

HOUSE AMENDMENTS TO HOUSE BILL 2264

By COMMITTEE ON GENERAL GOVERNMENT

March 31

1 In line 2 of the printed bill, delete “and declaring an emergency.” and insert “creating new
2 provisions; amending ORS 471.001, 471.130, 471.162, 471.175, 471.178, 471.184, 471.186, 471.282,
3 471.311, 471.400, 471.750, 471.805, 473.030, 473.140, 473.150 and 473.170; repealing ORS 471.478; and
4 declaring an emergency.”.

5 Delete lines 4 through 10 and insert:

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

8 **“SECTION 2. Notwithstanding ORS 471.175, an Indian tribe that holds a full on-premises
9 sales license may purchase distilled liquor for sale by the drink within Indian country di-
10 rectly from the Oregon Liquor Control Commission at a price negotiated by the Indian tribe
11 and the commission. As used in this section, ‘Indian country’ has the meaning given that
12 term in 18 U.S.C. 1151.**

13 **“SECTION 3. Notwithstanding ORS 471.175, an airline described in ORS 471.182 that holds
14 a full on-premises sales license may purchase distilled liquor for sale to ticketed passengers
15 aboard a commercial aircraft directly from the Oregon Liquor Control Commission at a price
16 negotiated by the airline and the commission.**

17 **“SECTION 4. ORS 471.001 is amended to read:**

18 **“471.001. As used in this chapter and ORS chapter 473:**

19 **“(1) ‘Alcoholic beverage’ and ‘alcoholic liquor’ mean any liquid or solid containing more than
20 one-half of one percent alcohol by volume and capable of being consumed by a human being.**

21 **“(2) ‘Commercial establishment’ means a place of business:**

22 **“(a) Where food is cooked and served;**

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

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

25 **“(d) That:**

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

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

30 **“(3) ‘Commission’ means the Oregon Liquor Control Commission.**

31 **“(4) ‘Distilled liquor’ means any alcoholic beverage other than a wine, cider or malt beverage.
32 ‘Distilled liquor’ includes distilled spirits.**

33 **“(5) ‘Licensee’ means any person holding a license issued under this chapter.**

34 **“[(6)(a) ‘Malt beverage’ means an alcoholic beverage obtained by the fermentation of grain that
35 contains not more than 14 percent alcohol by volume.]**

1 “[(b) ‘Malt beverage’ includes:]
2 “[(A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent
3 alcohol by volume;]
4 “[(B) Malt beverages containing six percent or less alcohol by volume and that contain at least 51
5 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49 percent
6 of the beverage’s overall alcohol content is obtained from flavors and other added nonbeverage ingre-
7 dients containing alcohol; and]
8 “[(C) Malt beverages containing more than six percent alcohol by volume that derive not more than
9 1.5 percent of the beverage’s overall alcohol content by volume from flavors and other added
10 nonbeverage ingredients containing alcohol.]
11 “[(c) ‘Malt beverage’ does not include cider or an alcoholic beverage obtained primarily by
12 fermentation of rice, such as sake.]
13 **“(6)(a) ‘Malt beverage’ means beer, ale, porter, stout and other similar fermented**
14 **beverages that contain more than one-half of one percent and not more than 16 percent of**
15 **alcohol by volume and that are brewed or produced from malt, wholly or in part, or from**
16 **rice, grain, bran, glucose, sugar or molasses as a substitute for malt.**
17 **“(b) ‘Malt beverage’ does not include cider, mead, sake or wine.**
18 “(7) ‘Manufacturer’ means every person who produces, brews, ferments, manufactures or blends
19 an alcoholic beverage within this state or who imports or causes to be imported into this state an
20 alcoholic beverage for sale or distribution within the state.
21 “(8) ‘Permittee’ means a person holding a permit issued under ORS 471.360 to 471.385.
22 “(9) ‘Premises’ or ‘licensed premises’ means a location licensed under this chapter and includes
23 all enclosed areas at the location that are used in the business operated at the location, including
24 offices, kitchens, rest rooms and storerooms, including all public and private areas where patrons
25 are permitted to be present. ‘Premises’ or ‘licensed premises’ includes areas outside of a building
26 that the commission has specifically designated as approved for alcoholic beverage service or con-
27 sumption.
28 “(10) ‘Regulatory specialist’ means a full-time employee of the commission who is authorized to
29 act as an agent of the commission in conducting inspections or investigations, making arrests and
30 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing
31 this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550 to 475B.590 and
32 475B.600 to 475B.655, commission rules and any other statutes the commission considers related to
33 regulating liquor, marijuana or marijuana-derived products.
34 “(11) ‘Wine’ means any fermented vinous liquor or fruit juice, or other fermented beverage fit
35 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of
36 alcohol by volume and not more than 21 percent of alcohol by volume. ‘Wine’ includes fortified wine.
37 ‘Wine’ does not include cider.
38 **“SECTION 5.** ORS 471.130 is amended to read:
39 “471.130. (1) [All licensees and permittees of the Oregon Liquor Control Commission,] Before sell-
40 ing or serving **an** alcoholic [liquor] **beverage** to any person about whom there is any reasonable
41 doubt of the person’s having reached 21 years of age, **a licensee or permittee** shall require [such]
42 **the** person to produce one of the following pieces of identification:
43 “(a) The person’s passport issued by the United States or a foreign government.
44 “(b) The person’s motor vehicle operator’s license issued by this state or another state of the
45 United States **or a province or territory of Canada.**

1 “(c) An identification card issued under ORS 807.400.

2 “(d) A United States military identification card.

3 “(e) An identification card issued by a federally recognized Indian tribe.

4 “(f) Any other identification card issued by a state or territory of the United States **or province**
5 **or territory of Canada** that bears a picture of the person, the name of the person, the person’s date
6 of birth and a physical description of the person.

7 “(g) Proof of the person’s participation in the Secure Electronic Network for Travelers Rapid
8 Inspection program operated by United States Customs and Border Protection, the NEXUS program
9 jointly operated by that agency and the Canada Border Services Agency, or a successor to either
10 of those programs that is recognized by the **Oregon Liquor Control** Commission.

11 “(h) **Any other form of identification as defined by the commission by rule.**

12 “(2) If a person does not have identification as described in subsection (1) of this section, the
13 permittee or licensee shall require [*such*] **the** person to make a written statement of age and furnish
14 evidence of the person’s true age and identity. The written statement of age shall be on a form
15 furnished or approved by the commission, including but not limited to the following information:

16 “ _____

17

18 Date _____

19 I am 21 years of age or over. _____

20 Signature _____

21 Description of evidence in support of age and identity:

22 _____ Identification No. (if any) _____

23 _____ Identification No. (if any) _____

24 (Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

25 I hereby certify that I have accurately recorded identification of the evidence submitted to
26 complete this form.

27

28 _____
Signature of permittee or licensee

29 A person under 21 years of age who knowingly misrepresents the person’s true age with the
30 intent of obtaining alcohol in violation of ORS chapter 471 may be subject to criminal penalties
31 under ORS 165.805.

32 “ _____

33

34 “**SECTION 6.** ORS 471.162 is amended to read:

35 “471.162. (1) Hospitals, sanitariums, convalescent homes, rest homes, retirement homes and fa-
36 cilities for the care of the elderly that have been licensed or registered by the state may sell and
37 serve alcoholic beverages to patients, inmates and residents, and to bona fide visitors and guests
38 of patients, inmates and residents, without a license issued under this chapter. Facilities authorized
39 to sell and serve alcoholic beverages without a license under this subsection may not sell or serve
40 alcoholic beverages after 10 p.m. except upon a physician’s prescription.

41 “(2) A person who operates a private residence that is not a boarding house but that accom-
42 modates transient guests for a limited duration may sell and serve wine, malt beverages and cider
43 to registered overnight guests without a license. Facilities authorized to sell and serve alcoholic
44 beverages without a license under this subsection must have six or fewer guest units.

45 “(3) A person who is an employee or agent of the holder of a license issued under this chapter

1 that authorizes wholesale distribution of alcoholic beverages may, on behalf of the licensee, sell al-
2 coholic beverages in factory-sealed containers to retail licensees and wholesalers.

3 “(4) A pharmacist licensed under the laws of this state may sell alcoholic beverages without a
4 license. Pharmacists may only sell alcoholic beverages under the provisions of this section if the
5 alcoholic beverages are drugs as defined in ORS 689.005. A pharmacist may sell alcoholic beverages
6 under the provisions of this subsection pursuant to a prescription, in containers of not more than
7 one quart capacity.

8 “(5) A wine collector, or the agent of a wine collector, may sell wine in factory-sealed containers
9 at auction without a license. Any wine sold under this subsection must have been held by the col-
10 lector for at least a six-month period. A wine collector must receive written approval from the
11 Oregon Liquor Control Commission before conducting a sale under this subsection. No more than
12 one sale in a 12-month period may be conducted by a wine collector under the provisions of this
13 subsection.

14 “[*(6) A nonprofit or charitable organization registered in this state may sell wine, malt beverages*
15 *and cider, including but not limited to donated homemade malt beverages, wine and fermented fruit*
16 *juices, and a total of not more than four liters of distilled liquor, in factory-sealed containers at an*
17 *auction or through a raffle without a license. The organization must receive written approval from the*
18 *commission before conducting an auction or raffle under this subsection. The organization may conduct*
19 *no more than one auction or raffle under this subsection in a 12-month period. The auction or raffle*
20 *may not have a duration of more than one day. The organization may sell under this subsection wine,*
21 *malt beverages, cider and distilled liquor purchased by or donated to the organization. Except for do-*
22 *nated homemade malt beverages, wine and fermented fruit juices, the purchased or donated wine, malt*
23 *beverages, cider and distilled liquor must be imported into this state by the commission or be manu-*
24 *factured in or imported into this state under a brewery, brewery-public house, distillery, grower sales*
25 *privilege, winery or wholesale malt beverage and wine license. As used in this subsection,*
26 *‘homemade’ has the meaning given that term in ORS 471.037.]*

27 “(6)(a) **As used in this subsection, ‘homemade’ has the meaning given that term in ORS**
28 **471.037.**

29 “(b) **A nonprofit or charitable organization registered in this state may sell, including but**
30 **not limited to through an auction or raffle, alcoholic beverages for up to 45 days in a calen-**
31 **dar year without a license issued under this chapter, subject to paragraphs (c) to (f) of this**
32 **subsection.**

33 “(c) **Prior to selling or offering for sale an alcoholic beverage, the organization must ob-**
34 **tain written approval from the commission to sell or offer for sale an alcoholic beverage on**
35 **any day on which the organization wishes to sell or offer for sale alcoholic beverages under**
36 **this subsection.**

37 “(d) **The organization may sell malt beverages, wine, cider and distilled liquor purchased**
38 **by or donated to the organization. Except for donated homemade malt beverages, wine and**
39 **fermented fruit juices, the purchased or donated malt beverages, wine, cider and distilled li-**
40 **quor must be imported into this state by the commission or be manufactured in or imported**
41 **into this state under a brewery, brewery-public house, distillery, grower sales privilege,**
42 **winery or wholesale malt beverage and wine license.**

43 “(e) **The organization may sell:**

44 “(A) **Malt beverages, wine, cider, distilled liquor and donated homemade malt beverages,**
45 **wine and fermented fruit juices by the drink for on-premises consumption;**

1 **“(B) Malt beverages, wine, cider and donated homemade malt beverages, wine and**
2 **fermented fruit juices in factory-sealed containers or securely covered containers for off-**
3 **premises consumption; and**

4 **“(C) Up to a total of four liters per calendar year of distilled liquor in factory-sealed**
5 **containers for off-premises consumption.**

6 **“(f) The organization may deliver or arrange for the delivery of alcoholic beverages sold**
7 **for off-premises consumption as described in this subsection.**

8 “(7) A manufacturer may sell proprietary or patent medicines, perfumes, lotions, flavoring ex-
9 tracts, medicinal tinctures and other preparations unfit for beverage purposes without a license.

10 **“SECTION 7.** ORS 471.175 is amended to read:

11 “471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,
12 malt beverages, cider and distilled liquor. Except as provided in this section, all alcoholic beverages
13 sold under a full on-premises sales license must be consumed on the licensed premises.

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

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

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

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

18 “(d) A public location that does not qualify for licensing under paragraphs (a) to (c) of this
19 subsection if:

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

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

23 “(C) The location meets any minimum food service requirements established by Oregon Liquor
24 Control Commission rule.

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

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

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

35 “(a) Except as provided in subsection [(9)] **(10)** of this section, has a retail sales price of \$30 or
36 more per container;

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

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

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

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

44 “[(6) *The holder of a full on-premises sales license may sell factory-sealed containers of wine to a*
45 *person who organizes a private gathering on the licensee’s premises if the wine was acquired as part*”

1 of a larger purchase of wine by the licensee for the purpose of the gathering and only part of the larger
2 purchase was consumed at the gathering. Wine sold under this subsection may be sold only for an
3 amount adequate to compensate the licensee for the amounts paid by the licensee for the wine.]

4 “[(7)] **(6)** The holder of a full on-premises sales license may sell for consumption off the licensed
5 premises malt beverages, [*wines*] **wine** and cider in securely covered containers provided by the
6 consumer [*and having*] **that have** capacities of not more than two gallons each.

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

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

14 “[(8)] **(9)** A nonprofit private club, including but not limited to a fraternal or veterans organ-
15 ization, may qualify for a full on-premises sales license under this section only if the club meets any
16 minimum membership, nonprofit status and food service requirements established by commission
17 rule.

18 “[(9)] **(10)** Beginning January 1, 2017, the commission may annually adjust the price threshold
19 established in subsection (4)(a) of this section by a percentage equal to the percentage change in the
20 Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bu-
21 reau of Labor Statistics of the United States Department of Labor. However, the commission may
22 not adjust the price threshold to be less than \$30.

23 **“SECTION 8.** ORS 471.178 is amended to read:

24 **“471.178. (1)** The holder of a limited on-premises sales license may sell by the drink at retail
25 wine, malt beverages and cider. Except as provided in this section, all alcoholic beverages sold un-
26 der a limited on-premises sales license must be consumed on the licensed premises.

27 **“(2)** The holder of a limited on-premises sales license may sell malt beverages, **wine and cider**
28 in factory-sealed containers for consumption off the licensed premises. [*Containers sold under this*
29 *subsection may not hold less than seven gallons per container.*]

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

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

38 “[(4)] **(5)** The holder of a limited on-premises sales license shall allow a patron to remove a
39 partially consumed bottle of wine from the licensed premises if the wine is served in conjunction
40 with the patron’s meal, the patron is not a minor and the patron is not visibly intoxicated.

41 **“[(5) Sales of alcoholic beverages under a limited on-premises sales license must consist principally**
42 **of sales by the drink for consumption on the licensed premises.]**

43 **“SECTION 9.** ORS 471.184 is amended to read:

44 **“471.184. (1)** The holder of a full or limited on-premises sales license may cater a temporary
45 event at a location other than the licensed premises if the event is not open to the general public.

1 Catering of an event under this subsection must be pursuant to a contract with a client. The con-
2 tract must provide that the licensee will furnish food and beverage services for no more than 100
3 patrons. The licensee must serve food as required by rules of the commission. The licensee may
4 cater events under this subsection without giving advance notice to the Oregon Liquor Control
5 Commission if, before the event occurs, the commission gives written approval to the licensee au-
6 thORIZING catering pursuant to this subsection. Events catered under the provisions of this sub-
7 section must meet all requirements for enclosure of premises that may be imposed by the commission
8 for the purposes of this section. Notwithstanding ORS 471.175 (3), ~~(6)~~ and (7) and 471.178 (2) to
9 ~~[(4)] (5)~~, the licensee may not permit patrons of the event to remove any alcoholic beverages from
10 the premises of the event.

11 “(2) In addition to catered events under subsection (1) of this section, the commission may by
12 rule allow the exercise of the privileges of a full or limited on-premises sales license at temporary
13 events held at locations other than the licensed premises. The commission may:

14 “(a) Require notice to the commission before the exercise of license privileges at temporary
15 events under this subsection;

16 “(b) Require that written approval by the commission be obtained before the exercise of license
17 privileges at temporary events under this subsection;

18 “(c) Establish eligibility criteria for the exercise of license privileges at temporary events under
19 this subsection; and

20 “(d) Establish fees reasonably calculated to cover administrative expenses incurred by the com-
21 mission in administering this subsection.

22 “**SECTION 10.** ORS 471.186 is amended to read:

23 “471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of
24 malt beverages, wine and cider **for consumption off the licensed premises.** [*Factory-sealed con-*
25 *tainers of malt beverages sold under the license may not hold more than two and one-quarter*
26 *gallons.*]

27 “(2) The holder of an off-premises sales license may sell for consumption off the licensed prem-
28 ises malt beverages, [*wines*] **wine** and cider in securely covered containers supplied by the consumer
29 and [*having*] **that have** capacities of not more than two gallons each.

30 “(3) The holder of an off-premises sales license may provide sample tasting of alcoholic
31 beverages on the licensed premises if the licensee [*makes written application*] **applies in writing** to
32 the Oregon Liquor Control Commission and receives **written** approval from the commission to con-
33 duct tastings on the premises. Tastings must be limited to the alcoholic beverages that may be sold
34 under the privileges of the license.

35 “(4) An off-premises sales license may not be issued for use at a premises that is mobile.

36 “(5) Except as provided in ORS 471.402, a manufacturer or wholesaler may not provide or pay
37 for sample tastings of alcoholic beverages for the public on premises licensed under an off-premises
38 sales license.

39 “(6) The holder of an off-premises sales license may deliver malt beverages, wine or cider that
40 is sold under the privileges of the license to retail customers in this state without a direct shipper
41 permit issued under ORS 471.282. Any deliveries by the holder of an off-premises sales license are
42 subject to any rules adopted by the commission relating to deliveries made under this subsection.
43 Deliveries under this subsection:

44 “(a) May be made only to a person who is at least 21 years of age;

45 “(b) May be made only for personal use and not for the purpose of resale; and

1 “(c) Must be made in containers that are conspicuously labeled with the words: ‘CONTAINS
2 ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’

3 “(7) The holder of an off-premises sales license that makes deliveries of malt beverages, wine
4 or cider under subsection (6) of this section [*must*] **shall** take all actions necessary to ensure that
5 a carrier used by the licensee does not deliver any malt beverages, wine or cider unless the carrier:

6 “(a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

7 “(b) Verifies by inspecting government-issued photo identification that the recipient is at least
8 21 years of age; and

9 “(c) Determines that the recipient is not visibly intoxicated at the time of delivery.

10 “(8) Any person who knowingly or negligently delivers malt beverages, wine or cider under the
11 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-
12 livers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated
13 person, violates ORS 471.410.

14 “(9) If a court determines that deliveries of malt beverages, wine or cider under subsection (6)
15 of this section cannot be restricted to holders of off-premises sales licenses, and the decision is a
16 final judgment that is no longer subject to appeal, the holder of an off-premises sales license may
17 not make deliveries of malt beverages, wine or cider under the provisions of subsection (6) of this
18 section after entry of the final judgment.

19 “**SECTION 11.** ORS 471.282 is amended to read:

20 “471.282. (1) Notwithstanding any other provision of this chapter and except as provided by ORS
21 **471.175, 471.178 and 471.186 [(6)],** a person may sell and ship malt beverages, wine or cider directly
22 to a resident of Oregon only if the person holds a direct shipper permit. The Oregon Liquor Control
23 Commission shall issue a direct shipper permit only to:

24 “(a) A person that holds a license issued by this state or another state that authorizes the
25 manufacture of malt beverages, wine or cider;

26 “(b) A person that holds a license issued by this state or another state that authorizes the sale
27 of wine or cider produced only from grapes or other fruit grown under the control of the person;

28 “(c) A person that holds a license authorizing the sale of malt beverages, wine or cider at retail;
29 or

30 “(d) [*A nonprofit trade association that holds a temporary sales license under ORS 471.190 and*
31 *that has a membership primarily composed of persons holding winery licenses issued under ORS*
32 *471.223 or grower sales privilege licenses issued under ORS 471.227.] **A person that holds a tem-**
33 **porary sales license under ORS 471.190, if the shipments of malt beverages, wine or cider**
34 **made by the person are delivered only during the term of validity of the temporary sales li-**
35 **cence.***

36 “(2) The holder of a direct shipper permit that is a licensee of another state may deliver malt
37 beverages under the permit only if that other state makes direct shipper permits, or the equivalent,
38 available for the delivery of malt beverages by persons holding a license issued by the commission
39 authorizing the manufacture or retail sale of malt beverages.

40 “(3)(a) A person may apply for a direct shipper permit by filing an application with the com-
41 mission. The application must be made in such form as may be prescribed by the commission.

42 “(b) If the application is based on a license issued by this state, the person must include in the
43 application the number of the license issued to the person.

44 “(c) If the application is based on a license issued by another state, the person must include in
45 the application a true copy of the license issued to the person by the other state or include sufficient

1 information to allow verification of the license by electronic means or other means acceptable to the
2 commission.

3 “(d) If the application is based on a license issued by another state, or the application is by a
4 [nonprofit trade association] **person** described in subsection (1)(d) of this section, the person [or as-
5 sociation] must pay a \$100 registration fee and maintain a bond or other security described in ORS
6 471.155 in the minimum amount of \$1,000.

7 “(4) Sales and shipments under a direct shipper permit:

8 “(a) May be made only to a person who is at least 21 years of age;

9 “(b) May be made only for personal use and not for the purpose of resale; and

10 “(c) May not exceed two cases, containing not more than nine liters per case, to any resident
11 per month.

12 “(5) Sales and shipments under a direct shipper permit must be made directly to a resident of
13 this state in containers that are conspicuously labeled with the words: ‘CONTAINS ALCOHOL:
14 SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’

15 “(6) A person holding a direct shipper permit must take all actions necessary to ensure that a
16 carrier used by the permit holder does not deliver any malt beverages, wine or cider unless the
17 carrier:

18 “(a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

19 “(b) Verifies by inspecting government-issued photo identification that the recipient is at least
20 21 years of age; and

21 “(c) Determines that the recipient is not visibly intoxicated at the time of delivery.

22 “(7)(a) A person holding a direct shipper permit must report to the commission on a quarterly
23 basis all shipments of malt beverages, wine or cider made to Oregon residents under the permit. The
24 report must be made in a form prescribed by the commission.

25 “(b) A person holding a direct shipper permit must allow the commission to audit the permit
26 holder’s records upon request and shall make those records available to the commission in this state.

27 “(c) A person holding a direct shipper permit consents to the jurisdiction of the commission and
28 the courts of this state for the purpose of enforcing the provisions of this section and any related
29 laws or rules.

30 “(8)(a) A person holding a direct shipper permit must timely pay to the commission all taxes
31 imposed under ORS chapter 473 on malt beverages, wine and cider sold and shipped under the per-
32 mit. For the purpose of the privilege tax imposed under ORS chapter 473, all malt beverages, wine
33 or cider sold and shipped pursuant to a direct shipper permit is sold in this state.

34 “(b) A person holding a direct shipper permit based on a license issued by another state must
35 timely pay to the commission all taxes imposed under ORS chapter 473 on all malt beverages, wine
36 or cider sold and shipped directly to Oregon residents under the permit. The permit holder, not the
37 purchaser, is responsible for the tax.

38 “(9) A direct shipper permit must be renewed annually. If the person holds the permit based on
39 an annual license issued by another state, the person may renew the permit by paying a \$100 re-
40 newal fee and providing the commission with a true copy of a current license issued to the person
41 by the other state or with sufficient information to allow verification of the license by electronic
42 means or other means acceptable to the commission. If the person holds the permit based on an
43 annual license issued by this state, the person may renew the permit at the same time that the
44 person renews the license.

45 “(10) The commission may refuse to issue or may suspend or revoke a direct shipper permit if

1 the permit holder fails to comply with the provisions of this section. A person may sell and ship
2 malt beverages, wine or cider under a direct shipper permit only for as long as the person has the
3 license issued by this state or another state that authorizes the person to hold a direct shipper
4 permit. A direct shipper permit does not authorize the shipment of malt beverages by a permit
5 holder described in subsection (1)(b) of this section or lacking authority as provided under sub-
6 section (2) of this section.

7 “(11) Any person who knowingly or negligently delivers malt beverages, wine or cider under the
8 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-
9 livers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated
10 person, violates ORS 471.410.

11 “(12) A person may not make sales and shipments of malt beverages, wine or cider directly to
12 Oregon residents unless the person holds a direct shipper permit issued under this section. Any
13 person who knowingly makes, participates in, transports, imports or receives a shipment of malt
14 beverages, wine or cider that is in violation of this section commits a misdemeanor as provided in
15 ORS 471.990 (1).

16 “**SECTION 12.** ORS 471.311 is amended to read:

17 “471.311. (1) *[Any person desiring]* **An applicant for** a license or renewal of a license under this
18 chapter shall *[make]* **submit an** application to the Oregon Liquor Control Commission *[upon forms*
19 *to be furnished]* **on a form provided** by the commission *[showing]* **that includes** the name and ad-
20 dress of the applicant, location of the place of business that is to be operated under the license, and
21 *[such]* **any** other pertinent information as the commission may require. *[A license may not be granted*
22 *or renewed]* **The commission may not grant or renew a license** until the applicant has complied
23 with the provisions of this chapter and the rules of the commission.

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

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

35 “*[(a) Establish application fees by class of license; and]*

36 “*[(b) Define a completed application for purposes of this subsection.]*

37 “*[(4)]* **(3)** Subject to subsection *[(5)]* **(4)** of this section, the commission shall assess a
38 nonrefundable fee for processing a renewal application for any license authorized by this chapter
39 only if the renewal application is received by the commission less than 20 days before expiration
40 of the license. If the renewal application is received prior to expiration of the license but less than
41 20 days prior to expiration, the fee shall be 25 percent of the annual license fee. If a renewal ap-
42 plication is received by the commission after expiration of the license but no more than 30 days
43 after expiration, the fee shall be 40 percent of the annual license fee. This subsection does not apply
44 to a certificate of approval, a brewery-public house license or any license that is issued for a period
45 of less than 30 days.

1 “[(5)] (4) The commission may waive the fee imposed under subsection [(4)] (3) of this section
 2 if the commission finds that failure to submit a timely application was due to unforeseen circum-
 3 stances or to a delay in processing the application by the local governing authority that is no fault
 4 of the licensee.

5 “[(6)] (5) The license fee is nonrefundable and must be paid by each applicant upon the granting
 6 or committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and
 7 the minimum bond required of each class of license under this chapter are as follows:

8 “ _____

License	Minimum Fee	Bond
Brewery, including Certificate		
of Approval	\$ 1,000	\$ 1,000
Winery	\$ 500	\$ 1,000
Distillery	\$ 200	None
Wholesale Malt Beverage		
and Wine	\$ 550	\$ 1,000
Warehouse	\$ 200	\$ 1,000
Brewery-Public House,		
including Certificate		
of Approval	\$ 500	\$ 1,000
Limited On-Premises Sales	\$ 400	None
Off-Premises Sales	\$ 200	None
Temporary Sales	\$ 50 per day	
Grower sales privilege		
license	\$ 500	\$ 1,000
Special events brewery		
license	\$ 10 per day	
Special events winery		
license	\$ 10 per day	
Special events grower		
sales privilege		
license	\$ 10 per day	
Special events		
brewery-public house		
license	\$ 10 per day	
Special events		
distillery		
license	\$ 10 per day	

40 “ _____

41
 42 “[(7)] (6) The fee for a certificate of approval or special certificate of approval granted under
 43 ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing
 44 of a certificate of approval or special certificate of approval. *[No bond is]* **A bond is not** required
 45 for the granting of a certificate of approval or special certificate of approval. Certificates of ap-

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

5 “[8] (7) Except as provided in subsection [9] (8) of this section, the annual license fee for a
6 full on-premises sales license is \$800. [No bond is] **A bond is not** required for any full on-premises
7 sales license.

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

11 “[10] (9) The fee for temporary use of an annual license is \$10 per day.

12 “[11] (10) The annual fee for a wine self-distribution permit is \$200, and the minimum bond is
13 \$1,000.

14 “**SECTION 13.** ORS 471.400 is amended to read:

15 “471.400. (1)(a) Notwithstanding ORS 471.394 and 471.398, a manufacturer or wholesaler may
16 lease or furnish picnic pumps, cold plates, tubs, refrigerated trailers, refrigerated vans and refrig-
17 erated draft systems to a retail licensee if:

18 “(A) The equipment is leased or furnished for a special event[, *if*];

19 “(B) A reasonable rental or service fee is charged for the equipment; and [*if*]

20 “(C) **Except as provided in paragraph (b) of this subsection**, the period that the equipment
21 is leased or furnished does not exceed [10] 14 days.

22 “(b) **The maximum period for which equipment may be leased or furnished under this**
23 **subsection may be extended by periods that are reasonable for the equipment to be set up**
24 **at or removed from the site of the special event.**

25 “(2) Notwithstanding ORS 471.394 and 471.398, the Oregon Liquor Control Commission may
26 specify by rule the manner and circumstances under which a manufacturer or wholesaler may pro-
27 vide products and services to a nonprofit special licensee.

28 “(3)(a) Notwithstanding ORS 471.394 and 471.398, the commission shall allow the sale of nonal-
29 coholic products in the manner in which the nonalcoholic product is sold by a manufacturer or
30 wholesaler not licensed by the commission. The commission may limit merchandising practices in-
31 volving nonalcoholic products if the commission finds that the limitations are necessary to prevent
32 abuses of ORS 471.394 and 471.398 by the industry as a whole.

33 “(b) Any fixtures, equipment or furnishings provided by a manufacturer or wholesaler in
34 furtherance of the sale of nonalcoholic products may not be used by the retail licensee to store,
35 service, display, advertise, furnish or sell, or aid in the sale of, alcoholic products regulated by the
36 commission. All [*such*] fixtures, equipment or furnishings **described in this subsection** must be
37 identified by the retail licensee as being furnished by a licensed manufacturer or wholesaler.

38 “**SECTION 14.** ORS 471.750 is amended to read:

39 “471.750. (1) The Oregon Liquor Control Commission shall establish [*such*] stores and ware-
40 houses in [*such*] places in [*the*] **this** state [*as*] **that**, in [*its*] **the commission’s** judgment, are required
41 by public convenience or necessity[,] for the sale of [*spirituous*] **distilled** liquors, wines and other
42 alcoholic liquors containing over five percent alcohol by volume, in sealed containers for consump-
43 tion off the premises. The commission shall keep on hand in [*such*] **the** stores or warehouses [*such*]
44 **the** quantities and kinds of alcoholic liquors as are reasonably required to supply the public demand.

45 “(2) Any person qualified to purchase [*such*] **alcoholic** liquors from the commission [*has the right*

1 to] **may** present to the commission, or [at any of its stores] **to a store established under this**
2 **section**, an application for any kind or brand of alcoholic liquor that the person may desire and that
3 may be manufactured or obtainable in any place in the United States, and the commission shall ob-
4 tain [such] **the alcoholic** liquor and sell it to the applicant. The commission may not require that
5 an application for a kind or brand of alcoholic liquor include a commitment to purchase a minimum
6 amount of the liquor or require that a purchase be for more than one container of a kind or brand
7 of alcoholic liquor if the liquor:

8 “(a) Except as provided in subsection [(5)] **(6)** of this section, has a retail sales price of \$30 or
9 more per container;

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

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

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

14 “(3) The commission may not establish a store in any county or incorporated city of this state
15 where a local prohibitory law is in effect. [*The commission shall adopt rules governing advertising*
16 *by stores operated by the commission.*]

17 “(4) The commission may appoint agents in the sale of [*said liquor under such agreement as the*
18 *commission may negotiate with said agents or their representative*] **alcoholic liquors pursuant to**
19 **agreements negotiated between the commission and the agents, or representatives of the**
20 **agent.**

21 “[*(4)*] **(5) The commission shall adopt rules governing advertising by stores operated by**
22 **the commission.** Rules relating to advertising adopted by the commission under **this** subsection
23 [*(3) of this section shall*] **must** allow signs and displays within [*its*] **the** stores for the purpose of
24 supplying consumer information to customers, including but not limited to discounts, sales and other
25 specials. Commission discretion with respect to those signs and displays shall be limited to regu-
26 lation of the content, size, number per brand, type and duration of the sign or display. Signs and
27 displays may be supplied by manufacturers, wholesalers or distributors, and may bear the name of
28 a particular distillery, supplier or brand of liquor. The use of signs and displays shall be optional
29 with the agent appointed by the commission. [*Signs or displays authorized by the commission may*
30 *not be placed in positions within the store where the sign or display would be readily visible from*
31 *outside of the store.*]

32 “[*(5)*] **(6)** The commission may annually adjust the price threshold established in subsection (2)(a)
33 of this section by a percentage equal to the percentage change in the Consumer Price Index for All
34 Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the
35 United States Department of Labor. However, the commission may not adjust the price threshold to
36 be less than \$30.

37 “**SECTION 15.** ORS 471.805 is amended to read:

38 “471.805. (1)(a) Except as otherwise provided in subsection (3) of this section and ORS 471.810
39 (2), all [*money*] **moneys** collected by the Oregon Liquor Control Commission under this chapter and
40 ORS chapter 473 and **as** privilege taxes shall be remitted to the State Treasurer who shall credit
41 [*it*] **the moneys** to a suspense account of the commission. Whenever the commission determines that
42 **the commission has received** moneys [*have been received by it*] in excess of the amount legally due
43 and payable to the commission [*or that it has received money to which it has no legal interest*], **that**
44 **the commission has received moneys to which the commission has no legal interest** or that
45 any license fee or deposit is properly refundable, the commission is authorized and directed to re-

1 fund such [money] **moneys** by check drawn upon the State Treasurer and charged to the suspense
2 account of the commission.

3 “(b) After withholding refundable license fees and [such] a sum, not to exceed \$250,000, as [it]
4 **the commission** considers necessary as a revolving fund for a working cash balance for the purpose
5 of paying travel expenses, advances, other miscellaneous bills and extraordinary items which are
6 payable in cash immediately upon presentation, the commission shall direct the State Treasurer to
7 transfer the [money] **moneys** remaining in the suspense account to the Oregon Liquor Control
8 Commission Account in the General Fund. Moneys in the Oregon Liquor Control Commission Ac-
9 count are continuously appropriated to the commission to be distributed and used as required or
10 allowed by law.

11 “(2) All necessary expenditures of the commission incurred in carrying out the purposes re-
12 quired of the commission by law, including the salaries of [its] **the commission’s** employees, pur-
13 chases made by the commission and such sums necessary to reimburse the \$250,000 revolving fund,
14 shall be audited and paid from the Oregon Liquor Control Commission Account in the General Fund,
15 upon warrants drawn by the Oregon Department of Administrative Services, pursuant to claims duly
16 approved by the commission.

17 “(3)(a) Moneys from the retail sale of distilled liquor that are being held by an agent appointed
18 under ORS 471.750 or by a distillery retail outlet agent appointed under ORS 471.230 are not subject
19 to ORS 295.001 to 295.108 if the agent has on deposit with the commission an amount equaling or
20 exceeding an amount the commission, in [its] **the commission’s** discretion, deems to be reasonable
21 and sufficient and [to be] **that is** not less than the average daily gross **cash and check** receipts from
22 retail sales of distilled liquor by the agent.

23 “(b) The commission shall remit moneys deposited with the commission under this subsection
24 to the State Treasurer for deposit to a separate reserve account of the commission. Moneys in the
25 reserve account are not revenue of the commission for purposes of ORS 221.770. The commission
26 shall return the deposit, and any interest earned on the deposit, if the appointment of the agent
27 terminates and the agent has forwarded to the commission all moneys owed the commission from
28 retail sales of distilled liquor by the agent.

29 “**SECTION 16.** ORS 473.030 is amended to read:

30 “473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
31 as an importing distributor of malt beverages at the rate of \$2.60 per barrel of 31 gallons on all such
32 beverages.

33 “(2) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an
34 importing distributor of wines at the rate of 65 cents per gallon on all such beverages.

35 “(3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an im-
36 porting distributor of wines containing more than [14] **16** percent alcohol by volume shall be taxed
37 at the rate of 10 cents per gallon.

38 “(4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer
39 or an importing distributor of wines shall be taxed at the rate of two cents per gallon.
40 Notwithstanding any other provision of law, all moneys collected by the Oregon Liquor Control
41 Commission pursuant to this subsection shall be paid into the account established by the Oregon
42 Wine Board under ORS 182.470.

43 “(5) The rates of tax imposed by this section upon malt beverages apply proportionately to
44 quantities in containers of less capacity than those quantities specified in this section.

45 “(6) The taxes imposed by this section shall be measured by the volume of wine or malt

1 beverages produced, purchased or received by any manufacturer. If the wine or malt beverage re-
2 mains unsold and in the possession of the producer at the plant where it was produced, no tax im-
3 posed or levied by this section is required to be paid until the wine or malt beverage has become
4 sufficiently aged for marketing at retail, but this subsection shall not be construed so as to alter
5 or affect any provision of this chapter relating to tax liens or the filing of statements.

6 “**SECTION 17.** ORS 473.140 is amended to read:

7 “473.140. Every manufacturer shall keep a complete and accurate record of all sales of wine,
8 cider and malt beverages, a complete and accurate record of the number of gallons imported,
9 produced, purchased, manufactured, brewed or fermented, and the date of importation, production,
10 purchase, manufacturing, brewing or fermentation. The records [shall] **must** be in [such] **the** form
11 and contain [such] other information as the Oregon Liquor Control Commission may prescribe. The
12 commission, by rule or regulation, may require the delivery of statements by distributors to pur-
13 chasers, with wine, cider and malt beverages, and prescribe the matters to be contained [therein] **in**
14 **the statements**. [Such] **The** records and statements [shall] **must** be preserved by the distributor
15 and the purchaser respectively, for a period of [two] **three** years, and [shall] **must** be offered for
16 inspection at any time upon oral or written demand by the commission or its duly authorized agents.

17 “**SECTION 18.** ORS 473.150 is amended to read:

18 “473.150. (1) The Oregon Liquor Control Commission may, at any time, examine the books and
19 records of a holder of a wine self-distribution permit or of any manufacturer of wine, cider or malt
20 beverages, and may appoint auditors, investigators and other employees that the commission con-
21 siders necessary to enforce its powers and perform its duties under this section.

22 “(2) Every holder of a wine self-distribution permit and every manufacturer shall maintain and
23 keep for [two] **three** years all records, books and accounts required by this chapter and shall pro-
24 vide copies of those records, books and accounts to the commission when requested by the commis-
25 sion.

26 “**SECTION 19.** ORS 473.170 is amended to read:

27 “473.170. (1) [No manufacturer shall] **A manufacturer may not:**

28 “(a) Fail to pay the privilege tax prescribed in ORS 473.030 and 473.035 when it is due; or

29 “(b) Falsify the statement required by ORS 473.070.

30 “(2) [No person shall] **A person may not:**

31 “(a) Refuse to permit the Oregon Liquor Control Commission or any of its representatives to
32 make an inspection of the books and records authorized by ORS 473.140 to 473.160;

33 “(b) Fail to keep books of account prescribed by the commission or required by this chapter;

34 “(c) Fail to preserve the books for [two] **three** years for inspection of the commission; or

35 “(d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any
36 record required by this chapter to be made, maintained or preserved.

37 “**SECTION 20.** ORS 471.478 is repealed.

38 “**SECTION 21.** The amendments to ORS 473.030, 473.140, 473.150 and 473.170 by sections
39 16 to 19 of this 2021 Act apply to the manufacture or distribution of malt beverages, wine
40 or cider occurring on or after January 1, 2022.

41 “**SECTION 22.** This 2021 Act being necessary for the immediate preservation of the public
42 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
43 on its passage.”.