

HB 2264-1
(LC 2421)
2/9/21 (CMT/ps)

Requested by Representative WILDE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2264**

1 In line 2 of the printed bill, after “alcohol;” delete the rest of the line and
2 insert “creating new provisions; amending ORS 471.001, 473.030, 473.150 and
3 473.170; and prescribing an effective date.”.

4 Delete lines 4 through 10 and insert:

5 **“SECTION 1.** ORS 471.001 is amended to read:

6 “471.001. As used in this chapter and ORS chapter 473:

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

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

11 “(a) Where food is cooked and served;

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

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

16 “(d) That:

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

18 or

19 “(B) If a for-profit private club, serves meals to the club’s members and
20 guests and complies with any minimum membership and food service re-
21 quirements established by Oregon Liquor Control Commission rules.

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

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

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

6 “(6)(a) ‘Malt beverage’ means *[an alcoholic beverage obtained by the*
7 *fermentation of grain that contains not more than 14 percent alcohol by*
8 *volume]* **beer, ale, porter, stout and other similar fermented beverages**
9 **that contain one-half of one percent or more of alcohol by volume and**
10 **that are brewed or produced from malt, wholly or in part, or from a**
11 **substitute for malt.**

12 “[*(b) ‘Malt beverage’ includes:*]

13 “[*(A) Beer, ale, porter, stout and similar alcoholic beverages containing not*
14 *more than 14 percent alcohol by volume;*]

15 “[*(B) Malt beverages containing six percent or less alcohol by volume and*
16 *that contain at least 51 percent alcohol by volume obtained by the fermentation*
17 *of grain, as long as not more than 49 percent of the beverage’s overall alcohol*
18 *content is obtained from flavors and other added nonbeverage ingredients*
19 *containing alcohol; and]*

20 “[*(C) Malt beverages containing more than six percent alcohol by volume*
21 *that derive not more than 1.5 percent of the beverage’s overall alcohol content*
22 *by volume from flavors and other added nonbeverage ingredients containing*
23 *alcohol.]*

24 “[*(c) (b) ‘Malt beverage’ does not include cider, mead, hard kombucha*
25 *or an alcoholic beverage obtained primarily by fermentation of rice, such as*
26 *sake.*]

27 “(7) ‘Manufacturer’ means every person who produces, brews, ferments,
28 manufactures or blends an alcoholic beverage within this state or who im-
29 ports or causes to be imported into this state an alcoholic beverage for sale
30 or distribution within the state.

1 “(8) ‘Permittee’ means a person holding a permit issued under ORS 471.360
2 to 471.385.

3 “(9) ‘Premises’ or ‘licensed premises’ means a location licensed under this
4 chapter and includes all enclosed areas at the location that are used in the
5 business operated at the location, including offices, kitchens, rest rooms and
6 storerooms, including all public and private areas where patrons are per-
7 mitted to be present. ‘Premises’ or ‘licensed premises’ includes areas outside
8 of a building that the commission has specifically designated as approved for
9 alcoholic beverage service or consumption.

10 “(10) ‘Regulatory specialist’ means a full-time employee of the commission
11 who is authorized to act as an agent of the commission in conducting in-
12 spections or investigations, making arrests and seizures, aiding in prose-
13 cutions for offenses, issuing citations for violations and otherwise enforcing
14 this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550
15 to 475B.590 and 475B.600 to 475B.655, commission rules and any other stat-
16 utes the commission considers related to regulating liquor, marijuana or
17 marijuana-derived products.

18 “(11) ‘Wine’ means any fermented vinous liquor or fruit juice, or other
19 fermented beverage fit for beverage purposes that is not a malt beverage,
20 containing more than one-half of one percent of alcohol by volume and not
21 more than 21 percent of alcohol by volume. ‘Wine’ includes fortified wine.
22 ‘Wine’ does not include cider.

23 **“SECTION 2.** ORS 473.030 is amended to read:

24 “473.030. (1) A tax is imposed upon the privilege of engaging in business
25 as a manufacturer or as an importing distributor of malt beverages at the
26 rate of \$2.60 per barrel of 31 gallons on all such beverages.

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

30 “(3) In addition to the tax imposed by subsection (2) of this section, a

1 manufacturer or an importing distributor of wines containing more than
2 [14] **16** percent alcohol by volume shall be taxed at the rate of 10 cents per
3 gallon.

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

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

13 “(6) The taxes imposed by this section shall be measured by the volume
14 of wine or malt beverages produced, purchased or received by any manufac-
15 turer. If the wine or malt beverage remains unsold and in the possession of
16 the producer at the plant where it was produced, no tax imposed or levied
17 by this section is required to be paid until the wine or malt beverage has
18 become sufficiently aged for marketing at retail, but this subsection shall
19 not be construed so as to alter or affect any provision of this chapter relat-
20 ing to tax liens or the filing of statements.

21 **“SECTION 3.** ORS 473.150 is amended to read:

22 “473.150. (1) The Oregon Liquor Control Commission may, at any time,
23 examine the books and records of a holder of a wine self-distribution permit
24 or of any manufacturer of wine, cider or malt beverages, and may appoint
25 auditors, investigators and other employees that the commission considers
26 necessary to enforce its powers and perform its duties under this section.

27 “(2) Every holder of a wine self-distribution permit and every manufac-
28 turer shall maintain and keep for [two] **three** years all records, books and
29 accounts required by this chapter and shall provide copies of those records,
30 books and accounts to the commission when requested by the commission.

1 **“SECTION 4.** ORS 473.170 is amended to read:

2 “473.170. (1) No manufacturer shall:

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

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

6 “(2) No person shall:

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

10 “(b) Fail to keep books of account prescribed by the commission or re-
11 quired by this chapter;

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

14 “(d) Alter, cancel or obliterate entries in the books of account for the
15 purpose of falsifying any record required by this chapter to be made, main-
16 tained or preserved.

17 **“SECTION 5. The amendments to ORS 471.001, 473.030, 473.150 and**
18 **473.170 by sections 1 to 4 of this 2021 Act apply to the manufacture or**
19 **distribution of malt beverages, wine or cider occurring on or after**
20 **January 1, 2022.**

21 **“SECTION 6. This 2021 Act takes effect on the 91st day after the**
22 **date on which the 2021 regular session of the Eighty-first Legislative**
23 **Assembly adjourns sine die.”.**

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