

# Senate Bill 1564

Sponsored by Senator BEYER (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows distillery licensee to apply for tasting room permit. Authorizes licensee to conduct tastings and limited sales of distilled liquor at retail under tasting room permit.

## A BILL FOR AN ACT

1  
2 Relating to distilled liquor tasting rooms; creating new provisions; and amending ORS 471.311.

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

4 **SECTION 1. Section 2 of this 2018 Act is added to and made a part of ORS chapter 471.**

5 **SECTION 2. (1) A distillery licensee under ORS 471.230 may apply to the Oregon Liquor**  
6 **Control Commission for a tasting room permit for a location on or in close proximity to a**  
7 **distillery premises of the licensee. Except as provided in this section, a tasting room permit**  
8 **allows the distillery licensee to:**

9 (a) **Conduct tastings of distilled liquor at the tasting room; and**

10 (b) **Notwithstanding ORS 471.394 or 471.740, sell distilled liquor at the tasting room in**  
11 **sealed containers at retail for off-premises, off-location consumption.**

12 (2) **A distillery licensee must be the sole owner of the tasting room. The number of**  
13 **tasting room permits held by the licensee may not exceed the number of distillery premises**  
14 **of the licensee. Distilled liquor sold at retail at a tasting room must be from a single**  
15 **distillery premises of the licensee. Distilled liquor manufactured at a distillery premises may**  
16 **not be sold at retail at more than one tasting room. A tasting offered at a tasting room must**  
17 **include distilled liquor from one or more distillery premises of the licensee.**

18 (3) **A distillery licensee may charge a fee for tastings offered at a tasting room. A**  
19 **distillery licensee that sells distilled liquor at retail at a tasting room shall charge the same**  
20 **price that the commission sets for retail sale of that distilled liquor by liquor stores for the**  
21 **month in which the sale occurs. Annual sales of distilled liquor at retail under a tasting**  
22 **room permit may not exceed \$500,000. The licensee must file monthly reports of tasting room**  
23 **retail sales as provided by the commission by rule.**

24 (4) **A retail sale of distilled liquor under a tasting room permit is a direct sale by the**  
25 **distillery licensee. The distillery licensee is not considered to be an agent of the commission**  
26 **for purposes of ORS 471.752 with regard to the retail sale and is not entitled to compensation**  
27 **from the commission for the sale.**

28 (5) **The privileges granted under this section to a distillery licensee holding a tasting**  
29 **room permit are in addition to any privileges granted to a distillery licensee under ORS**  
30 **471.230. Except as provided by a rule described in this subsection, a permit holder may not**  
31 **conduct tasting or sales activities under authority of ORS 471.230 on a tasting room prem-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **ises. The commission may adopt rules allowing a distillery licensee that has met the annual**  
 2 **limit on tasting room retail sales in subsection (3) of this section to act as a distillery retail**  
 3 **outlet agent for the purpose of selling additional amounts of the same distilled liquor at retail**  
 4 **at the tasting room.**

5 **(6) A distillery licensee that holds a tasting room permit may apply for a special events**  
 6 **tasting room license. A special events tasting room license allows the conducting of tasting**  
 7 **room activities on premises designated in the special events license. Distilled liquor sold by**  
 8 **a permit holder at retail at a special event must be included in the monthly reported retail**  
 9 **sales for a tasting room operated by the permit holder. Except as provided in this subsection,**  
 10 **a special events tasting room license may be valid for a period not exceeding five days. The**  
 11 **commission shall limit the approval of special events tasting room licenses for a permit**  
 12 **holder at the same location to not more than 62 days during a calendar year.**

13 **(7) In accordance with applicable provisions of ORS chapter 183, the commission may**  
 14 **adopt rules the commission deems reasonable or necessary for the administration of this**  
 15 **section.**

16 **SECTION 3.** ORS 471.311 is amended to read:

17 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make  
 18 application to the Oregon Liquor Control Commission upon forms to be furnished by the commission  
 19 showing the name and address of the applicant, location of the place of business that is to be op-  
 20 erated under the license, and such other pertinent information as the commission may require. A  
 21 license may not be granted or renewed until the applicant has complied with the provisions of this  
 22 chapter and the rules of the commission.

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

27 (3) The commission shall charge an application fee, not to exceed \$150, to process an application  
 28 for the issuance of a new license under this chapter or a license following a change in ownership.  
 29 The application fee applies only to an application for a class of license having an annual license fee.  
 30 The application fee is nonrefundable, except that the commission shall refund the fee if the applicant  
 31 completes, submits and maintains an application and the commission does not, on or before 75 days  
 32 following receipt of the completed application, propose that the license be granted, granted with  
 33 conditions or refused. The commission shall adopt rules to:

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

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

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

44 (5) The commission may waive the fee imposed under subsection (4) of this section if the com-  
 45 mission finds that failure to submit a timely application was due to unforeseen circumstances or to

1 a delay in processing the application by the local governing authority that is no fault of the licensee.

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

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License	Fee	Minimum Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None
Wholesale Malt Beverage		
and Wine	\$ 275	\$ 1,000
Warehouse	\$ 100	\$ 1,000
Brewery-Public House,		
including Certificate		
of Approval	\$ 250	\$ 1,000
Limited On-Premises Sales	\$ 200	None
Off-Premises Sales	\$ 100	None
Temporary Sales	\$ 50 per day	
Grower sales privilege		
license	\$ 250	\$ 1,000
Special events brewery		
license	\$ 10 per day	
Special events winery		
license	\$ 10 per day	
Special events grower		
sales privilege		
license	\$ 10 per day	
Special events		
brewery-public house		
license	\$ 10 per day	
Special events		
distillery		
license	\$ 10 per day	
<b>Special events</b>		
<b>tasting room</b>		
<b>license</b>	<b>\$ 10 per day</b>	

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 42 (7) The fee for a certificate of approval or special certificate of approval granted under ORS  
 43 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a  
 44 certificate of approval or special certificate of approval. No bond is required for the granting of a  
 45 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-

1 rioid commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-  
2 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special  
3 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval  
4 is \$10.

5 (8) Except as provided in subsection (9) of this section, the annual license fee for a full on-  
6 premises sales license is \$400. No bond is required for any full on-premises sales license.

7 (9) The annual license fee for a full on-premises sales license held by a nonprofit private club  
8 as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered  
9 with the state, is \$200.

10 (10) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.

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