

SB 590 B STAFF MEASURE SUMMARY
House Committee On Economic Development

Carrier: Rep. Bonham

Action Date: 05/15/19

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Barreto, Bonham, Drazan, Fahey, Helm, Lively, Marsh, McKeown, McLain, Wallan, Witt

Fiscal: No fiscal impact

Revenue: Has minimal revenue impact

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Meeting Dates: 4/24, 5/15

WHAT THE MEASURE DOES:

States that for purpose of obligation to redeem beverage containers, the space a dealer occupies equals the retail space if: (1) the retail space is less than 5,000 square feet, (2) the retail space occupies less than 50 percent of the leased or owned space where retail operations are located, and (3) the nonretail space is used in whole or in part for the manufacturing of beverages. Allows Oregon Liquor Control Commission (OLCC) to issue more than one brewery-public house license at single premises address under certain conditions. Allows brewery-public house licensees and brewery licensees to produce malt beverages for a brewery-public house licensee under a custom order agreement. Allows OLCC to adopt content rules for custom order agreements. Repeals alcohol percentage limit for malt beverage labeled or otherwise designated as beer. Allows an airline granted a full or limited on-premises sales license to accept delivery of and store alcoholic beverages for retail sale to onboard passengers at designated storage facilities with written approval of the OLCC if at a location other than the licensed premises. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Bottle return requirements
- Amendment to address airline alcoholic beverage storage facilities

EFFECT OF AMENDMENT:

Allows an airline granted a full or limited on-premises sales license to accept delivery of and store alcoholic beverages for retail sale to onboard passengers at designated storage facilities located other than the licensed premises with written approval of the Oregon Liquor Control Commission (OLCC). Corrects statutory reference and clarifies premises address for purpose of OLCC issuing more than one brewery-public house license at a single premises. Declares emergency, effective on passage.

BACKGROUND:

Under the Oregon Bottle Bill, a dealer (person who engages in the sale of beverages in beverage containers to a consumer) occupying a space of less than 5,000 square feet in a single area may refuse to accept for bottle deposit redemption any containers of the kind, size, and brand that the dealer does not sell. Current law does not differentiate types of space for purposes of this calculation. Senate Bill 590-B identifies when the space occupied by a dealer equals the retail space for purposes of bottle bill deposit redemption requirements.

The Oregon Liquor Control Commission (OLCC) oversees the sale of alcoholic beverages and recreational marijuana to allow access to responsible adults while protecting Oregon's public health, safety, and community livability. The OLCC manages and distributes distilled spirits, licenses and regulates businesses that sell and serve alcohol, and trains and issues permits for alcohol servers.

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A brewery licensee and brewery-public house licensee may produce malt beverages at a first location and may sell malt beverages, wine, and cider to individuals at up to three locations in Oregon. A brewery licensee may also obtain a winery license to produce wine or cider. Senate Bill 590-B allows brewery and brewery-public house licensees to produce malt beverages for a brewery-public house licensee under a custom order agreement, as defined by OLCC rules. The measure also allows the OLCC to issue more than one brewery-public house license at a single premises address under certain conditions.

The OLCC may grant an airline a full or limited on-premises sales license, which allows them to sell and serve distilled spirits, malt beverages, wine, and cider for consumption on the licensed premises. Under current law, the OLCC does not have the authority to approve the delivery to and storage of alcoholic beverages other than the licensed premises. Senate Bill 590-B allows an airline to have designated storage facilities other than the licensed premises with written approval of the OLCC.