

Requested by Representative HIEB

**PROPOSED AMENDMENTS TO
HOUSE BILL 4138**

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

5 Delete lines 9 through 27 and insert:

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

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

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

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

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

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

15 “(d) Public location that does not qualify for licensing under paragraphs
16 (a) to (c) of this subsection if:

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

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

20 “(C) The location meets any minimum food service requirements estab-
21 lished by Oregon Liquor and Cannabis Commission rule.

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

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

6 “(4) The holder of a full on-premises sales license may purchase any dis-
7 tilled liquor from an agent of the commission appointed pursuant to ORS
8 471.750 at a discount of not more than five percent off the regular listed price
9 fixed by the commission, together with all taxes, in a manner prescribed by
10 commission rule. For purposes of compensation by the commission, the ap-
11 pointed agent shall be credited with such sales at full retail cost. The com-
12 mission may not require the licensee to purchase more than one container
13 of distilled liquor at a time if the distilled liquor:

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

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

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

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

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

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

29 “(7) The holder of a full on-premises sales license may sell for consump-
30 tion off the licensed premises malt beverages, wine and cider in securely

1 covered containers provided by the consumer that have capacities of not
2 more than two gallons each.

3 “(8) The holder of a full on-premises sales license may sell for consump-
4 tion off the licensed premises malt beverages, wine and cider in factory-
5 sealed containers.

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

12 “(b) The holder of a full on-premises sales license that uses a third-party
13 delivery facilitator to make deliveries under this subsection is not responsi-
14 ble for ensuring that the deliveries made by the third-party delivery
15 facilitator meet any requirements applicable to the deliveries.

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

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

26 “(12) Beginning January 1, 2017, the commission may annually adjust the
27 price threshold established in subsection (4)(a) of this section by a percent-
28 age equal to the percentage change in the Consumer Price Index for All
29 Urban Consumers, West Region (All Items), as published by the Bureau of
30 Labor Statistics of the United States Department of Labor. However, the

1 commission may not adjust the price threshold to be less than \$30.

2 **“(13) An applicant for a full on-premises sale license that intends**
3 **to offer alcoholic beverages for consumption on the licensed premises**
4 **shall at the time of application apply for a service permit under ORS**
5 **471.375.**

6 “[~~(13)~~] (14) The commission may adopt rules to carry out this section.

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

8 “471.178. (1) The holder of a limited on-premises sales license may sell by
9 the drink at retail wine, malt beverages and cider. Except as provided in this
10 section, all alcoholic beverages sold under a limited on-premises sales license
11 must be consumed on the licensed premises.

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

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

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

25 “(b) The holder of a limited on-premises sales license that uses a third-
26 party delivery facilitator to make deliveries under this subsection is not re-
27 sponsible for ensuring that the deliveries made by the third-party delivery
28 facilitator meet any requirements applicable to the deliveries.

29 “(5) The holder of a limited on-premises sales license shall allow a patron
30 to remove a partially consumed bottle of wine from the licensed premises if

1 the wine is served in conjunction with the patron’s meal, the patron is not
2 a minor and the patron is not visibly intoxicated.

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

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

13 “(8) **An applicant for a limited on-premises sale license that intends**
14 **to offer alcoholic beverages for consumption on the licensed premises**
15 **shall at the time of application apply for a service permit under ORS**
16 **471.375.**

17 “[8] (9) The commission may adopt rules to carry out this section.

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

19 “471.190. (1) The holder of a temporary sales license may **sell**:

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

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

24 “(c) [*Sell*] For consumption off the licensed premises wine, malt beverages
25 and cider in securely covered containers supplied by the consumer and hav-
26 ing capacities of not more than two gallons each.

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

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

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

4 “(b) A political committee that has filed a statement of organization un-
5 der ORS 260.039 or 260.042.

6 “(c) State agencies.

7 “(d) Local governments, and agencies and departments of local govern-
8 ments.

9 “(e) Persons not otherwise described in this subsection, as long as the
10 applicant submits a plan that is approved by the commission detailing how
11 minors will be prevented from gaining access to alcoholic beverages and how
12 minors will be prevented from gaining access to any portion of the licensed
13 premises prohibited to minors under ORS 471.430 (3) or any rule adopted by
14 the commission.

15 “(4) The commission may by rule establish additional eligibility require-
16 ments for temporary sales licenses.

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

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

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

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

29 “(B) Have up to three separate premises in this state licensed under the
30 temporary sales license at which wine, malt beverages or cider is sold for

1 consumption off the licensed premises; and

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

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

5 “(8) A person holding a temporary sales license is not required to obtain
6 an intermittent temporary restaurant, seasonal temporary restaurant,
7 single-event temporary restaurant license or mobile unit license under ORS
8 chapter 624 if only wine, malt beverages and cider in single-service contain-
9 ers are served and only nonperishable food items that are exempted from
10 licensure by the Oregon Health Authority are served.

11 “(9) Employees and volunteers serving alcoholic beverages for a nonprofit
12 or charitable organization licensed under this section are not required to
13 have service permits **or temporary service permits** or to complete an al-
14 cohol server education program and examination under ORS 471.542. The
15 commission by rule may establish education requirements for servers de-
16 scribed in this subsection.

17 “(10) Notwithstanding ORS 471.392 to 471.400, a temporary sales license
18 may be issued to a nonprofit trade association that has a membership pri-
19 marily composed of persons that hold winery licenses issued under ORS
20 471.223 or grower sales privilege licenses issued under ORS 471.227.

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

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

29 “(b) The holder of a temporary sales license that is an entity described
30 in subsection (3)(a) to (d) of this section may accept donations of malt

1 beverages, wine or cider in accordance with rules adopted by the commission.

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

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

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

10 “471.200. (1) A brewery-public house license allows the licensee to:

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

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

16 “(c) Sell malt beverages in brewery-sealed packages at retail directly to
17 the consumer for consumption off the premises;

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

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

23 “(f) Sell for consumption off the premises wines and cider in securely
24 covered containers supplied by the consumer and having capacities of not
25 more than two gallons each;

26 “(g) Conduct the activities, except manufacturing, described in paragraphs
27 (a) to (f) of this subsection at two locations other than the premises where
28 the manufacturing occurs;

29 “(h) Obtain a special events brewery-public house license entitling the
30 holder to conduct the activities allowed under paragraphs (b) to (f) of this

1 subsection at a designated location other than the location set forth in the
2 brewery-public house license for a period not exceeding five days;

3 “(i) Distribute malt beverages manufactured at the licensed premises to
4 any other premises licensed to the same licensee, whether a manufacturer,
5 wholesaler or retail premises; and

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

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

12 “(3) A brewery-public house licensee, or any person having an interest in
13 the licensee, is a retail licensee for the purposes of ORS 471.394 and, except
14 as otherwise provided by this section and ORS 471.396, may not acquire or
15 hold any right, title, lien, claim or other interest, financial or otherwise, in,
16 upon or to the premises, equipment, business or merchandise of any man-
17 ufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house
18 licensee, or any person having an interest in the licensee, is also a man-
19 ufacturer for the purposes of ORS 471.394 and, except as otherwise provided
20 by this section and ORS 471.396, may not acquire or hold any right, title,
21 lien, claim or other interest, financial or otherwise, in, upon or to the
22 premises, equipment, business or merchandise of any other retail licensee,
23 as defined in ORS 471.392.

24 “(4)(a) Except as provided in this subsection, a brewery-public house
25 licensee, or any person having an interest in the licensee, is a retail licensee
26 for the purposes of ORS 471.398 and, except as otherwise provided by this
27 section and ORS 471.400, may not accept directly or indirectly any financial
28 assistance described in ORS 471.398 from any manufacturer or wholesaler,
29 as defined in ORS 471.392. A brewery-public house licensee, or any person
30 having an interest in the licensee, is also a manufacturer for the purposes

1 of ORS 471.398 and, except as otherwise provided by this section and ORS
2 471.400, may not provide directly or indirectly any financial assistance de-
3 scribed in ORS 471.398 to any retail licensee, as defined in ORS 471.392. The
4 prohibitions on financial assistance in ORS 471.398 do not apply to financial
5 assistance between manufacturing and retail businesses licensed to the same
6 person under the provisions of this section.

7 “(b) The commission may issue more than one brewery-public house li-
8 cense at a single premises if each licensee:

9 “(A) Has a valid Brewer’s Notice issued by the federal Alcohol and To-
10 bacco Tax and Trade Bureau at the premises address; and

11 “(B) Otherwise complies with ORS 471.398.

12 “(c) A brewery-public house licensee may produce malt beverages for an-
13 other brewery-public house licensee under a custom order agreement. The
14 commission may adopt rules regarding the contents of custom order agree-
15 ments.

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

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

24 “(7) Notwithstanding subsection (3) of this section, a brewery-public house
25 licensee, or any person having an interest in the licensee, may also hold a
26 full on-premises sales license. If a person holds both a brewery-public house
27 license and a full on-premises sales license, nothing in this chapter shall
28 prevent the sale by the licensee of both distilled liquor and malt beverages
29 manufactured under the brewery-public house license.

30 “(8) Notwithstanding any other provision of this chapter, a brewery-public

1 house licensee, or any person having an interest in the licensee, may also
2 hold a distillery license. No provision of this chapter prevents a brewery-
3 public house licensee that also holds a distillery license from being appointed
4 by the commission as the distillery's retail outlet agent for the purpose of
5 selling distilled liquors under ORS 471.230.

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

9 “(10)(a) Notwithstanding subsection (3) of this section, a brewery-public
10 house licensee may hold, directly or indirectly, an interest in a manufacturer
11 or wholesaler, provided that the interest does not result in exercise of con-
12 trol over, or participation in the management of, the manufacturer's or
13 wholesaler's business or business decisions and does not result in exclusion
14 of any competitor's brand of alcoholic liquor.

15 “(b) Notwithstanding subsection (3) of this section, a manufacturer or
16 wholesaler, and any officer, director or substantial stockholder of any cor-
17 porate manufacturer or wholesaler, may hold, directly or indirectly, an in-
18 terest in a brewery-public house licensee, provided that the interest does not
19 result in exercise of control over, or participation in the management of, the
20 licensee's business or business decisions and does not result in exclusion of
21 any competitor's brand of alcoholic liquor.

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

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

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

30 “(12) On or before the 20th day of each month, a brewery-public house

1 licensee shall submit to the commission a report showing the quantity of
2 malt beverages, wine or cider received from the holder of a direct to retailer
3 permit issued under ORS 471.274 during the immediately preceding calendar
4 month, and any other information required by the commission by rule.

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

7 “(14) The holder of a brewery-public house license that uses a third-party
8 delivery facilitator to make deliveries on behalf of the holder is not respon-
9 sible for ensuring that deliveries made by the third-party delivery facilitator
10 meet any requirements applicable to the deliveries.

11 **“(15) An applicant for a brewery-public house license that intends**
12 **to offer alcoholic beverages for consumption on the licensed premises**
13 **shall at the time of application apply for a service permit under ORS**
14 **471.375.**

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

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

17 “471.221. (1) As used in this section, ‘common control’ means:

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

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

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

23 “(b) That a brewery licensee, or any officer, director, substantial stock-
24 holder or other substantial equity holder in the brewery licensee:

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

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

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

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

30 “(b) Sell to wholesale malt beverage and wine licensees, import, store,

1 transport or export:

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

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

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

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

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

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

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

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

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

25 “(b) Except as provided in this paragraph, sells or distributes malt
26 beverages. This paragraph does not apply to malt beverages described in
27 subsection (2)(a) or (b) of this section sold at a licensed premises described
28 in subsection (2)(a) of this section.

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

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

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

4 “(5) Notwithstanding any other provision of this chapter, a brewery
5 licensee, a manufacturer that is under common control with the brewery
6 licensee or any officer, director, substantial stockholder or other substantial
7 equity holder in the brewery licensee or in a manufacturer that is under
8 common control with the brewery licensee may not sell malt beverages at
9 retail at more than three locations in this state regardless of the number or
10 type of licenses held by the licensee, manufacturer, officer, director, stock-
11 holder or equity holder.

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

15 “(7) A brewery licensee that uses a third-party delivery facilitator to make
16 deliveries on behalf of the licensee is not responsible for ensuring that de-
17 liveries made by the third-party delivery facilitator meet any requirements
18 applicable to the deliveries.

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

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

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

24 “471.223. (1) As used in this section, ‘control’ means that the licensee:

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

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

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

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

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

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

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

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

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

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

15 “(h) Conduct under the winery license any activities described in para-
16 graphs (a) to (g) of this subsection at five or fewer premises designated by
17 the commission.

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

20 “(j) Obtain a special events winery license that entitles the holder to
21 conduct the activities allowed under paragraphs (e) to (g) of this subsection
22 at a designated location other than the one set forth in the winery license
23 for a period not to exceed five days.

24 “(3) A winery licensee shall allow a patron to remove a partially con-
25 sumed bottle of wine from the licensed premises if the patron is not a minor
26 and the patron is not visibly intoxicated.

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

29 “(a) Possess at a bonded premises within Oregon a valid producer and
30 blender basic permit issued by the federal Alcohol and Tobacco Tax and

1 Trade Bureau; or

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

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

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

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

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

24 “(9) If a winery licensee does not possess at a bonded premises within
25 Oregon a valid producer and blender basic permit issued by the federal Al-
26 cohol and Tobacco Tax and Trade Bureau, the licensee may exercise the
27 privileges described in this section only for wine and cider brands that are
28 under the control of the licensee.

29 “(10) The holder of a winery license that uses a third-party delivery
30 facilitator to make deliveries on behalf of the winery licensee is not re-

1 sponsible for ensuring that deliveries made by the third-party delivery
2 facilitator meet any requirements applicable to the deliveries.

3 “(11)(a) **An applicant for a winery license that intends to offer al-**
4 **coholic beverages for consumption on the premises shall at the time**
5 **of application apply for a service permit under ORS 471.375.**

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

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

8 “471.227. (1) A grower sales privilege license [*shall allow*] **allows** the
9 licensee to perform the following activities only for fruit or grape wine or
10 cider where all of the fruit or grapes used to make the wine or cider are
11 grown in Oregon under the control of the licensee to:

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

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

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

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

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

24 “(f) Obtain a special events grower sales privilege license [*which shall*
25 *entitle*] **that entitles** the holder to conduct the activities allowed under
26 paragraphs (c) and (d) of this subsection at a designated location other than
27 the one set forth in the grower sales privilege license for a period not to
28 exceed five days.

29 “(2) A grower sales privilege licensee shall allow a patron to remove a
30 partially consumed bottle of wine from the licensed premises if the patron

1 is not a minor and the patron is not visibly intoxicated.

2 “(3) For purposes of ORS 471.392 to 471.400, a grower sales privilege
3 licensee shall be considered a manufacturer.

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

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

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

12 “(7) For the purposes of tax reporting, payment and record keeping, the
13 provisions of law that [*shall*] apply to a manufacturer under ORS chapter
14 473 [*shall*] apply to a grower sales privilege licensee, but [*such a licensee*] a
15 **grower sales privilege licensee** is not a manufacturer for purposes of ORS
16 473.050 (5).

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

21 “(9)(a) **An applicant for a grower sales privilege license that intends**
22 **to offer alcoholic beverages for consumption on the licensed premises**
23 **shall at the time of application apply for a service permit under ORS**
24 **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
28 issue a license, or may issue a restricted license, to any applicant under the
29 provisions of this chapter if the commission has reasonable ground to believe
30 any of the following to be true:

1 “(a) That there are sufficient licensed premises in the locality set out in
2 the application, or that the granting of a license in the locality set out in
3 the application is not demanded by public interest or convenience. In deter-
4 mining whether there are sufficient licensed premises in the locality, the
5 commission shall consider seasonal fluctuations in the population of the lo-
6 cality and shall ensure that there are adequate licensed premises to serve the
7 needs of the locality during the peak seasons.

8 “(b) That the applicant has not furnished an acceptable bond as required
9 by ORS 471.311 or is not maintaining the insurance or bond required by ORS
10 471.168.

11 “(c) That, except as allowed by ORS 471.392 to 471.400, any applicant to
12 sell at retail for consumption on the premises has been financed or furnished
13 with money or property by, or has any connection with, or is a manufacturer
14 of, or wholesale dealer in, alcoholic liquor.

15 “(d) That the applicant:

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

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

19 “(C) Is incompetent or physically unable to carry on the management of
20 the establishment proposed to be licensed.

21 “(D) Has been convicted of violating a general or local law of this state
22 or another state, or of violating a federal law, if the conviction is substan-
23 tially related to the fitness and ability of the applicant to lawfully carry out
24 activities under the license.

25 “(E) Has maintained an insanitary establishment.

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

27 “(G) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to
28 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to
29 475C.919 or this chapter or ORS chapter 473 or rules adopted by the com-
30 mission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,

1 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this
2 chapter or ORS chapter 473.

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

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

9 “(J) Is unable to read or write the English language or to understand the
10 laws of Oregon relating to alcoholic liquor or the rules of the commission.

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

30 “(f) **If the application is for a license that authorizes the sale or**

1 **service of alcoholic beverages for consumption on the premises and the**
2 **applicant intends to offer the sale or service of alcoholic beverages for**
3 **consumption on the premises, that the applicant does not hold a valid**
4 **service permit or temporary service permit issued under ORS 471.375**
5 **and has not designated an individual who:**

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

8 **“(B) Exercises, or is entitled to exercise, control or responsibility**
9 **over setting, implementing and changing the applicant’s practices for**
10 **selling and serving alcoholic beverages at the premises.**

11 **“(2) The commission may refuse to issue a certificate under ORS 471.244**
12 **or permit under ORS 471.274 or 471.282, or may issue a restricted certificate**
13 **or permit, if the commission has reasonable grounds to believe that the ap-**
14 **plicant:**

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

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

18 **“(c) Has been convicted of violating a general or local law of this state**
19 **or another state, or of violating a federal law, if the conviction is substan-**
20 **tially related to the fitness and ability of the applicant to lawfully carry out**
21 **activities related to the certificate or permit.**

22 **“(d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to**
23 **474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to**
24 **475C.919 or this chapter or ORS chapter 473 or rules adopted by the com-**
25 **mission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,**
26 **475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this**
27 **chapter or ORS chapter 473.**

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

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

1 “471.315. (1) The Oregon Liquor and Cannabis Commission may cancel,
2 suspend, restrict or require mandatory training for any license issued under
3 this chapter, or impose a civil penalty in lieu of or in addition to a suspen-
4 sion as provided by ORS 471.322, if the commission finds or has reasonable
5 ground to believe any of the following to be true:

6 “(a) That the licensee:

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

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

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

13 “(D) Has maintained an insanitary establishment.

14 “(E) Is insolvent or incompetent or physically unable to carry on the
15 management of the establishment of the licensee.

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

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

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

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

24 “(J) Since the granting of the license, has been convicted of a felony, of
25 violating any of the liquor laws of this state, general or local, or of any
26 misdemeanor or violation of any municipal ordinance committed on the li-
27 censed premises.

28 **“(K) If the license authorizes the sale or service of alcoholic**
29 **beverages for consumption on the premises and the licensee offers the**
30 **sale or service of alcoholic beverages for consumption on the premises,**

1 **that the licensee does not hold a valid service permit or temporary**
2 **service permit issued under ORS 471.375 and has not designated an**
3 **individual who:**

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

6 **“(ii) Exercises, or is entitled to exercise, control or responsibility**
7 **over setting, implementing and changing the licensee’s practices for**
8 **selling and serving alcoholic beverages at the premises.**

9 “(b) That any person licensed to sell at retail for consumption on the
10 premises is acting as an agent of, or is a manufacturer or wholesaler of al-
11 coholic liquors, or has borrowed money or property, or has accepted
12 gratuities or rebates, or has obtained the use of equipment from any man-
13 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

14 “(c) That there is a history of serious and persistent problems involving
15 disturbances, lewd or unlawful activities or noise either in the premises or
16 involving patrons of the establishment in the immediate vicinity of the
17 premises if the activities in the immediate vicinity of the premises are re-
18 lated to the sale or service of alcohol under the exercise of the license
19 privilege. Behavior that is grounds for cancellation or suspension of a license
20 under this section, where so related to the sale or service of alcohol, includes
21 but is not limited to obtrusive or excessive noise, music or sound vibrations;
22 public drunkenness; fights; altercations; harassment or unlawful drug sales;
23 alcohol or related litter; trespassing on private property; and public
24 urination. Mitigating factors include a showing by the licensee that the
25 problems are not serious or persistent or that the licensee has demonstrated
26 a willingness and ability to control adequately the licensed premises and
27 patrons’ behavior in the immediate vicinity of the premises which is related
28 to the licensee’s sale or service of alcohol under the licensee’s exercise of the
29 license privilege.

30 “(d) That there is any other reason that, in the opinion of the commission,

1 based on public convenience or necessity, warrants canceling or suspending
2 such license.

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

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

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

11 “(c) Has been convicted of violating a general or local law of this state
12 or another state, or of violating a federal law, if the conviction is substan-
13 tially related to the fitness and ability of the applicant to lawfully carry out
14 activities related to the certificate or permit.

15 “(d) Has failed to comply with ORS 459A.700 to 459A.744, 474.005 to
16 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to
17 475C.919 or this chapter or ORS chapter 473 or rules adopted by the com-
18 mission pursuant to ORS 459A.700 to 459A.744, 474.005 to 474.095, 474.115,
19 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.770 to 475C.919 or this
20 chapter or ORS chapter 473.

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

23 “(f) Or any officer, agent or employee of the certificate or permit holder,
24 violated any term or provision of an agreement entered into pursuant to ORS
25 471.244 or submitted a false or fictitious report pursuant to the agreement.

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

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

29 “471.360. (1) [*Except as otherwise provided in ORS 471.375:*]

30 “[*a*] Any [*person*] **individual** employed by **or acting on behalf of or**

1 **at the direction of** a licensee of the Oregon Liquor and Cannabis Commis-
2 sion must have a valid service permit **or temporary service permit** issued
3 by the commission if the *[person]* **individual:**

4 “[A] **(a)** Participates in any manner in the mixing, selling or service of
5 alcoholic liquor for consumption on the premises where served or sold; *[or]*

6 “[B] **(b)** Participates in the dispensing of malt beverages, wines or cider
7 sold in securely covered containers provided by the consumer[.];

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

10 **“(d) Subject to subsection (2) of this section, is a licensee who holds,**
11 **or an applicant for, a license that authorizes the sale or service of al-**
12 **coholic beverages for consumption on the licensed premises.**

13 **“(2) The commission may waive the requirement to hold a valid**
14 **service permit or temporary service permit for an individual described**
15 **in subsection (1)(d) of this section if the individual designates another**
16 **individual who:**

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

18 **“(b) Exercises control or responsibility, or is entitled to exercise**
19 **control or responsibility, over setting, implementing and changing the**
20 **licensee’s practices for selling and serving alcoholic beverages at the**
21 **licensed premises.**

22 “[b] **(3)** A licensee of the commission *[may not permit any person who*
23 *lacks a service permit required of the person under paragraph (a) of this sub-*
24 *section]* **may not allow an individual who does not hold a service permit**
25 **or temporary service permit required of the individual under sub-**
26 **section (1) of this section to:**

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

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

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

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

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

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

14 “[(3)] **(6) Violation of the requirements of this section is a Class B vio-**
15 **lation.**

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

17 “471.365. (1) A service permit [*shall be*] **or a temporary service permit**
18 **is** a purely personal privilege, valid only upon licensed premises, for the pe-
19 riod of time stated [*thereon*] **on the service permit or temporary service**
20 **permit**, and may be suspended or revoked for any reason set forth in ORS
21 471.360 to 471.385.

22 “(2) [*No service permit shall be used by any person other than the person*
23 *to whom it is issued*] **A service permit or temporary service permit may**
24 **not be used by any individual other than the individual to whom the**
25 **service permit or temporary service permit is issued.** [*Except as provided*
26 *in ORS 471.375,*] The licensee shall verify the identification of the permittee
27 and determine that the permittee has in possession a service permit **or**
28 **temporary service permit** before allowing the permittee to [*mix, sell or*
29 *serve alcoholic liquor for consumption on the licensed premises*] **perform a**
30 **duty described in ORS 471.360 (3).**

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

2 “471.375. [(1) Any person who has not had a permit refused or revoked or
3 whose permit is not under suspension may mix, sell or serve alcoholic
4 beverages as provided under subsection (3) of this section if the person prepares
5 in duplicate an application for a service permit prior to mixing, selling or
6 serving any alcoholic beverage for consumption on licensed premises. Until a
7 person who has prepared an application under this subsection receives a ser-
8 vice permit, the licensee for the premises shall make a copy of the application
9 available for immediate inspection by any regulatory specialist or by any other
10 peace officer.]

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

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

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

19 “[(b) Participate in the dispensing of malt beverages, wine or cider sold in
20 securely covered containers provided by the consumer.]

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

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

27 **“(2) Fees; and**

28 **“(3) Requirements that an applicant for a service permit or tempo-**
29 **rary service permit be at least 18 years of age and submit to the**
30 **commission an application in a form and manner acceptable to the**

1 **commission.**

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

3 “471.380. (1) The Oregon Liquor and Cannabis Commission may refuse to
4 [*grant*] **issue** a service permit **or temporary service permit, or may issue**
5 **a restricted service permit**, if [*it*] **the commission** has reasonable grounds
6 to believe any of the following to be true:

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

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

10 “(c) That the applicant is incompetent or physically incapable of per-
11 forming the duties of a permittee.

12 “(d) That the applicant has been convicted of violating any of the alco-
13 holic liquor laws of this state, general or local, or has been convicted at any
14 time of a felony.

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

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

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

23 “(b) Within 30 days after notification of the refusal, if the refusal is based
24 on any grounds other than failure to complete the alcohol server education
25 course and examination.

26 **“(3) The refusal to issue a temporary service permit is not a con-**
27 **tested case under ORS chapter 183.**

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

29 “471.385. (1) The Oregon Liquor and Cannabis Commission may revoke,
30 **restrict** or suspend a service permit **or a temporary service permit**, or

1 impose a civil penalty in lieu of or in addition to suspension as provided by
2 ORS 471.322, if the commission finds or has reasonable grounds to believe
3 any of the following to be true:

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

5 “(b) That the permittee has been convicted of a felony, of violating any
6 of the liquor laws of the state, general or local, or any misdemeanor or vio-
7 lation of any municipal ordinance committed on the licensed premises.

8 “(c) That the permittee has performed or permitted any act which would
9 constitute a violation of any provision of this chapter or any rule of the
10 commission, if the act were performed or permitted by any licensee of the
11 commission.

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

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

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

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

30 “[4] (5) Civil penalties under this section shall be imposed as provided

1 in ORS 183.745.

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

3 “471.542. (1) *[Except as provided in subsection (2) of this section,]* The
4 Oregon Liquor and Cannabis Commission shall require *[a person]* **an indi-**
5 **vidual** applying for issuance or renewal of a service permit *[or any license*
6 *that authorizes the sale or service of alcoholic beverages for consumption on*
7 *the premises]* **or temporary service permit issued under ORS 471.375** to
8 complete an approved alcohol server education course and examination as a
9 condition of the issuance or renewal of the permit *[or license]*.

10 “[*(2) A person applying for issuance or renewal of a license that authorizes*
11 *the sale or service of alcoholic beverages for consumption on the premises need*
12 *not complete an approved alcohol server education course and examination as*
13 *a condition of the issuance or renewal of the license if:]*]

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

16 “[*(b) The person applying for issuance or renewal of the license submits a*
17 *sworn statement to the commission stating that the person will not engage in*
18 *sale or service of alcoholic beverages for consumption on the premises, will not*
19 *directly supervise or manage persons who sell or serve alcoholic beverages on*
20 *the premises, and will not participate in establishing policies governing the*
21 *sale or service of alcoholic beverages on the premises.]*]

22 “[*(3) The commission by rule shall establish requirements that licensees and*
23 *permittees must comply with as a condition of requalifying for a license or*
24 *permit. The licensee or permittee must comply with those requirements once*
25 *every five years after completing the initial alcohol server education course and*
26 *examination. The requirements established by the commission to requalify for*
27 *a license may include retaking the alcohol server education course and exam-*
28 *ination. The requirements established by the commission to requalify for a*
29 *service permit shall include retaking the alcohol server education course and*
30 *examination.]*]

1 “(2) The commission shall by rule establish requirements for re-
2 qualification for a service permit. A permittee shall provide proof to
3 the commission that the permittee has met the requirements estab-
4 lished under this subsection once every five years after the permittee
5 completes the initial alcohol server education course and examination.
6 The requirements must include a requirement to retake the alcohol
7 server education course and pass the examination.

8 “[(4)] (3) The commission may extend the time [*periods established by*]
9 period described in subsection (2) of this section upon a showing of
10 hardship. [*The commission by rule may exempt a licensee from the require-*
11 *ments of this section if the licensee does not participate in the management of*
12 *the business.*]

13 “[(5)] (4) The standards and curriculum of alcohol server education
14 courses [*shall*] **must** include, but **are** not [*be*] limited to, the following:

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

17 “(b) Effects of alcohol in combination with commonly used legal, pre-
18 scription or nonprescription, drugs and illegal drugs.

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

21 “(d) State alcohol beverage laws such as prohibition of sale to minors and
22 sale to intoxicated persons, sale for on-premises or off-premises consumption,
23 hours of operation and penalties for violation of the laws.

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

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

28 “(g) Advertising and marketing for safe and responsible drinking patterns
29 and standard operating procedures for dealing with customers.

30 “[(6)] (5) The commission shall adopt rules to impose reasonable fees for

1 administrative costs on alcohol server education course instructors and pro-
2 viders.

3 “[7] (6) The commission shall provide alcohol server education courses
4 and examinations through independent contractors, private persons or pri-
5 vate or public schools certified by the commission. The commission shall
6 adopt rules governing the manner in which alcohol server education courses
7 and examinations are made available to [*persons*] **individuals** required to
8 take the [*course*] **courses and examinations**. In adopting rules under this
9 subsection, the commission shall consider alternative means of providing
10 courses, including but not limited to providing courses through audiotapes,
11 videotapes, the Internet and other electronic media.”.

12 Delete pages 2 to 11.

13 On page 12, delete lines 1 through 38.

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

15 On page 14, line 5, delete “12” and insert “17”.

16 In line 11, delete “13” and insert “18”.

17
