

# House Bill 3195

Sponsored by COMMITTEE ON GENERAL GOVERNMENT (at the request of Northwest Grocery Association)

## 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**.

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 471.001, 471.175, 471.230,  
3 471.244 and 471.311; and prescribing an effective date.

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

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

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

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

9 **(A) Craft distilled liquor, low-proof spirit beverages and the licensee's private label dis-**  
10 **tilled liquor in factory-sealed containers that do not hold more than one U.S. gallon.**

11 **(B) Craft distilled liquor, low-proof spirit beverages and the licensee's private label dis-**  
12 **tilled liquor in factory-sealed single-serving containers only for off-premises consumption.**

13 **(b) Purchase craft distilled liquor, low-proof spirit beverages and the licensee's private**  
14 **label distilled liquor for resale only from the holder of a wholesale distilled liquor license is-**  
15 **sued under section 3 of this 2021 Act or a distillery licensee that produces craft distilled li-**  
16 **quor.**

17 **(c) Determine:**

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

20 **(B) Subject to subsection (2) of this section, the retail price of any craft distilled liquor,**  
21 **low-proof spirit beverages and the licensee's private label distilled liquor the licensee offers**  
22 **for sale.**

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

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

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

28 **(a) Sell the licensee's private label distilled liquor to another licensee for resale to con-**  
29 **sumers.**

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

4 (A) In good faith when closing out the licensee's stock or any part of the licensee's stock  
5 for the purpose of discontinuing the licensee's trade in a craft distilled liquor, low-proof spirit  
6 beverages or private label distilled liquor and in the case of the sale of seasonal craft distilled  
7 liquor, low-proof spirit beverages or private label distilled liquor.

8 (B) When the craft distilled liquor, low-proof spirit beverages or private label distilled li-  
9 quor are damaged or deteriorated in quality.

10 (c) In an endeavor made in good faith to meet the prices of a competitor that sells the  
11 same craft distilled liquor, low-proof spirit beverages or private label distilled liquor in the  
12 ordinary channels of trade.

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

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

16 (b) Has participated in the responsible vendor program established under ORS 471.344;  
17 and

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

20 (4) The Oregon Liquor Control Commission shall establish by rule off-premises distilled  
21 liquor retail license fees at rates calculated not to exceed the reasonable cost to the com-  
22 mission of regulating holders of off-premises distilled liquor retail licenses.

23 (5) An off-premises distilled liquor retail license is valid for 10 years unless sooner sus-  
24 pended, revoked or surrendered.

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

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

31 (A) Removed from the licensed premises only for sale to consumers or for shipment to  
32 other premises for which the licensee holds a license.

33 (B) Shipped or transported by a holder of an off-premises distilled liquor retail license  
34 only by the licensee's employees, a holder of a wholesale distilled liquor license issued under  
35 section 3 of this 2021 Act or by a common carrier using a commission-approved delivery plan.

36 (b) The holder of an off-premises distilled liquor retail license is responsible for paying  
37 all taxes imposed under ORS chapter 473 and complying with all reporting requirements un-  
38 der ORS chapter 473 for all of the licensee's private label distilled liquor imported to and sold  
39 within this state.

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

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

45 (b) Sell and deliver craft distilled liquor, low-proof spirit beverages and private label dis-

1 **tilled liquor to a holder of an off-premises distilled liquor retail license, a restaurant that is**  
 2 **a holder of a full on-premises sales license or to another holder of a wholesale distilled liquor**  
 3 **license at the distilled liquor wholesaler’s licensed premises.**

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

5 **(a) Establish and maintain warehouses, subject to any restrictions, conditions or limita-**  
 6 **tions imposed by the Oregon Liquor Control Commission; and**

7 **(b) Keep on hand in the warehouses established under this subsection the quantities and**  
 8 **kinds of craft distilled liquor, low-proof spirit beverages and private label distilled liquor that**  
 9 **are reasonably required to meet the purchasing needs of the holders of off-premises distilled**  
 10 **liquor retail licenses in the area served by the holder of a wholesale distilled liquor license.**

11 **(3) The holder of a wholesale distilled liquor license may accept payment for purchases**  
 12 **of craft distilled liquor, low-proof spirit beverages and private label distilled liquor, and the**  
 13 **holder of an off-premises distilled liquor retail license may make payment for purchases of**  
 14 **craft distilled liquor, low-proof spirit beverages and private label distilled liquor, by cash,**  
 15 **check or electronic funds transfer. The holder of a wholesale distilled liquor license shall**  
 16 **permit the holder of an off-premises distilled liquor retail license to pay for craft distilled**  
 17 **liquor, low-proof spirit beverages and private label distilled liquor on credit terms that are**  
 18 **usual and customary in the industry for distilled liquor transactions, but not more than 30**  
 19 **days from the date on which the craft distilled liquor, low-proof spirit beverages or private**  
 20 **label distilled liquor are delivered.**

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

24 **(5) A wholesale distilled liquor license is valid for 10 years unless sooner suspended, re-**  
 25 **voked or surrendered.**

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

27 471.001. As used in this chapter and ORS chapter 473:

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

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

31 (a) Where food is cooked and served;

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

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

34 (d) That:

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

36 (B) If a for-profit private club, serves meals to the club’s members and guests and complies with  
 37 any minimum membership and food service requirements established by Oregon Liquor Control  
 38 Commission rules.

39 (3) “Commission” means the Oregon Liquor Control Commission.

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

43 [(4)] (5) “Distilled liquor” means any alcoholic beverage other than a wine, cider or malt  
 44 beverage. “Distilled liquor” includes distilled spirits.

45 **(6) “Grocery store” means a retail food store that primarily sells groceries and is licensed**

1 **by the State Department of Agriculture.**

2 [(5)] (7) “Licensee” means any person holding a license issued under this chapter.

3 **(8) “Low-proof spirit beverage” means an alcoholic beverage that:**

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

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

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

8 (b) “Malt beverage” includes:

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

11 (B) Malt beverages containing six percent or less alcohol by volume and that contain at least  
12 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49  
13 percent of the beverage’s overall alcohol content is obtained from flavors and other added  
14 nonbeverage ingredients containing alcohol; and

15 (C) Malt beverages containing more than six percent alcohol by volume that derive not more  
16 than 1.5 percent of the beverage’s overall alcohol content by volume from flavors and other added  
17 nonbeverage ingredients containing alcohol.

18 (c) “Malt beverage” does not include cider or an alcoholic beverage obtained primarily by  
19 fermentation of rice, such as sake.

20 [(7)] (10) “Manufacturer” means every person who produces, brews, ferments, manufactures or  
21 blends an alcoholic beverage within this state or who imports or causes to be imported into this  
22 state an alcoholic beverage for sale or distribution within the state.

23 [(8)] (11) “Permittee” means a person holding a permit issued under ORS 471.360 to 471.385.

24 [(9)] (12) “Premises” or “licensed premises” means a location licensed under this chapter and  
25 includes all enclosed areas at the location that are used in the business operated at the location,  
26 including offices, kitchens, rest rooms and storerooms, including all public and private areas where  
27 patrons are permitted to be present. “Premises” or “licensed premises” includes areas outside of a  
28 building that the commission has specifically designated as approved for alcoholic beverage service  
29 or consumption.

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

33 [(10)] (14) “Regulatory specialist” means a full-time employee of the commission who is author-  
34 ized to act as an agent of the commission in conducting inspections or investigations, making arrests  
35 and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise en-  
36 forcing this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550 to 475B.590 and  
37 475B.600 to 475B.655, commission rules and any other statutes the commission considers related to  
38 regulating liquor, marijuana or marijuana-derived products.

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

40 [(11)] (16) “Wine” means any fermented vinous liquor or fruit juice, or other fermented beverage  
41 fit for beverage purposes that is not a malt beverage, containing more than one-half of one percent  
42 of alcohol by volume and not more than 21 percent of alcohol by volume. “Wine” includes fortified  
43 wine. “Wine” does not include cider.

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

45 471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,

1 malt beverages, cider and distilled liquor. Except as provided in this section, all alcoholic beverages  
 2 sold under a full on-premises sales license must be consumed on the licensed premises.

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

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

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

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

7 (d) A public location that does not qualify for licensing under paragraphs (a) to (c) of this sub-  
 8 section if:

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

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

12 (C) The location meets any minimum food service requirements established by Oregon Liquor  
 13 Control Commission rule.

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

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

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

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

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

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

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

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

33 (6) The holder of a full on-premises sales license may sell factory-sealed containers of wine to  
 34 a person who organizes a private gathering on the licensee's premises if the wine was acquired as  
 35 part of a larger purchase of wine by the licensee for the purpose of the gathering and only part of  
 36 the larger purchase was consumed at the gathering. Wine sold under this subsection may be sold  
 37 only for an amount adequate to compensate the licensee for the amounts paid by the licensee for  
 38 the wine.

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

42 **(8) The holder of a full on-premises sales license that is a restaurant may sell for con-**  
 43 **sumption off the licensed premises craft distilled liquor in factory-sealed containers that do**  
 44 **not exceed 750 milliliters in size. For the purpose of sales under this subsection, the holder**  
 45 **of a full on-premises sales license:**

1 (a) May purchase craft distilled liquor from the holder of a wholesale distilled liquor li-  
 2 cense issued under section 3 of this 2021 Act or from a distillery licensee.

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

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

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

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

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

19 471.230. (1)(a) A distillery license allows the licensee to:

20 (A) Import, manufacture, distill, rectify, blend, denature and store distilled liquor[, to];

21 (B) Sell the distilled liquor to:

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

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

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

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

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

31 (b) A distillery licensee may not sell any alcoholic beverage within this state except [*to the*  
 32 *commission or*] as provided in this section. [*However, any*]

33 (c) **An** agricultural producer [*or*], **an** association of agricultural producers or the [*legal agents*]  
 34 **agent** of an agricultural producer or association of agricultural producers that manufactures and  
 35 converts agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol  
 36 for use in the arts and industry [*are*] **is** not required to obtain a license from the commission.

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

39 (a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manu-  
 40 factured in Oregon by the distillery licensee or by another distillery licensee. Tastings may be of  
 41 the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled li-  
 42 quors, they must be distilled liquors on the list of products approved by the commission for retail  
 43 sale in Oregon and must be purchased by the licensee at the retail price established by the com-  
 44 mission. This paragraph does not authorize sales by the drink of distilled liquor. The tastings may  
 45 be conducted on the licensed premises of the distillery and at no more than five other premises

1 owned or leased by the licensee. The commission may allow more than one distillery licensee to use  
 2 the same premises at the same time for conducting tastings if the premises are a primary production  
 3 location and the licensees share the premises or are owned by the same entity. If the manufacturer  
 4 of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the  
 5 commission, the licensee shall pay the commission a processing fee.

6 (b) Obtain a special events distillery license.

7 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of  
 8 retailing distilled liquor at locations where tastings are permitted under paragraph (a) of this sub-  
 9 section or subsection (4)(a) of this section. A distillery retail outlet agent may sell at locations  
 10 where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the  
 11 list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon  
 12 by the distillery licensee or by another distillery licensee that uses the same premises as a primary  
 13 production location or is owned by the same entity as the distillery licensee.

14 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may hold one or more full on-  
 15 premises sales licenses. All distilled liquor sold under a full on-premises sales license must be pur-  
 16 chased from the commission.

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

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

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

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

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

43 471.244. (1) *[No licensee of the Oregon Liquor Control Commission shall]* **A licensee may not**  
 44 **manufacture, import into, or purchase in [the State of Oregon] this state for resale [therein] in this**  
 45 **state any malt beverages, cider [or], wine, craft distilled liquor, low-proof spirit beverages or**

1 **private label distilled liquor** unless the manufacturer of *[such]* **the** malt beverages, cider *[or]*,  
 2 wine, **craft distilled liquor, low-proof spirit beverages or private label distilled liquor** has first  
 3 obtained from the *[commission]* **Oregon Liquor Control Commission** a certificate of approval*[, ex-*  
 4 *cept that with respect to malt beverages, cider or wine manufactured outside the United States, the*  
 5 *certificate of approval may be obtained by the person importing same into the United States.]* **under**  
 6 **this section.**

7 **(2)(a) The commission may issue a certificate of approval to a person importing malt**  
 8 **beverages, cider, wine, craft distilled liquor, low-proof spirit beverages or private label dis-**  
 9 **tilled liquor manufactured outside the United States.**

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

13 **(A)** *[furnish]* **Submit** a report to the commission, on or before the 20th day of each month,  
 14 showing the quantity of malt beverages, cider *[or]*, wine, **craft distilled liquor, low-proof spirit**  
 15 **beverages or private label distilled liquor** delivered to each licensee *[of the commission]* during the  
 16 preceding calendar month*[, and to]; and*

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

20 **(3)** If *[any]* **the** holder of *[such]* **a certificate of approval issued under this section,** or any  
 21 officer, agent or employee of *[such holder, shall violate]* **the holder of a certificate of approval,**  
 22 **violates** any term or provision of *[such]* **an agreement described in subsection (2) of this**  
 23 **section,** or *[submit any]* **submits a** false or fictitious report, the commission may, in its discretion,  
 24 suspend or revoke *[such]* **the certificate of approval.**

25 *[(2)]* **(4)** The commission may grant special certificates of approval to manufacturers and  
 26 importers of malt beverages, cider *[or]*, wine, **craft distilled liquor, low-proof spirit beverages or**  
 27 **private label distilled liquor.** A special certificate of approval has the effect of a certificate of ap-  
 28 proval granted under subsection *[(1)]* **(2)** of this section, but is valid only for a period of 30 days.

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

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

33 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make  
 34 application to the Oregon Liquor Control Commission upon forms to be furnished by the commission  
 35 showing the name and address of the applicant, location of the place of business that is to be op-  
 36 erated under the license, and such other pertinent information as the commission may require. A  
 37 license may not be granted or renewed until the applicant has complied with the provisions of this  
 38 chapter and the rules of the commission.

39 (2) The commission may reject any application that is not submitted in the form required by  
 40 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.  
 41 A hearing under this subsection is not subject to the requirements for contested case proceedings  
 42 under ORS chapter 183.

43 (3) The commission shall charge an application fee, not to exceed \$150, to process an application  
 44 for the issuance of a new license under this chapter or a license following a change in ownership.  
 45 The application fee applies only to an application for a class of license having an annual license fee.



1 The application fee is nonrefundable, except that the commission shall refund the fee if the applicant  
 2 completes, submits and maintains an application and the commission does not, on or before 75 days  
 3 following receipt of the completed application, propose that the license be granted, granted with  
 4 conditions or refused. The commission shall adopt rules to:

- 5 (a) Establish application fees by class of license; and
- 6 (b) Define a completed application for purposes of this subsection.

7 (4) Subject to subsection (5) of this section, the commission shall assess a nonrefundable fee for  
 8 processing a renewal application for any license authorized by this chapter only if the renewal ap-  
 9 plication is received by the commission less than 20 days before expiration of the license. If the  
 10 renewal application is received prior to expiration of the license but less than 20 days prior to ex-  
 11 piration, the fee shall be 25 percent of the annual license fee. If a renewal application is received  
 12 by the commission after expiration of the license but no more than 30 days after expiration, the fee  
 13 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-  
 14 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

15 (5) The commission may waive the fee imposed under subsection (4) of this section if the com-  
 16 mission finds that failure to submit a timely application was due to unforeseen circumstances or to  
 17 a delay in processing the application by the local governing authority that is no fault of the licensee.

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

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License	Minimum Fee	Minimum 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		

1 license \$ 10 per day  
 2 Special events  
 3 brewery-public house  
 4 license \$ 10 per day  
 5 Special events  
 6 distillery  
 7 license \$ 10 per day

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9  
 10 (7) The fee for a certificate of approval or special certificate of approval granted under ORS  
 11 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a  
 12 certificate of approval or special certificate of approval. No bond is required for the granting of a  
 13 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-  
 14 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-  
 15 lowing the calendar year of issuance. The fee for a certificate of approval is \$350. Special  
 16 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval  
 17 is \$10.

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

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

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

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

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

27