

## HOUSE AMENDMENTS TO HOUSE BILL 4138

By COMMITTEE ON ECONOMIC DEVELOPMENT AND SMALL BUSINESS

February 19

1 On page 1 of the printed bill, delete lines 3 and 4 and insert “471.175, 471.178, 471.190, 471.200,  
2 471.221, 471.223, 471.227, 471.313, 471.315, 471.360, 471.365, 471.375, 471.380, 471.385, 471.534 and  
3 471.542; and declaring an emergency.”.

4 Delete lines 9 through 27 and insert:

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

6 “471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,  
7 malt beverages, cider and distilled liquor. Except as provided in this section and ORS 471.176, all  
8 alcoholic beverages sold under a full on-premises sales license must be consumed on the licensed  
9 premises.

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

11 “(a) Nonprofit private club, as described in subsection (11) of this section.

12 “(b) Public passenger carrier as provided in ORS 471.182.

13 “(c) Commercial establishment, as defined in ORS 471.001 (2).

14 “(d) Public location that does not qualify for licensing under paragraphs (a) to (c) of this sub-  
15 section if:

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

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

19 “(C) The location meets any minimum food service requirements established by Oregon Liquor  
20 and Cannabis Commission rule.

21 “(e) Caterer, subject to the requirements of ORS 471.184.

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

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

31 “(a) Except as provided in subsection (12) of this section, has a retail sales price of \$30 or more  
32 per container;

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

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

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

2 “(5) The holder of a full on-premises sales license may purchase distilled liquor only from a re-  
3 tail sales agent of the commission or from another person licensed under this section who has pur-  
4 chased the distilled liquor from a retail sales agent of the commission.

5 “(6) The holder of a full on-premises sales license may purchase for sale at retail malt beverages,  
6 wine and cider only from a holder of a license or permit issued by the commission that authorizes  
7 sales of malt beverages, wine or cider at wholesale to licensees of the commission.

8 “(7) The holder of a full on-premises sales license may sell for consumption off the licensed  
9 premises malt beverages, wine and cider in securely covered containers provided by the consumer  
10 that have capacities of not more than two gallons each.

11 “(8) The holder of a full on-premises sales license may sell for consumption off the licensed  
12 premises malt beverages, wine and cider in factory-sealed containers.

13 “(9)(a) The holder of a full on-premises sales license may deliver malt beverages, wine and cider  
14 that are sold for off-premises consumption under the privileges of the license to retail customers in  
15 this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the licensee  
16 are subject to any rules adopted by the commission relating to deliveries made under this sub-  
17 section.

18 “(b) The holder of a full on-premises sales license that uses a third-party delivery facilitator to  
19 make deliveries under this subsection is not responsible for ensuring that the deliveries made by the  
20 third-party delivery facilitator meet any requirements applicable to the deliveries.

21 “(10) On or before the 20th day of each month, the holder of a full on-premises sales license shall  
22 submit to the commission a report showing the quantity of malt beverages, wine or cider received  
23 from the holder of a direct to retailer permit issued under ORS 471.274 during the immediately  
24 preceding calendar month, and any other information required by the commission by rule.

25 “(11) A nonprofit private club, including but not limited to a fraternal or veterans organization,  
26 may qualify for a full on-premises sales license under this section only if the club meets any mini-  
27 mum membership, nonprofit status and food service requirements established by commission rule.

28 “(12) Beginning January 1, 2017, the commission may annually adjust the price threshold estab-  
29 lished in subsection (4)(a) of this section by a percentage equal to the percentage change in the  
30 Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bu-  
31 reau of Labor Statistics of the United States Department of Labor. However, the commission may  
32 not adjust the price threshold to be less than \$30.

33 “(13) **An applicant for a full on-premises sale license that intends to offer alcoholic**  
34 **beverages for consumption on the licensed premises shall at the time of application apply for**  
35 **a service permit under ORS 471.375.**

36 “[13] (14) The commission may adopt rules to carry out this section.

37 “**SECTION 2.** ORS 471.178 is amended to read:

38 “471.178. (1) The holder of a limited on-premises sales license may sell by the drink at retail  
39 wine, malt beverages and cider. Except as provided in this section, all alcoholic beverages sold un-  
40 der a limited on-premises sales license must be consumed on the licensed premises.

41 “(2) The holder of a limited on-premises sales license may sell malt beverages, wine and cider  
42 in factory-sealed containers for consumption off the licensed premises.

43 “(3) The holder of a limited on-premises sales license may sell for consumption off the licensed  
44 premises malt beverages, wine and cider in securely covered containers provided by the consumer  
45 and that have capacities of not more than two gallons each.

1 “(4)(a) The holder of a limited on-premises sales license may deliver malt beverages, wine and  
2 cider that are sold for off-premises consumption under the privileges of the license to retail cus-  
3 tomers in this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the  
4 holder of a limited on-premises sales license are subject to any rules adopted by the commission  
5 relating to deliveries made under this subsection.

6 “(b) The holder of a limited on-premises sales license that uses a third-party delivery facilitator  
7 to make deliveries under this subsection is not responsible for ensuring that the deliveries made by  
8 the third-party delivery facilitator meet any requirements applicable to the deliveries.

9 “(5) The holder of a limited on-premises sales license shall allow a patron to remove a partially  
10 consumed bottle of wine from the licensed premises if the wine is served in conjunction with the  
11 patron’s meal, the patron is not a minor and the patron is not visibly intoxicated.

12 “(6) The holder of a limited on-premises sales license may purchase for sale at retail malt  
13 beverages, wine and cider only from the holder of a license or permit issued by the commission that  
14 authorizes sales of malt beverages, wine or cider at wholesale to licensees of the commission.

15 “(7) On or before the 20th day of each month, the holder of a limited on-premises sales license  
16 shall submit to the commission a report showing the quantity of malt beverages, wine or cider re-  
17 ceived from the holder of a direct to retailer permit issued under ORS 471.274 during the imme-  
18 diately preceding calendar month, and any other information required by the commission by rule.

19 “(8) **An applicant for a limited on-premises sale license that intends to offer alcoholic**  
20 **beverages for consumption on the licensed premises shall at the time of application apply for**  
21 **a service permit under ORS 471.375.**

22 “[8] (9) The commission may adopt rules to carry out this section.

23 “**SECTION 3.** ORS 471.190 is amended to read:

24 “471.190. (1) The holder of a temporary sales license may **sell**:

25 “(a) [*Sell*] At retail by the drink wine, malt beverages, cider and distilled liquor.

26 “(b) [*Sell*] For consumption off the licensed premises wine, malt beverages and cider in factory-  
27 sealed containers.

28 “(c) [*Sell*] For consumption off the licensed premises wine, malt beverages and cider in securely  
29 covered containers supplied by the consumer and having capacities of not more than two gallons  
30 each.

31 “(2) Distilled liquor served by the holder of a temporary sales license must be purchased from  
32 a retail sales agent of the Oregon Liquor and Cannabis Commission. The holder of a temporary sales  
33 license must provide food service as required by commission rule.

34 “(3) A temporary sales license may be issued only to:

35 “(a) Nonprofit or charitable organizations that are registered with the state.

36 “(b) A political committee that has filed a statement of organization under ORS 260.039 or  
37 260.042.

38 “(c) State agencies.

39 “(d) Local governments, and agencies and departments of local governments.

40 “(e) Persons not otherwise described in this subsection, as long as the applicant submits a plan  
41 that is approved by the commission detailing how minors will be prevented from gaining access to  
42 alcoholic beverages and how minors will be prevented from gaining access to any portion of the li-  
43 censed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.

44 “(4) The commission may by rule establish additional eligibility requirements for temporary sales  
45 licenses.

1 “(5) Subject to such qualifications as the commission may establish by rule, persons who hold  
2 a full or limited on-premises sales license are eligible for temporary sales licenses.

3 “(6) A temporary sales license issued to a person described in subsection (3)(a), (c) or (d) of this  
4 section authorizes the holder of the temporary sales license to:

5 “(a)(A)(i) Have on a single licensed premises more than one location at which wine, malt  
6 beverages or cider is sold at retail by the drink or for consumption off the licensed premises; and

7 “(ii) Have on a single licensed premises more than one location at which wine, malt beverages,  
8 cider or distilled liquor is sold at retail by the drink; or

9 “(B) Have up to three separate premises in this state licensed under the temporary sales license  
10 at which wine, malt beverages or cider is sold for consumption off the licensed premises; and

11 “(b) Operate for up to 30 days, whether or not the days are consecutive.

12 “(7) The commission may adopt rules to carry out subsection (6) of this section.

13 “(8) A person holding a temporary sales license is not required to obtain an intermittent tem-  
14 porary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mo-  
15 bile unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service  
16 containers are served and only nonperishable food items that are exempted from licensure by the  
17 Oregon Health Authority are served.

18 “(9) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organ-  
19 ization licensed under this section are not required to have service permits **or temporary service**  
20 **permits** or to complete an alcohol server education program and examination under ORS 471.542.  
21 The commission by rule may establish education requirements for servers described in this sub-  
22 section.

23 “(10) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a  
24 nonprofit trade association that has a membership primarily composed of persons that hold winery  
25 licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

26 “(11) The holder of a temporary sales license that uses a third-party delivery facilitator to make  
27 deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the third-  
28 party delivery facilitator meet any requirements applicable to the deliveries.

29 “(12)(a) The holder of a temporary sales license may purchase for sale at retail malt beverages,  
30 wine and cider only from the holder of a license or permit issued by the commission that authorizes  
31 sales of malt beverages, wine or cider at wholesale to licensees of the commission.

32 “(b) The holder of a temporary sales license that is an entity described in subsection (3)(a) to  
33 (d) of this section may accept donations of malt beverages, wine or cider in accordance with rules  
34 adopted by the commission.

35 “(13) On or before the 20th day of each month, the holder of a temporary sales license shall  
36 submit to the commission a report showing the quantity of malt beverages, wine or cider received  
37 from the holder of a direct to retailer permit issued under ORS 471.274 during the immediately  
38 preceding calendar month, and any other information required by the commission by rule.

39 “(14) The commission may adopt rules to carry out this section.

40 “**SECTION 4.** ORS 471.200 is amended to read:

41 “471.200. (1) A brewery-public house license allows the licensee to:

42 “(a) Manufacture on the licensed premises, store, transport, sell to wholesale malt beverage and  
43 wine licensees of the Oregon Liquor and Cannabis Commission and export malt beverages;

44 “(b) Sell malt beverages manufactured on or off the licensed premises at retail for consumption  
45 on or off the premises;

1 “(c) Sell malt beverages in brewery-sealed packages at retail directly to the consumer for con-  
2 sumption off the premises;

3 “(d) Sell on the licensed premises at retail malt beverages manufactured on or off the licensed  
4 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the  
5 premises, delivery of which may be made in a securely covered container supplied by the consumer;

6 “(e) Sell wine and cider at retail for consumption on or off the premises;

7 “(f) Sell for consumption off the premises wines and cider in securely covered containers sup-  
8 plied by the consumer and having capacities of not more than two gallons each;

9 “(g) Conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this sub-  
10 section at two locations other than the premises where the manufacturing occurs;

11 “(h) Obtain a special events brewery-public house license entitling the holder to conduct the  
12 activities allowed under paragraphs (b) to (f) of this subsection at a designated location other than  
13 the location set forth in the brewery-public house license for a period not exceeding five days;

14 “(i) Distribute malt beverages manufactured at the licensed premises to any other premises li-  
15 censed to the same licensee, whether a manufacturer, wholesaler or retail premises; and

16 “(j) Distribute for export, in any amount, malt beverages manufactured at the licensed premises.

17 “(2) In addition to the privileges specified in subsection (1) of this section, in any calendar year  
18 a brewery-public house licensee may sell at wholesale and distribute to licensees of the commission  
19 no more than 7,500 barrels of malt beverages produced by the brewery-public house licensee.

20 “(3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail  
21 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS  
22 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,  
23 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,  
24 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the  
25 licensee, is also a manufacturer for the purposes of ORS 471.394 and, except as otherwise provided  
26 by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other in-  
27 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of  
28 any other retail licensee, as defined in ORS 471.392.

29 “(4)(a) Except as provided in this subsection, a brewery-public house licensee, or any person  
30 having an interest in the licensee, is a retail licensee for the purposes of ORS 471.398 and, except  
31 as otherwise provided by this section and ORS 471.400, may not accept directly or indirectly any  
32 financial assistance described in ORS 471.398 from any manufacturer or wholesaler, as defined in  
33 ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is  
34 also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this sec-  
35 tion and ORS 471.400, may not provide directly or indirectly any financial assistance described in  
36 ORS 471.398 to any retail licensee, as defined in ORS 471.392. The prohibitions on financial assist-  
37 ance in ORS 471.398 do not apply to financial assistance between manufacturing and retail busi-  
38 nesses licensed to the same person under the provisions of this section.

39 “(b) The commission may issue more than one brewery-public house license at a single premises  
40 if each licensee:

41 “(A) Has a valid Brewer’s Notice issued by the federal Alcohol and Tobacco Tax and Trade  
42 Bureau at the premises address; and

43 “(B) Otherwise complies with ORS 471.398.

44 “(c) A brewery-public house licensee may produce malt beverages for another brewery-public  
45 house licensee under a custom order agreement. The commission may adopt rules regarding the

1 contents of custom order agreements.

2 “(5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any per-  
3 son having an interest in the licensee, may also hold a winery license authorized by ORS 471.223.  
4 A brewery-public house licensee, or any person having an interest in the licensee, may also hold a  
5 warehouse license authorized by ORS 471.242.

6 “(6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for  
7 limited on-premises sales licenses and temporary sales licenses.

8 “(7) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any per-  
9 son having an interest in the licensee, may also hold a full on-premises sales license. If a person  
10 holds both a brewery-public house license and a full on-premises sales license, nothing in this  
11 chapter shall prevent the sale by the licensee of both distilled liquor and malt beverages manufac-  
12 tured under the brewery-public house license.

13 “(8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any  
14 person having an interest in the licensee, may also hold a distillery license. No provision of this  
15 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-  
16 pointed by the commission as the distillery’s retail outlet agent for the purpose of selling distilled  
17 liquors under ORS 471.230.

18 “(9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a  
19 brewery-public house licensee to coproduce special events with other manufacturers.

20 “(10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,  
21 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does  
22 not result in exercise of control over, or participation in the management of, the manufacturer’s or  
23 wholesaler’s business or business decisions and does not result in exclusion of any competitor’s  
24 brand of alcoholic liquor.

25 “(b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any offi-  
26 cer, director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, di-  
27 rectly or indirectly, an interest in a brewery-public house licensee, provided that the interest does  
28 not result in exercise of control over, or participation in the management of, the licensee’s business  
29 or business decisions and does not result in exclusion of any competitor’s brand of alcoholic liquor.

30 “(11) A brewery-public house licensee may purchase for sale at retail:

31 “(a) Wine and cider only from the holder of a license or permit issued by the commission that  
32 authorizes the sale of wine or cider at wholesale to licensees of the commission; and

33 “(b) Malt beverages not manufactured by the brewery-public house licensee only from the holder  
34 of a license or permit issued by the commission that authorizes the sale of malt beverages at  
35 wholesale to licensees of the commission.

36 “(12) On or before the 20th day of each month, a brewery-public house licensee shall submit to  
37 the commission a report showing the quantity of malt beverages, wine or cider received from the  
38 holder of a direct to retailer permit issued under ORS 471.274 during the immediately preceding  
39 calendar month, and any other information required by the commission by rule.

40 “(13) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to  
41 be a manufacturer.

42 “(14) The holder of a brewery-public house license that uses a third-party delivery facilitator to  
43 make deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the  
44 third-party delivery facilitator meet any requirements applicable to the deliveries.

45 “(15) **An applicant for a brewery-public house license that intends to offer alcoholic**

1 **beverages for consumption on the licensed premises shall at the time of application apply for**  
2 **a service permit under ORS 471.375.**

3 “[15] (16) The commission may adopt rules to carry out this section.

4 “**SECTION 5.** ORS 471.221 is amended to read:

5 “471.221. (1) As used in this section, ‘common control’ means:

6 “(a) That a manufacturer, or any officer, director, substantial stockholder or other substantial  
7 equity holder in the manufacturer:

8 “(A) Directly or indirectly holds 50 percent or more interest in the brewery licensee; or

9 “(B) Has authority to direct the management of the brewery licensee; or

10 “(b) That a brewery licensee, or any officer, director, substantial stockholder or other substan-  
11 tial equity holder in the brewery licensee:

12 “(A) Directly or indirectly holds 50 percent or more interest in another manufacturer; or

13 “(B) Has authority to direct the management of another manufacturer.

14 “(2) A brewery license authorizes the licensee to:

15 “(a) Manufacture malt beverages on the licensed premises.

16 “(b) Sell to wholesale malt beverage and wine licensees, import, store, transport or export:

17 “(A) Malt beverages produced on the licensed premises; or

18 “(B) Malt beverages of a brand produced by a manufacturer that is under common control with  
19 the brewery licensee.

20 “(c) Sell wine, malt beverages or cider on the licensed premises at retail for consumption on or  
21 off the licensed premises.

22 “(d) Sell, in securely covered containers supplied by the consumer and having a capacity of not  
23 more than two gallons each, wine, malt beverages or cider for off-premises consumption.

24 “(e) Obtain a special events brewery license that entitles the holder to conduct the activities  
25 allowed under paragraphs (c) and (d) of this subsection at a designated location other than the one  
26 set forth in the brewery license for a period not exceeding five days.

27 “(f) Notwithstanding ORS 471.392 to 471.400, subject to ORS 471.175, hold a full on-premises  
28 sales license.

29 “(g) Conduct any activities authorized under paragraph (c), (d) or (f) of this subsection at up to  
30 two additional locations approved by the Oregon Liquor and Cannabis Commission.

31 “(3) Subject to ORS 471.235, a brewery licensee may hold a wholesale malt beverage and wine  
32 license. A brewery licensee must hold a wholesale malt beverage and wine license if the brewery  
33 licensee:

34 “(a) Imports, stores, transports or exports malt beverages of brands that are not produced by the  
35 licensee or a manufacturer under common control with the licensee; or

36 “(b) Except as provided in this paragraph, sells or distributes malt beverages. This paragraph  
37 does not apply to malt beverages described in subsection (2)(a) or (b) of this section sold at a li-  
38 censed premises described in subsection (2)(a) of this section.

39 “(4) A brewery licensee and a winery licensee may not be under common control unless the  
40 winery licensee:

41 “(a) Uses its premises to produce wine or cider; and

42 “(b) Holds a valid producer and blender basic permit issued by the federal Alcohol and Tobacco  
43 Tax and Trade Bureau.

44 “(5) Notwithstanding any other provision of this chapter, a brewery licensee, a manufacturer  
45 that is under common control with the brewery licensee or any officer, director, substantial stock-

1 holder or other substantial equity holder in the brewery licensee or in a manufacturer that is under  
2 common control with the brewery licensee may not sell malt beverages at retail at more than three  
3 locations in this state regardless of the number or type of licenses held by the licensee, manufac-  
4 turer, officer, director, stockholder or equity holder.

5 “(6) A brewery licensee may produce malt beverages for a brewery-public house licensee under  
6 a custom order agreement. The commission may adopt rules regarding the contents of custom order  
7 agreements.

8 “(7) A brewery licensee that uses a third-party delivery facilitator to make deliveries on behalf  
9 of the licensee is not responsible for ensuring that deliveries made by the third-party delivery  
10 facilitator meet any requirements applicable to the deliveries.

11 “(8)(a) **An applicant for a brewery license that intends to offer alcoholic beverages for**  
12 **consumption on the licensed premises shall at the time of application apply for a service**  
13 **permit under ORS 471.375.**

14 “(b) **The commission may adopt rules to carry out this subsection.**

15 “**SECTION 6.** ORS 471.223 is amended to read:

16 “471.223. (1) As used in this section, ‘control’ means that the licensee:

17 “(a) Owns the brand under which the wine or cider is labeled; or

18 “(b) Performs or has the legal right to perform all of the acts common to a brand owner under  
19 the terms of a trademark license or similar agreement that for the brand under which the wine or  
20 cider is labeled has a term of at least three years.

21 “(2) The holder of a winery license may:

22 “(a) Import wine or cider in containers that have a capacity of more than four liters.

23 “(b) Import wine or cider in containers that have a capacity of four liters or less if the brand  
24 of wine or cider is under the control of the licensee.

25 “(c) Bottle, produce, blend, store, transport or export wines or cider.

26 “(d) Sell wines or cider at wholesale to the Oregon Liquor and Cannabis Commission or to  
27 licensees of the commission.

28 “(e) Sell wines or cider at retail directly to the consumer for consumption on or off the licensed  
29 premises.

30 “(f) Sell malt beverages at retail for consumption on or off the licensed premises.

31 “(g) Sell for consumption off the premises malt beverages, wines and cider in securely covered  
32 containers that are supplied by the consumer and have capacities of not more than two gallons each.

33 “(h) Conduct under the winery license any activities described in paragraphs (a) to (g) of this  
34 subsection at five or fewer premises designated by the commission.

35 “(i) Purchase from or through the commission brandy or other distilled liquors for fortifying  
36 wines or cider.

37 “(j) Obtain a special events winery license that entitles the holder to conduct the activities al-  
38 lowed under paragraphs (e) to (g) of this subsection at a designated location other than the one set  
39 forth in the winery license for a period not to exceed five days.

40 “(3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from  
41 the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

42 “(4) Except as provided in subsection (5) of this section, in order to hold a winery license the  
43 licensee shall:

44 “(a) Possess at a bonded premises within Oregon a valid producer and blender basic permit is-  
45 sued by the federal Alcohol and Tobacco Tax and Trade Bureau; or



1 “(b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol  
2 and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under par-  
3 agraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine  
4 or cider that is under the control of the licensee.

5 “(5) Subsection (4) of this section does not apply if a licensee produces only cider under the  
6 winery license.

7 “(6) A winery licensee may sell and ship malt beverages, wine or cider directly to a resident of  
8 this state only if the licensee has a direct shipper permit issued under ORS 471.282.

9 “(7) A winery licensee, or any person having an interest in the licensee, may also hold a full  
10 on-premises sales license. If a winery licensee, or a person having an interest in the licensee, also  
11 holds a full on-premises sales license, the provisions of this chapter do not prevent the licensee or  
12 person from both selling wine or cider bottled and produced under the winery license and selling  
13 alcoholic liquor as authorized under the full on-premises sales license.

14 “(8) More than one winery licensee may exercise the privileges of a winery license at a single  
15 location. The commission may not refuse to issue a winery license to a person for the production  
16 of wine or cider on specified premises based on the fact that other winery licensees also produce  
17 wine or cider on those premises.

18 “(9) If a winery licensee does not possess at a bonded premises within Oregon a valid producer  
19 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the  
20 licensee may exercise the privileges described in this section only for wine and cider brands that  
21 are under the control of the licensee.

22 “(10) The holder of a winery license that uses a third-party delivery facilitator to make deliv-  
23 eries on behalf of the winery licensee is not responsible for ensuring that deliveries made by the  
24 third-party delivery facilitator meet any requirements applicable to the deliveries.

25 “(11)(a) **An applicant for a winery license that intends to offer alcoholic beverages for**  
26 **consumption on the premises shall at the time of application apply for a service permit under**  
27 **ORS 471.375.**

28 “(b) **The commission may adopt rules to carry out this subsection.**

29 “**SECTION 7.** ORS 471.227 is amended to read:

30 “471.227. (1) A grower sales privilege license [*shall allow*] **allows** the licensee to perform the  
31 following activities only for fruit or grape wine or cider where all of the fruit or grapes used to  
32 make the wine or cider are grown in Oregon under the control of the licensee to:

33 “(a) Import, store, transport or export [*such*] **the** wines or cider.

34 “(b) Sell [*such*] **the** wines or cider at wholesale to the Oregon Liquor and Cannabis Commission  
35 or licensees of the commission.

36 “(c) Sell [*such*] **the** wines or cider at retail directly to the consumer for consumption on or off  
37 the licensed premises.

38 “(d) Sell at retail for consumption off the licensed premises malt beverages and [*such*] **the** wines  
39 and cider in securely covered containers provided by the consumer and having capacities of not  
40 more than two gallons each.

41 “(e) Conduct some or all of the activities allowed under paragraphs (a) to (d) of this subsection  
42 at a second or third premises as may be designated by the commission.

43 “(f) Obtain a special events grower sales privilege license [*which shall entitle*] **that entitles** the  
44 holder to conduct the activities allowed under paragraphs (c) and (d) of this subsection at a desig-  
45 nated location other than the one set forth in the grower sales privilege license for a period not to

1 exceed five days.

2 “(2) A grower sales privilege licensee shall allow a patron to remove a partially consumed bottle  
3 of wine from the licensed premises if the patron is not a minor and the patron is not visibly  
4 intoxicated.

5 “(3) For purposes of ORS 471.392 to 471.400, a grower sales privilege licensee shall be consid-  
6 ered a manufacturer.

7 “(4) A person holding a winery license in another state is not eligible for a license under this  
8 section.

9 “(5) A person licensed under this section is not eligible for a limited on-premises sales license  
10 or an off-premises sales license.

11 “(6) As used in this section, ‘control’ means the grower either owns the land upon which the  
12 fruit or grapes are grown or has a legal right to perform or does perform all of the acts common  
13 to fruit farming or viticulture under terms of a lease or similar agreement of at least three years’  
14 duration.

15 “(7) For the purposes of tax reporting, payment and record keeping, the provisions of law that  
16 [shall] apply to a manufacturer under ORS chapter 473 [shall] apply to a grower sales privilege  
17 licensee, but [such a licensee] **a grower sales privilege licensee** is not a manufacturer for purposes  
18 of ORS 473.050 (5).

19 “(8) A grower sales privilege licensee that uses a third-party delivery facilitator to make deliv-  
20 eries on behalf of the licensee is not responsible for ensuring that deliveries made by the third-party  
21 delivery facilitator meet any requirements applicable to the deliveries.

22 “(9)(a) **An applicant for a grower sales privilege license that intends to offer alcoholic**  
23 **beverages for consumption on the licensed premises shall at the time of application apply for**  
24 **a service permit under ORS 471.375.**

25 “(b) **The commission may adopt rules to carry out this subsection.**

26 “**SECTION 8.** ORS 471.313 is amended to read:

27 “471.313. (1) The Oregon Liquor and Cannabis Commission may refuse to issue a license, or may  
28 issue a restricted license, to any applicant under the provisions of this chapter if the commission  
29 has reasonable ground to believe any of the following to be true:

30 “(a) That there are sufficient licensed premises in the locality set out in the application, or that  
31 the granting of a license in the locality set out in the application is not demanded by public interest  
32 or convenience. In determining whether there are sufficient licensed premises in the locality, the  
33 commission shall consider seasonal fluctuations in the population of the locality and shall ensure  
34 that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

35 “(b) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is  
36 not maintaining the insurance or bond required by ORS 471.168.

37 “(c) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for con-  
38 sumption on the premises has been financed or furnished with money or property by, or has any  
39 connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

40 “(d) That the applicant:

41 “(A) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances  
42 to excess.

43 “(B) Has made false statements to the commission.

44 “(C) Is incompetent or physically unable to carry on the management of the establishment pro-  
45 posed to be licensed.

1 “(D) Has been convicted of violating a general or local law of this state or another state, or of  
2 violating a federal law, if the conviction is substantially related to the fitness and ability of the  
3 applicant to lawfully carry out activities under the license.

4 “(E) Has maintained an insanitary establishment.

5 “(F) Is not of good repute and moral character.

6 “(G) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005  
7 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or  
8 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,  
9 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter  
10 473.

11 “(H) Is not the legitimate owner of the business proposed to be licensed, or other persons have  
12 ownership interests in the business which have not been disclosed.

13 “(I) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately  
14 meet the requirements of the business proposed to be licensed.

15 “(J) Is unable to read or write the English language or to understand the laws of Oregon re-  
16 lating to alcoholic liquor or the rules of the commission.

17 “(e) That there is a history of serious and persistent problems involving disturbances, lewd or  
18 unlawful activities or noise either in the premises proposed to be licensed or involving patrons of  
19 the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity  
20 of the premises are related to the sale or service of alcohol under the exercise of the license privi-  
21 lege. Behavior that is grounds for refusal of a license under this section, where so related to the sale  
22 or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound  
23 vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or re-  
24 lated litter; trespassing on private property; and public urination. Histories from premises currently  
25 or previously operated by the applicant may be considered when reasonable inference may be made  
26 that similar activities will occur as to the premises proposed to be licensed. The applicant may  
27 overcome the history by showing that the problems are not serious or persistent or that the appli-  
28 cant demonstrates a willingness and ability to control adequately the premises proposed to be li-  
29 censed and patrons’ behavior in the immediate vicinity of the premises that is related to the  
30 licensee’s sale or service of alcohol under the licensee’s exercise of the license privilege.

31 “(f) **If the application is for a license that authorizes the sale or service of alcoholic**  
32 **beverages for consumption on the premises and the applicant intends to offer the sale or**  
33 **service of alcoholic beverages for consumption on the premises, that the applicant does not**  
34 **hold a valid service permit or temporary service permit issued under ORS 471.375 and has**  
35 **not designated an individual who:**

36 “(A) **Holds a valid service permit or temporary service permit issued under ORS 471.375;**  
37 **and**

38 “(B) **Exercises, or is entitled to exercise, control or responsibility over setting, imple-**  
39 **menting and changing the applicant’s practices for selling and serving alcoholic beverages**  
40 **at the premises.**

41 “(2) The commission may refuse to issue a certificate under ORS 471.244 or permit under ORS  
42 471.274 or 471.282, or may issue a restricted certificate or permit, if the commission has reasonable  
43 grounds to believe that the applicant:

44 “(a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances  
45 to excess.

1           “(b) Has made false statements to the commission.

2           “(c) Has been convicted of violating a general or local law of this state or another state, or of  
3 violating a federal law, if the conviction is substantially related to the fitness and ability of the  
4 applicant to lawfully carry out activities related to the certificate or permit.

5           “(d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005  
6 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or  
7 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,  
8 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter  
9 473.

10          “(e) Does not have a good record of compliance with the alcoholic liquor laws and rules of any  
11 other jurisdiction.

12          “**SECTION 9.** ORS 471.315 is amended to read:

13          “471.315. (1) The Oregon Liquor and Cannabis Commission may cancel, suspend, restrict or re-  
14 quire mandatory training for any license issued under this chapter, or impose a civil penalty in lieu  
15 of or in addition to a suspension as provided by ORS 471.322, if the commission finds or has rea-  
16 sonable ground to believe any of the following to be true:

17          “(a) That the licensee:

18           “(A) Has violated any provision of this chapter or ORS 474.115 or any rule of the commission  
19 adopted pursuant thereto.

20           “(B) Has made any false representation or statement to the commission in order to induce or  
21 prevent action by the commission.

22           “(C) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the  
23 insurance or bond required by ORS 471.168.

24           “(D) Has maintained an insanitary establishment.

25           “(E) Is insolvent or incompetent or physically unable to carry on the management of the estab-  
26 lishment of the licensee.

27           “(F) Is in the habit of using alcoholic liquor, habit-forming drugs or controlled substances to  
28 excess.

29           “(G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly  
30 intoxicated at the time of sale.

31           “(H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who  
32 is visibly intoxicated at the time of consumption.

33           “(I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.

34           “(J) Since the granting of the license, has been convicted of a felony, of violating any of the li-  
35 quor laws of this state, general or local, or of any misdemeanor or violation of any municipal ordi-  
36 nance committed on the licensed premises.

37           “**(K) If the license authorizes the sale or service of alcoholic beverages for consumption**  
38 **on the premises and the licensee offers the sale or service of alcoholic beverages for con-**  
39 **sumption on the premises, that the licensee does not hold a valid service permit or tempo-**  
40 **rary service permit issued under ORS 471.375 and has not designated an individual who:**

41           “(i) Holds a valid service permit or temporary service permit issued under ORS 471.375;  
42 **and**

43           “(ii) Exercises, or is entitled to exercise, control or responsibility over setting, imple-  
44 **menting and changing the licensee’s practices for selling and serving alcoholic beverages at**  
45 **the premises.**

1           “(b) That any person licensed to sell at retail for consumption on the premises is acting as an  
2 agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or prop-  
3 erty, or has accepted gratuities or rebates, or has obtained the use of equipment from any man-  
4 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

5           “(c) That there is a history of serious and persistent problems involving disturbances, lewd or  
6 unlawful activities or noise either in the premises or involving patrons of the establishment in the  
7 immediate vicinity of the premises if the activities in the immediate vicinity of the premises are  
8 related to the sale or service of alcohol under the exercise of the license privilege. Behavior that  
9 is grounds for cancellation or suspension of a license under this section, where so related to the sale  
10 or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vi-  
11 brations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or re-  
12 lated litter; trespassing on private property; and public urination. Mitigating factors include a  
13 showing by the licensee that the problems are not serious or persistent or that the licensee has  
14 demonstrated a willingness and ability to control adequately the licensed premises and patrons’ be-  
15 havior in the immediate vicinity of the premises which is related to the licensee’s sale or service  
16 of alcohol under the licensee’s exercise of the license privilege.

17           “(d) That there is any other reason that, in the opinion of the commission, based on public  
18 convenience or necessity, warrants canceling or suspending such license.

19           “(2) The commission may cancel, suspend or restrict a certificate issued under ORS 471.244 or  
20 permit issued under ORS 471.274 or 471.282, or impose a civil penalty in lieu of or in addition to a  
21 suspension of a certificate or permit as provided by ORS 471.327, if the commission has reasonable  
22 grounds to believe that the certificate or permit holder:

23           “(a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances  
24 to excess.

25           “(b) Has made false statements to the commission.

26           “(c) Has been convicted of violating a general or local law of this state or another state, or of  
27 violating a federal law, if the conviction is substantially related to the fitness and ability of the  
28 applicant to lawfully carry out activities related to the certificate or permit.

29           “(d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115, 475C.005  
30 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter 473 or  
31 rules adopted by the commission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,  
32 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this chapter or ORS chapter  
33 473.

34           “(e) Does not have a good record of compliance with the alcoholic liquor laws and rules of any  
35 other jurisdiction.

36           “(f) Or any officer, agent or employee of the certificate or permit holder, violated any term or  
37 provision of an agreement entered into pursuant to ORS 471.244 or submitted a false or fictitious  
38 report pursuant to the agreement.

39           “(3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

40           “**SECTION 10.** ORS 471.360 is amended to read:

41           “471.360. (1) [*Except as otherwise provided in ORS 471.375:*]

42           “[(a)] Any [*person*] **individual** employed by **or acting on behalf of or at the direction of** a  
43 licensee of the Oregon Liquor and Cannabis Commission must have a valid service permit **or tem-**  
44 **porary service permit** issued by the commission if the [*person*] **individual**:

45           “[(A)] **(a)** Participates in any manner in the mixing, selling or service of alcoholic liquor for

1 consumption on the premises where served or sold; *[or]*

2 “[*B*] (b) Participates in the dispensing of malt beverages, wines or cider sold in securely cov-  
3 ered containers provided by the consumer[.];

4 **“(c) Directly supervises an individual described in paragraph (a) or (b) of this subsection;**  
5 **or**

6 **“(d) Subject to subsection (2) of this section, is a licensee who holds, or an applicant for,**  
7 **a license that authorizes the sale or service of alcoholic beverages for consumption on the**  
8 **licensed premises.**

9 **“(2) The commission may waive the requirement to hold a valid service permit or tem-**  
10 **porary service permit for an individual described in subsection (1)(d) of this section if the**  
11 **individual designates another individual who:**

12 **“(a) Holds a valid service permit or temporary service permit; and**

13 **“(b) Exercises control or responsibility, or is entitled to exercise control or responsibility,**  
14 **over setting, implementing and changing the licensee’s practices for selling and serving al-**  
15 **coholic beverages at the licensed premises.**

16 “[*b*] (3) A licensee of the commission [*may not permit any person who lacks a service permit*  
17 *required of the person under paragraph (a) of this subsection*] **may not allow an individual who does**  
18 **not hold a service permit or temporary service permit required of the individual under sub-**  
19 **section (1) of this section to:**

20 “[*A*] (a) [*To*] Mix, sell or serve any alcoholic liquor for consumption on licensed premises;  
21 *[or]*

22 “[*B*] (b) [*To*] Dispense malt beverages, wines or cider sold in securely covered containers  
23 provided by the consumer[.]; **or**

24 **“(c) Directly supervise an individual described in paragraph (a) or (b) of this subsection.**

25 “[*c*] (4) A permittee shall make the service permit **or temporary service permit** available at  
26 any time while on duty for immediate inspection by any regulatory specialist or by any other peace  
27 officer.

28 “[*2*] *The commission may waive the requirement for a service permit for an employee of a licensee*  
29 *whose primary function is not the sale of alcoholic liquor or food, including but not limited to public*  
30 *passenger carriers, hospitals, or convalescent, nursing or retirement homes.*]

31 **“(5) The commission may establish by rule a process and conditions under which the**  
32 **commission may waive the requirement to hold a service permit or temporary service permit**  
33 **under subsection (1) of this section.**

34 “[*3*] (6) Violation of the requirements of this section is a Class B violation.

35 **“SECTION 11.** ORS 471.365 is amended to read:

36 **“471.365. (1) A service permit [*shall be*] **or a temporary service permit** is a purely personal**  
37 **privilege, valid only upon licensed premises, for the period of time stated [*thereon*] **on the service****  
38 **permit or temporary service permit, and may be suspended or revoked for any reason set forth**  
39 **in ORS 471.360 to 471.385.**

40 **“(2) [*No service permit shall be used by any person other than the person to whom it is issued*]**  
41 **A service permit or temporary service permit may not be used by any individual other than**  
42 **the individual to whom the service permit or temporary service permit is issued. [*Except as***  
43 **provided in ORS 471.375,] The licensee shall verify the identification of the permittee and determine**  
44 **that the permittee has in possession a service permit **or temporary service permit** before allowing**  
45 **the permittee to [*mix, sell or serve alcoholic liquor for consumption on the licensed premises*] **perform****

1 **a duty described in ORS 471.360 (3).**

2 **“SECTION 12.** ORS 471.375 is amended to read:

3 *“471.375. [(1) Any person who has not had a permit refused or revoked or whose permit is not*  
4 *under suspension may mix, sell or serve alcoholic beverages as provided under subsection (3) of this*  
5 *section if the person prepares in duplicate an application for a service permit prior to mixing, selling*  
6 *or serving any alcoholic beverage for consumption on licensed premises. Until a person who has pre-*  
7 *pared an application under this subsection receives a service permit, the licensee for the premises shall*  
8 *make a copy of the application available for immediate inspection by any regulatory specialist or by*  
9 *any other peace officer.]*

10 *“[(2) An applicant for a service permit must be 18 years of age or over. Application for a service*  
11 *permit shall be made on a form acceptable to the Oregon Liquor and Cannabis Commission. The ap-*  
12 *plicant shall truly answer all questions, provide any further information required and pay a fee not to*  
13 *exceed \$50.]*

14 *“[(3) An applicant described in subsection (1) of this section may:]*

15 *“[(a) Participate in the mixing, selling or service of alcoholic beverages for consumption on the*  
16 *premises where served or sold; and]*

17 *“[(b) Participate in the dispensing of malt beverages, wine or cider sold in securely covered con-*  
18 *tainers provided by the consumer.]*

19 **“The Oregon Liquor and Cannabis Commission shall establish by rule a process for the**  
20 **issuance and renewal of a service permit and the issuance of a temporary service permit.**  
21 **The rules adopted under this section must include:**

22 **“(1) Eligibility criteria for the issuance and renewal of a service permit and the issuance**  
23 **of a temporary service permit;**

24 **“(2) Fees; and**

25 **“(3) Requirements that an applicant for a service permit or temporary service permit be**  
26 **at least 18 years of age and submit to the commission an application in a form and manner**  
27 **acceptable to the commission.**

28 **“SECTION 13.** ORS 471.380 is amended to read:

29 *“471.380. (1) The Oregon Liquor and Cannabis Commission may refuse to [grant] **issue** a service*  
30 *permit **or temporary service permit, or may issue a restricted service permit,** if [it] **the com-***  
31 ***mission** has reasonable grounds to believe any of the following to be true:*

32 *“(a) That the applicant is in the habit of using alcoholic beverages or controlled substances to*  
33 *excess.*

34 *“(b) That the applicant has made false statements to the commission.*

35 *“(c) That the applicant is incompetent or physically incapable of performing the duties of a*  
36 *permittee.*

37 *“(d) That the applicant has been convicted of violating any of the alcoholic liquor laws of this*  
38 *state, general or local, or has been convicted at any time of a felony.*

39 *“(e) That the applicant has not completed the alcohol server education course and examination*  
40 *required by ORS 471.542.*

41 **“(2) Notwithstanding ORS 183.435, an applicant who seeks review of the refusal of a service**  
42 **permit **or temporary service permit** must request a hearing:**

43 **“(a) Within 15 days after notification of the refusal, if the refusal is based on failure to complete**  
44 **the alcohol server education course and examination; or**

45 **“(b) Within 30 days after notification of the refusal, if the refusal is based on any grounds other**

1 than failure to complete the alcohol server education course and examination.

2 “(3) **The refusal to issue a temporary service permit is not a contested case under ORS**  
3 **chapter 183.**

4 “**SECTION 14.** ORS 471.385 is amended to read:

5 “471.385. (1) The Oregon Liquor and Cannabis Commission may revoke, **restrict** or suspend a  
6 service permit **or a temporary service permit**, or impose a civil penalty in lieu of or in addition  
7 to suspension as provided by ORS 471.322, if the commission finds or has reasonable grounds to  
8 believe any of the following to be true:

9 “(a) That the permittee has made false statements to the commission.

10 “(b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the  
11 state, general or local, or any misdemeanor or violation of any municipal ordinance committed on  
12 the licensed premises.

13 “(c) That the permittee has performed or permitted any act which would constitute a violation  
14 of any provision of this chapter or any rule of the commission, if the act were performed or per-  
15 mitted by any licensee of the commission.

16 “(d) That the permittee was aware of activities that the permittee had a duty to report under  
17 ORS 471.271 and the permittee did not report.

18 “(2) The issuance, **restriction**, suspension or revocation of a **service permit or temporary**  
19 **service permit** under ORS 471.360 to 471.385 does not relieve a licensee from responsibility for any  
20 act of an employee on the licensee’s premises.

21 “(3) [*When there has been*] **If** a violation of this chapter or any rule adopted [*thereunder*] **under**  
22 **this chapter occurs** upon any premises licensed by the commission, the commission may revoke,  
23 **restrict** or suspend [*either*] the service permit **or temporary service permit** of the employee who  
24 violated the law or rule [*or*], the license of the licensee upon whose premises the violation  
25 occurred[,] or both the **service permit or temporary service permit** and the license.

26 “(4) **The commission may revoke, restrict or suspend a permittee’s service permit and**  
27 **may impose a civil penalty for an act or omission of the permittee that constitutes a reason**  
28 **described in subsection (1) of this section and that occurred during the time the permittee**  
29 **held a temporary service permit.**

30 “[*(4)*] (5) Civil penalties under this section shall be imposed as provided in ORS 183.745.

31 “**SECTION 15.** ORS 471.542 is amended to read:

32 “471.542. (1) [*Except as provided in subsection (2) of this section,*] The Oregon Liquor and  
33 Cannabis Commission shall require [*a person*] **an individual** applying for issuance or renewal of a  
34 service permit [*or any license that authorizes the sale or service of alcoholic beverages for consumption*  
35 *on the premises*] **or temporary service permit issued under ORS 471.375** to complete an approved  
36 alcohol server education course and examination as a condition of the issuance or renewal of the  
37 permit [*or license*].

38 “[*(2) A person applying for issuance or renewal of a license that authorizes the sale or service of*  
39 *alcoholic beverages for consumption on the premises need not complete an approved alcohol server ed-*  
40 *ucation course and examination as a condition of the issuance or renewal of the license if:*]

41 “[*(a) The license has been restricted by the commission to prohibit sale or service of alcoholic*  
42 *beverages for consumption on the premises; or*]

43 “[*(b) The person applying for issuance or renewal of the license submits a sworn statement to the*  
44 *commission stating that the person will not engage in sale or service of alcoholic beverages for con-*  
45 *sumption on the premises, will not directly supervise or manage persons who sell or serve alcoholic*]



1 beverages on the premises, and will not participate in establishing policies governing the sale or service  
2 of alcoholic beverages on the premises.]

3 “[3] The commission by rule shall establish requirements that licensees and permittees must com-  
4 ply with as a condition of requalifying for a license or permit. The licensee or permittee must comply  
5 with those requirements once every five years after completing the initial alcohol server education  
6 course and examination. The requirements established by the commission to requalify for a license may  
7 include retaking the alcohol server education course and examination. The requirements established by  
8 the commission to requalify for a service permit shall include retaking the alcohol server education  
9 course and examination.]

10 “(2) The commission shall by rule establish requirements for requalification for a service  
11 permit. A permittee shall provide proof to the commission that the permittee has met the  
12 requirements established under this subsection once every five years after the permittee  
13 completes the initial alcohol server education course and examination. The requirements  
14 must include a requirement to retake the alcohol server education course and pass the ex-  
15 amination.

16 “[4] (3) The commission may extend the time [periods established by] **period described in**  
17 **subsection (2) of** this section upon a showing of hardship. [The commission by rule may exempt a  
18 licensee from the requirements of this section if the licensee does not participate in the management of  
19 the business.]

20 “[5] (4) The standards and curriculum of alcohol server education courses [shall] **must**  
21 include, but **are** not [be] limited to, the following:

22 “(a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.

23 “(b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription,  
24 drugs and illegal drugs.

25 “(c) Recognizing the problem drinker and community treatment programs and agencies.

26 “(d) State alcohol beverage laws such as prohibition of sale to minors and sale to intoxicated  
27 persons, sale for on-premises or off-premises consumption, hours of operation and penalties for vio-  
28 lation of the laws.

29 “(e) Drunk driving laws and liquor liability statutes.

30 “(f) Intervention with the problem customer, including ways to cut off service, ways to deal with  
31 the belligerent customer and alternative means of transportation to get the customer safely home.

32 “(g) Advertising and marketing for safe and responsible drinking patterns and standard operat-  
33 ing procedures for dealing with customers.

34 “[6] (5) The commission shall adopt rules to impose reasonable fees for administrative costs  
35 on alcohol server education course instructors and providers.

36 “[7] (6) The commission shall provide alcohol server education courses and examinations  
37 through independent contractors, private persons or private or public schools certified by the com-  
38 mission. The commission shall adopt rules governing the manner in which alcohol server education  
39 courses and examinations are made available to [persons] **individuals** required to take the [course]  
40 **courses and examinations**. In adopting rules under this subsection, the commission shall consider  
41 alternative means of providing courses, including but not limited to providing courses through  
42 audiotapes, videotapes, the Internet and other electronic media.”.

43 Delete pages 2 to 11.

44 On page 12, delete lines 1 through 38.

45 In line 42, delete “11” and insert “16”.

- 1 On page 14, line 5, delete “12” and insert “17”.
- 2 In line 11, delete “13” and insert “18”.
- 3 \_\_\_\_\_