10 **(a) Sell at retail:**

11 **(A) Craft distilled liquor, low-proof spirit beverages and the**
12 **licensee’s private label distilled liquor in factory-sealed containers that**
13 **do not hold more than one U.S. gallon.**

14 **(B) Craft distilled liquor, low-proof spirit beverages and the**
15 **licensee’s private label distilled liquor in factory-sealed single-serving**
16 **containers only for off-premises consumption.**

17 **(b) Purchase craft distilled liquor, low-proof spirit beverages and**

1 the licensee's private label distilled liquor for resale only from the
2 holder of a wholesale distilled liquor license issued under section 3 of
3 this 2021 Act or a distillery licensee that produces craft distilled liquor.

4 (c) Determine:

5 (A) Subject to paragraph (b) of this subsection, the methods of
6 procuring for sale craft distilled liquor, low-proof spirit beverages and
7 the licensee's private label distilled liquor.

8 (B) Subject to subsection (2) of this section, the retail price of any
9 craft distilled liquor, low-proof spirit beverages and the licensee's pri-
10 vate label distilled liquor the licensee offers for sale.

11 (C) The methods of self-distribution of the licensee's private label
12 distilled liquor the licensee offers for sale.

13 (d) Subject to subsection (7) of this section, store, import, transport
14 and export private label distilled liquor on which the applicable tax is
15 paid.

16 (2) The holder of an off-premises distilled liquor retail license may
17 not:

18 (a) Sell the licensee's private label distilled liquor to another
19 licensee for resale to consumers.

20 (b) Sell craft distilled liquor, low-proof spirit beverages or the
21 licensee's private label distilled liquor at a retail price that is below
22 the licensee's cost, as listed on the licensee's purchase invoice from
23 the seller, except:

24 (A) In good faith when closing out the licensee's stock or any part
25 of the licensee's stock for the purpose of discontinuing the licensee's
26 trade in a craft distilled liquor, low-proof spirit beverages or private
27 label distilled liquor and in the case of the sale of seasonal craft dis-
28 tilled liquor, low-proof spirit beverages or private label distilled liquor.

29 (B) When the craft distilled liquor, low-proof spirit beverages or
30 private label distilled liquor are damaged or deteriorated in quality.

31 (c) In an endeavor made in good faith to meet the prices of a com-

1 **petitor that sells the same craft distilled liquor, low-proof spirit**
2 **beverages or private label distilled liquor in the ordinary channels of**
3 **trade.**

4 **(3) An off-premises distilled liquor retail license may be issued to a**
5 **grocery store that:**

6 **(a) Holds an off-premises retail sales license issued under ORS**
7 **471.186 and is in good standing;**

8 **(b) Has participated in the responsible vendor program established**
9 **under ORS 471.344; and**

10 **(c) Will offer for sale craft distilled liquor, low-proof spirit**
11 **beverages or the licensee's private label distilled liquor at a premises**
12 **that is greater than 5,000 square feet.**

13 **(4) The Oregon Liquor Control Commission shall establish by rule**
14 **off-premises distilled liquor retail license fees at rates calculated not**
15 **to exceed the reasonable cost to the commission of regulating holders**
16 **of off-premises distilled liquor retail licenses.**

17 **(5) An off-premises distilled liquor retail license is valid for 10 years**
18 **unless sooner suspended, revoked or surrendered.**

19 **(6) On or before the 20th day of the month, the holder of an off-**
20 **premises distilled liquor retail license shall remit to the commission**
21 **an amount equal to the average net markup per bottle sold through**
22 **a liquor store established under ORS 471.750, expressed as a percentage**
23 **of the licensee's wholesale cost for the previous month.**

24 **(7)(a) Private label distilled liquor of the holder of an off-premises**
25 **distilled liquor retail license may be:**

26 **(A) Removed from the licensed premises only for sale to consumers**
27 **or for shipment to other premises for which the licensee holds a li-**
28 **cence.**

29 **(B) Shipped or transported by a holder of an off-premises distilled**
30 **liquor retail license only by the licensee's employees, a holder of a**
31 **wholesale distilled liquor license issued under section 3 of this 2021 Act**

1 or by a common carrier using a commission-approved delivery plan.

2 (b) The holder of an off-premises distilled liquor retail license is
3 responsible for paying all taxes imposed under ORS chapter 473 and
4 complying with all reporting requirements under ORS chapter 473 for
5 all of the licensee's private label distilled liquor imported to and sold
6 within this state.

7 **SECTION 3.** (1) The holder of a wholesale distilled liquor license
8 may:

9 (a) Import, store, transport, export, sell at wholesale and distribute
10 craft distilled liquor, low-proof spirit beverages and private label dis-
11 tilled liquor in factory-sealed containers to a holder of an off-premises
12 distilled liquor retail license or another holder of a wholesale distilled
13 liquor license.

14 (b) Sell and deliver craft distilled liquor, low-proof spirit beverages
15 and private label distilled liquor to a holder of an off-premises distilled
16 liquor retail license, a restaurant that is a holder of a full on-premises
17 sales license or to another holder of a wholesale distilled liquor license
18 at the distilled liquor wholesaler's licensed premises.

19 (2) The holder of a wholesale distilled liquor license shall:

20 (a) Establish and maintain warehouses, subject to any restrictions,
21 conditions or limitations imposed by the Oregon Liquor Control Com-
22 mission; and

23 (b) Keep on hand in the warehouses established under this sub-
24 section the quantities and kinds of craft distilled liquor, low-proof
25 spirit beverages and private label distilled liquor that are reasonably
26 required to meet the purchasing needs of the holders of off-premises
27 distilled liquor retail licenses in the area served by the holder of a
28 wholesale distilled liquor license.

29 (3) The holder of a wholesale distilled liquor license may accept
30 payment for purchases of craft distilled liquor, low-proof spirit
31 beverages and private label distilled liquor, and the holder of an off-

1 **premises distilled liquor retail license may make payment for pur-**
2 **chases of craft distilled liquor, low-proof spirit beverages and private**
3 **label distilled liquor, by cash, check or electronic funds transfer. The**
4 **holder of a wholesale distilled liquor license shall permit the holder**
5 **of an off-premises distilled liquor retail license to pay for craft distilled**
6 **liquor, low-proof spirit beverages and private label distilled liquor on**
7 **credit terms that are usual and customary in the industry for distilled**
8 **liquor transactions, but not more than 30 days from the date on which**
9 **the craft distilled liquor, low-proof spirit beverages or private label**
10 **distilled liquor are delivered.**

11 **(4) The commission shall establish by rule wholesale distilled liquor**
12 **license fees at rates calculated not to exceed the reasonable cost to the**
13 **commission of regulating holders of wholesale distilled liquor licenses.**

14 **(5) A wholesale distilled liquor license is valid for 10 years unless**
15 **sooner suspended, revoked or surrendered.**

16 **SECTION 4.** ORS 471.001 is amended to read:

17 471.001. As used in this chapter and ORS chapter 473:

18 (1) “Alcoholic beverage” and “alcoholic liquor” mean any liquid or solid
19 containing more than one-half of one percent alcohol by volume and capable
20 of being consumed by a human being.

21 (2) “Commercial establishment” means a place of business:

22 (a) Where food is cooked and served;

23 (b) That has kitchen facilities adequate for the preparation and serving
24 of meals;

25 (c) That has dining facilities adequate for the serving and consumption
26 of meals; and

27 (d) That:

28 (A) If not a for-profit private club, serves meals to the general public; or

29 (B) If a for-profit private club, serves meals to the club’s members and
30 guests and complies with any minimum membership and food service re-
31 quirements established by Oregon Liquor Control Commission rules.

1 (3) "Commission" means the Oregon Liquor Control Commission.

2 (4) **"Craft distilled liquor" means a distilled liquor, other than wine,**
3 **cider or malt beverage, that is produced by a distillery that produces**
4 **fewer than 750,000 gallons of distilled liquor for sale per year.**

5 [(4)] (5) "Distilled liquor" means any alcoholic beverage other than a
6 wine, cider or malt beverage. "Distilled liquor" includes distilled spirits.

7 (6) **"Grocery store" means a retail food store that primarily sells**
8 **groceries and is licensed by the State Department of Agriculture.**

9 [(5)] (7) "Licensee" means any person holding a license issued under this
10 chapter.

11 (8) **"Low-proof spirit beverage" means an alcoholic beverage that:**

12 (a) **Contains at least a mixture of distilled liquor and a nonalcoholic**
13 **liquid; and**

14 (b) **Contains not more than 14 percent alcohol by volume.**

15 [(6)(a)] (9)(a) "Malt beverage" means an alcoholic beverage obtained by
16 the fermentation of grain that contains not more than 14 percent alcohol by
17 volume.

18 (b) "Malt beverage" includes:

19 (A) Beer, ale, porter, stout and similar alcoholic beverages containing not
20 more than 14 percent alcohol by volume;

21 (B) Malt beverages containing six percent or less alcohol by volume and
22 that contain at least 51 percent alcohol by volume obtained by the
23 fermentation of grain, as long as not more than 49 percent of the beverage's
24 overall alcohol content is obtained from flavors and other added nonbeverage
25 ingredients containing alcohol; and

26 (C) Malt beverages containing more than six percent alcohol by volume
27 that derive not more than 1.5 percent of the beverage's overall alcohol con-
28 tent by volume from flavors and other added nonbeverage ingredients con-
29 taining alcohol.

30 (c) "Malt beverage" does not include cider or an alcoholic beverage ob-
31 tained primarily by fermentation of rice, such as sake.

1 [(7)] (10) “Manufacturer” means every person who produces, brews,
2 ferments, manufactures or blends an alcoholic beverage within this state or
3 who imports or causes to be imported into this state an alcoholic beverage
4 for sale or distribution within the state.

5 [(8)] (11) “Permittee” means a person holding a permit issued under ORS
6 471.360 to 471.385.

7 [(9)] (12) “Premises” or “licensed premises” means a location licensed
8 under this chapter and includes all enclosed areas at the location that are
9 used in the business operated at the location, including offices, kitchens, rest
10 rooms and storerooms, including all public and private areas where patrons
11 are permitted to be present. “Premises” or “licensed premises” includes areas
12 outside of a building that the commission has specifically designated as ap-
13 proved for alcoholic beverage service or consumption.

14 (13) **“Private label distilled liquor” means a distilled liquor that has**
15 **a trade name, trademark or other words or symbols identifiable with**
16 **a holder of an off-premises distilled liquor retail license issued under**
17 **section 2 of this 2021 Act.**

18 [(10)] (14) “Regulatory specialist” means a full-time employee of the com-
19 mission who is authorized to act as an agent of the commission in conducting
20 inspections or investigations, making arrests and seizures, aiding in prose-
21 cutions for offenses, issuing citations for violations and otherwise enforcing
22 this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550
23 to 475B.590 and 475B.600 to 475B.655, commission rules and any other stat-
24 utes the commission considers related to regulating liquor, marijuana or
25 marijuana-derived products.

26 (15) **“Restaurant” has the meaning given that term in ORS 459A.755.**

27 [(11)] (16) “Wine” means any fermented vinous liquor or fruit juice, or
28 other fermented beverage fit for beverage purposes that is not a malt
29 beverage, containing more than one-half of one percent of alcohol by volume
30 and not more than 21 percent of alcohol by volume. “Wine” includes fortified
31 wine. “Wine” does not include cider.

1 **SECTION 5.** ORS 471.175 is amended to read:

2 471.175. (1) The holder of a full on-premises sales license may sell by the
3 drink at retail wine, malt beverages, cider and distilled liquor. Except as
4 provided in this section, all alcoholic beverages sold under a full on-premises
5 sales license must be consumed on the licensed premises.

6 (2) A full on-premises sales license may be issued only to:

7 (a) A nonprofit private club, as described in subsection (8) of this section.

8 (b) A public passenger carrier as provided in ORS 471.182.

9 (c) A commercial establishment, as defined in ORS 471.001 (2).

10 (d) A public location that does not qualify for licensing under paragraphs
11 (a) to (c) of this subsection if:

12 (A) Food is cooked and served at the location;

13 (B) The predominant business activity at the location is other than the
14 preparation or serving of food or the serving of alcohol; and

15 (C) The location meets any minimum food service requirements estab-
16 lished by Oregon Liquor Control Commission rule.

17 (e) A caterer, subject to the requirements of ORS 471.184.

18 (3) The holder of a full on-premises sales license shall allow a patron to
19 remove a partially consumed bottle of wine from the licensed premises if the
20 wine is served in conjunction with the patron's meal, the patron is not a
21 minor and the patron is not visibly intoxicated.

22 (4) The holder of a full on-premises sales license is entitled to purchase
23 any distilled liquor from an agent of the commission appointed pursuant to
24 ORS 471.750 at a discount of not more than five percent off the regular listed
25 price fixed by the commission, together with all taxes, in a manner pre-
26 scribed by commission rule. For purposes of compensation by the commission,
27 the appointed agent shall be credited with such sales at full retail cost. The
28 commission may not require the licensee to purchase more than one con-
29 tainer of distilled liquor at a time if the distilled liquor:

30 (a) Except as provided in subsection (9) of this section, has a retail sales
31 price of \$30 or more per container;

1 (b) Is available through a distributor in the United States that does not
2 require the commission to acquire more than one case of the distilled liquor
3 in a single transaction;

4 (c) Is not regularly stocked by the commission; and

5 (d) Is ordered in a 750 milliliter container size if available in that size.

6 (5) The holder of a full on-premises sales license may purchase distilled
7 liquor only from a retail sales agent of the commission or from another
8 person licensed under this section who has purchased the distilled liquor
9 from a retail sales agent of the commission.

10 (6) The holder of a full on-premises sales license may sell factory-sealed
11 containers of wine to a person who organizes a private gathering on the
12 licensee's premises if the wine was acquired as part of a larger purchase of
13 wine by the licensee for the purpose of the gathering and only part of the
14 larger purchase was consumed at the gathering. Wine sold under this sub-
15 section may be sold only for an amount adequate to compensate the licensee
16 for the amounts paid by the licensee for the wine.

17 (7) The holder of a full on-premises sales license may sell for consumption
18 off the licensed premises malt beverages, wines and cider in securely covered
19 containers provided by the consumer and *[having]* **that have** capacities of
20 not more than two gallons each.

21 **(8) The holder of a full on-premises sales license that is a restaurant**
22 **may sell for consumption off the licensed premises craft distilled li-**
23 **quor in factory-sealed containers that do not exceed 750 milliliters in**
24 **size. For the purpose of sales under this subsection, the holder of a full**
25 **on-premises sales license:**

26 **(a) May purchase craft distilled liquor from the holder of a whole-**
27 **sale distilled liquor license issued under section 3 of this 2021 Act or**
28 **from a distillery licensee.**

29 **(b) May not sell craft distilled liquor at a retail price that is below**
30 **the licensee's cost to purchase the craft distilled liquor, as stated on**
31 **the licensee's purchase invoice.**

1 (c) If the holder of the full on-premises sales license sells craft
2 distilled liquor, shall on or before the 20th day of the month remit to
3 the commission an amount equal to the average net markup per bottle
4 sold through a liquor store established under ORS 471.750, expressed
5 as a percentage of the wholesale cost for the previous month.

6 [(8)] (9) A nonprofit private club, including but not limited to a fraternal
7 or veterans organization, may qualify for a full on-premises sales license
8 under this section only if the club meets any minimum membership, nonprofit
9 status and food service requirements established by commission rule.

10 [(9)] (10) Beginning January 1, 2017, the commission may annually adjust
11 the price threshold established in subsection (4)(a) of this section by a per-
12 centage equal to the percentage change in the Consumer Price Index for All
13 Urban Consumers, West Region (All Items), as published by the Bureau of
14 Labor Statistics of the United States Department of Labor. However, the
15 commission may not adjust the price threshold to be less than \$30.

16 **SECTION 6.** ORS 471.230 is amended to read:

17 471.230. (1)(a) A distillery license allows the licensee to:

18 (A) Import, manufacture, distill, rectify, blend, denature and store dis-
19 tilled liquor[, to];

20 (B) Sell the distilled liquor to:

21 (i) The Oregon Liquor Control Commission [*and to*];

22 (ii) **The holder of an off-premises distilled liquor retail license is-**
23 **sued under section 2 of this 2021 Act; or**

24 (iii) **The holder of a wholesale distilled liquor license issued under**
25 **section 3 of this 2021 Act;**

26 (C) Transport the distilled liquor out of this state for sale outside this
27 state[. *Distillery licensees may*]; **and**

28 (D) Purchase and sell distilled liquor from or to another distillery
29 licensee in containers [*having*] **that have** a capacity greater than one U.S.
30 gallon for blending and manufacturing purposes.

31 (b) A distillery licensee may not sell any alcoholic beverage within this

1 state except [*to the commission or*] as provided in this section. [*However,*
2 *any*]

3 (c) **An** agricultural producer [*or*], **an** association of agricultural produc-
4 ers or the [*legal agents*] **agent** of an agricultural producer or association of
5 agricultural producers that manufactures and converts agricultural sur-
6 pluses, by-products and wastes into denatured ethyl and industrial alcohol
7 for use in the arts and industry [*are*] **is** not required to obtain a license from
8 the commission.

9 (2) If a distillery licensee holds a valid distilled spirits plant basic permit
10 issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the li-
11 censed premises, the distillery licensee may:

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

28 (b) Obtain a special events distillery license.

29 (c) Apply for appointment by the commission as a distillery retail outlet
30 agent for purposes of retailing distilled liquor at locations where tastings
31 are permitted under paragraph (a) of this subsection or subsection (4)(a) of

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

7 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may hold
8 one or more full on-premises sales licenses. All distilled liquor sold under a
9 full on-premises sales license must be purchased from the commission.

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

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

26 (b) Permit sales by the drink of distilled liquor. A drink that a distillery
27 licensee sells under this paragraph must include distilled liquor that the
28 licensee manufactured in Oregon. Any distilled liquor contained in the drink
29 must be on the list of products approved by the commission for retail sale
30 in Oregon. The distillery licensee selling the drink must purchase all dis-
31 tilled liquor contained in the drink at the retail price set by the commission

1 for the month in which the drink is sold.

2 (c) If the distillery licensee has been appointed as a distillery retail outlet
 3 agent under subsection (2)(c) of this section, sell distilled liquor in factory-
 4 sealed containers for consumption off the licensed premises. A distillery re-
 5 tail outlet agent may sell at a location where tastings are allowed under
 6 paragraph (a) of this subsection only distilled liquor that is on the list of
 7 products approved by the commission for retail sale in Oregon and is manu-
 8 factured in Oregon by the distillery licensee. The distillery retail outlet
 9 agent must sell the distilled liquor at the retail price set by the commission
 10 for the month of sale.

11 **SECTION 7.** ORS 471.244 is amended to read:

12 471.244. (1) *[No licensee of the Oregon Liquor Control Commission shall]*
 13 **A licensee may not** manufacture, import into, or purchase in *[the State of*
 14 *Oregon]* **this state** for resale *[therein]* **in this state** any malt beverages,
 15 cider *[or]*, wine, **craft distilled liquor, low-proof spirit beverages or pri-**
 16 **ivate label distilled liquor** unless the manufacturer of *[such]* **the** malt
 17 beverages, cider *[or]*, wine, **craft distilled liquor, low-proof spirit**
 18 **beverages or private label distilled liquor** has first obtained from the
 19 *[commission]* **Oregon Liquor Control Commission** a certificate of
 20 approval, *except that with respect to malt beverages, cider or wine manufac-*
 21 *tured outside the United States, the certificate of approval may be obtained by*
 22 *the person importing same into the United States.]* **under this section.**

23 **(2)(a) The commission may issue a certificate of approval to a per-**
 24 **son importing malt beverages, cider, wine, craft distilled liquor, low-**
 25 **proof spirit beverages or private label distilled liquor manufactured**
 26 **outside the United States.**

27 **(b)** *[Such certificate of approval shall be granted]* **The commission may**
 28 **grant a certificate of approval** only to manufacturers or importers *[who*
 29 *shall have entered]* **that enter** into an agreement with the commission to:

30 **(A)** *[furnish]* **Submit** a report to the commission, on or before the 20th
 31 day of each month, showing the quantity of malt beverages, cider *[or]*,

1 wine, **craft distilled liquor, low-proof spirit beverages or private label**
 2 **distilled liquor** delivered to each licensee [*of the commission*] during the
 3 preceding calendar month[, *and to*]; **and**

4 (B) Faithfully comply with all laws of [*the State of Oregon*] **this state**
 5 pertaining to traffic in malt beverages, cider [*or*], wine, **craft distilled li-**
 6 **quor, low-proof spirit beverages or private label distilled liquor.**

7 (3) If [*any*] **the holder of [*such*] a certificate of approval issued under**
 8 **this section**, or any officer, agent or employee of [*such holder, shall*
 9 *violate*] **the holder of a certificate of approval, violates** any term or pro-
 10 vision of [*such*] **an agreement described in subsection (2) of this section,**
 11 or [*submit any*] **submits a** false or fictitious report, the commission may, in
 12 its discretion, suspend or revoke [*such*] **the certificate of approval.**

13 [(2)] (4) The commission may grant special certificates of approval to
 14 manufacturers and importers of malt beverages, cider [*or*], wine, **craft dis-**
 15 **tilled liquor, low-proof spirit beverages or private label distilled**
 16 **liquor.** A special certificate of approval has the effect of a certificate of
 17 approval granted under subsection [(1)] (2) of this section, but is valid only
 18 for a period of 30 days.

19 (5) **The holder of an off-premises distilled liquor retail license issued**
 20 **under section 2 of this 2021 Act may import into this state the**
 21 **licensee's own private label distilled liquor for resale in this state if**
 22 **the licensee first obtains a certificate of approval under this section.**

23 **SECTION 8.** ORS 471.311 is amended to read:

24 471.311. (1) Any person desiring a license or renewal of a license under
 25 this chapter shall make application to the Oregon Liquor Control Commis-
 26 sion upon forms to be furnished by the commission showing the name and
 27 address of the applicant, location of the place of business that is to be op-
 28 erated under the license, and such other pertinent information as the com-
 29 mission may require. A license may not be granted or renewed until the
 30 applicant has complied with the provisions of this chapter and the rules of
 31 the commission.

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

6 (3) The commission shall charge an application fee, not to exceed \$150,
7 to process an application for the issuance of a new license under this chapter
8 or a license following a change in ownership. The application fee applies
9 only to an application for a class of license having an annual license fee.
10 The application fee is nonrefundable, except that the commission shall refund
11 the fee if the applicant completes, submits and maintains an application and
12 the commission does not, on or before 75 days following receipt of the com-
13 pleted application, propose that the license be granted, granted with condi-
14 tions or refused. The commission shall adopt rules to:

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

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

17 (4) Subject to subsection (5) of this section, the commission shall assess
18 a nonrefundable fee for processing a renewal application for any license au-
19 thorized by this chapter only if the renewal application is received by the
20 commission less than 20 days before expiration of the license. If the renewal
21 application is received prior to expiration of the license but less than 20 days
22 prior to expiration, the fee shall be 25 percent of the annual license fee. If
23 a renewal application is received by the commission after expiration of the
24 license but no more than 30 days after expiration, the fee shall be 40 percent
25 of the annual license fee. This subsection does not apply to a certificate of
26 approval, a brewery-public house license or any license that is issued for a
27 period of less than 30 days.

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

1 (6) The license fee is nonrefundable and must be paid by each applicant
 2 upon the granting or committing of a license. Subject to ORS 471.155 and
 3 473.065, the annual or daily license fee and the minimum bond required of
 4 each class of license under this chapter are as follows:

License	Minimum Fee	Bond
Brewery, including Certificate of Approval	\$ 1,000	\$ 1,000
Winery	\$ 500	\$ 1,000
Distillery	\$ 200	None
Wholesale Malt Beverage and Wine	\$ 550	\$ 1,000
Warehouse	\$ 200	\$ 1,000
Brewery-Public House, including Certificate of Approval	\$ 500	\$ 1,000
Limited On-Premises Sales	\$ 400	None
Off-Premises Sales	\$ 200	None
Temporary Sales	\$ 50 per day	
Grower sales privilege license	\$ 500	\$ 1,000
Special events brewery license	\$ 10 per day	
Special events winery license	\$ 10 per day	
Special events grower sales privilege license	\$ 10 per day	
Special events brewery-public house		

1 license \$ 10 per day
2 Special events
3 distillery
4 license \$ 10 per day

5 _____

6 (7) The fee for a certificate of approval or special certificate of approval
7 granted under ORS 471.244 is nonrefundable and must be paid by each ap-
8 plicant upon the granting or committing of a certificate of approval or spe-
9 cial certificate of approval. No bond is required for the granting of a
10 certificate of approval or special certificate of approval. Certificates of ap-
11 proval are valid for a period commencing on the date of issuance and ending
12 on December 31 of the fifth calendar year following the calendar year of is-
13 suance. The fee for a certificate of approval is \$350. Special certificates of
14 approval are valid for a period of 30 days. The fee for a special certificate
15 of approval is \$10.

16 (8) Except as provided in subsection (9) of this section, the annual license
17 fee for a full on-premises sales license is \$800. No bond is required for any
18 full on-premises sales license.

19 (9) The annual license fee for a full on-premises sales license held by a
20 nonprofit private club as described in ORS 471.175 [(8)] (9), or held by a
21 nonprofit or charitable organization that is registered with the state, is \$400.

22 (10) The fee for temporary use of an annual license is \$10 per day.

23 (11) The annual fee for a wine self-distribution permit is \$200, and the
24 minimum bond is \$1,000.

25 **SECTION 9. This 2021 Act takes effect on the 91st day after the date**
26 **on which the 2021 regular session of the Eighty-first Legislative As-**
27 **sembly adjourns sine die.**

28 _____