

Senate Bill 871

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for Oregon Liquor and Cannabis Commission)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says some people that have OLCC licenses have to keep records on the alcohol they get. The Act also says what "alcoholic beverages" means and says some people do not have to report to the OLCC anymore. (Flesch Readability Score: 65.5).

Requires Oregon Liquor and Cannabis Commission retail licensees to maintain invoices of alcoholic beverage deliveries. Includes in the definition of "alcoholic beverages" items containing one-half of one percent or more alcohol by volume. Removes the requirement to submit a specified report to the commission.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to alcohol; creating new provisions; amending ORS 471.001, 471.038, 471.175, 471.178,
3 471.186, 471.190 and 471.200; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 471.**

6 **SECTION 2. (1) A licensee that holds a license issued under ORS 471.175, 471.178, 471.186,**
7 **471.190 or 471.200 shall maintain an invoice of all deliveries of alcoholic beverages made to**
8 **the licensed premises for which the licensee is responsible. The invoice must include the**
9 **purchase particulars and any discounts, rebates or other allowances given to the licensee by**
10 **the manufacturer, importer or wholesaler of the alcoholic beverages.**

11 **(2) A licensee described in subsection (1) of this section shall keep an invoice described**
12 **in subsection (1) of this section for three years from the date of delivery. The licensee shall**
13 **make an invoice available for inspection by the Oregon Liquor and Cannabis Commission at**
14 **the request of the commission.**

15 **(3) The commission may adopt rules to carry out this section.**

16 **SECTION 3. ORS 471.001 is amended to read:**

17 471.001. As used in this chapter and ORS chapter 473:

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

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 (B) If a for-profit private club, serves meals to the club's members and guests and complies with
 2 any minimum membership and food service requirements established by Oregon Liquor and Cannabis
 3 Commission rules.

4 (3) "Commission" means the Oregon Liquor and Cannabis Commission.

5 (4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage.
 6 "Distilled liquor" includes distilled spirits.

7 (5) "Licensee" means any person holding a license issued under this chapter.

8 (6)(a) "Malt beverage" means beer, ale, porter, stout and other similar fermented beverages that
 9 contain *[more than]* one-half of one percent **or more of alcohol by volume** and not more than 16
 10 percent of alcohol by volume and that are brewed or produced from malt, wholly or in part, or from
 11 rice, grain, bran, glucose, sugar or molasses as a substitute for malt.

12 (b) "Malt beverage" does not include cider, mead, sake or wine.

13 (7) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends
 14 an alcoholic beverage within this state or who imports or causes to be imported into this state an
 15 alcoholic beverage for sale or distribution within the state.

16 (8) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.385.

17 (9) "Premises" or "licensed premises" means a location licensed under this chapter and
 18 *[includes]* all enclosed areas at the location that are used in the business operated at the location,
 19 including **but not limited to** offices, kitchens, rest rooms, *[and]* storerooms, *[including]* all public
 20 and private areas where patrons are permitted to be present. *"Premises" or "licensed premises" in-*
 21 *cludes* **and** areas outside of a building that the commission has specifically designated as approved
 22 for alcoholic beverage service or consumption.

23 (10) "Regulatory specialist" means a full-time employee of the commission who is authorized to
 24 act as an agent of the commission in conducting inspections or investigations, making arrests and
 25 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing
 26 this chapter, ORS 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 and
 27 475C.600 to 475C.648, commission rules and any other statutes the commission considers related to
 28 regulating liquor, marijuana or marijuana-derived products.

29 *[(11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit for*
 30 *beverage purposes that is not a malt beverage, containing more than one-half of one percent of alcohol*
 31 *by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified wine. "Wine"*
 32 *does not include cider.]*

33 **(11)(a) "Wine" means, when fit for beverage purposes and containing one-half of one**
 34 **percent or more of alcohol by volume and not more than 21 percent of alcohol by volume:**

35 **(A) Fermented vinous liquor or fruit juice;**

36 **(B) Fortified wine; and**

37 **(C) Any other fermented beverage.**

38 **(b) "Wine" does not include:**

39 **(A) Cider; or**

40 **(B) An item described in paragraph (a) of this subsection if the item is a malt beverage**
 41 **as defined in this section.**

42 **SECTION 4.** ORS 471.038 is amended to read:

43 471.038. (1) Nonbeverage food products described in subsection (6) of this section may be sold
 44 at retail by any holder of a license issued by the Oregon Liquor and Cannabis Commission that
 45 authorizes the sale of alcoholic liquor at retail, or in any store operated by the commission under

1 the provisions of ORS 471.750. Any nonbeverage food product containing [*more than*] one-half of one
 2 percent **or more** of alcohol by volume must be clearly labeled to reflect the alcohol content of the
 3 product and clearly labeled on the front of the package to indicate that the product may not be sold
 4 to persons under 21 years of age.

5 (2) Except as provided by this section, sales of nonbeverage food products described in sub-
 6 section (6) of this section are subject to all provisions of this chapter, including the prohibitions on
 7 sales to persons under 21 years of age and the prohibitions on sales to persons who are visibly
 8 intoxicated.

9 (3) Nonbeverage food products described in subsection (6) of this section may be imported,
 10 stored and distributed in this state without a license issued by the commission. Nonbeverage food
 11 products described in subsection (6) of this section are not subject to the privilege taxes imposed
 12 by ORS chapter 473.

13 (4) Manufacturers of nonbeverage food products described in subsection (6) of this section are
 14 not subject to the provisions of ORS 471.392 to 471.400, 471.485, 471.490 or 471.495 or any other
 15 provision of this chapter relating to manufacturers of alcoholic liquor. A manufacturer of
 16 nonbeverage food products described in subsection (6) of this section may sell and deliver the
 17 product directly to a licensee authorized under this section to sell the product at retail.

18 (5) The holder of a distillery license issued under ORS 471.230 who is also a manufacturer of
 19 nonbeverage food products described in subsection (6) of this section may purchase distilled liquor
 20 directly from other distilleries.

21 (6) The provisions of this section apply only to nonbeverage food products that contain **at least**
 22 **one-half of one percent alcohol by volume but** not more than five percent alcohol by weight or
 23 10 percent alcohol by volume, whichever is greater.

24 **SECTION 5.** ORS 471.175, as amended by section 1, chapter 40, Oregon Laws 2024, is amended
 25 to read:

26 471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,
 27 malt beverages, cider and distilled liquor. Except as provided in this section and ORS 471.176, all
 28 alcoholic beverages sold under a full on-premises sales license must be consumed on the licensed
 29 premises.

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

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

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

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

34 (d) Public location that does not qualify for licensing under paragraphs (a) to (c) of this sub-
 35 section if:

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

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

39 (C) The location meets any minimum food service requirements established by Oregon Liquor
 40 and Cannabis Commission rule.

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

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

45 (4) The holder of a full on-premises sales license may purchase any distilled liquor from an agent

1 of the commission appointed pursuant to ORS 471.750 at a discount of not more than five percent
2 off the regular listed price fixed by the commission, together with all taxes, in a manner prescribed
3 by commission rule. For purposes of compensation by the commission, the appointed agent shall be
4 credited with such sales at full retail cost. The commission may not require the licensee to purchase
5 more than one container of distilled liquor at a time if the distilled liquor:

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

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

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

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

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

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

18 (7) The holder of a full on-premises sales license may sell for consumption off the licensed
19 premises malt beverages, wine and cider in securely covered containers provided by the consumer
20 that have capacities of not more than two gallons each.

21 (8) The holder of a full on-premises sales license may sell for consumption off the licensed
22 premises malt beverages, wine and cider in factory-sealed containers.

23 (9)(a) The holder of a full on-premises sales license may deliver malt beverages, wine and cider
24 that are sold for off-premises consumption under the privileges of the license to retail customers in
25 this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the licensee
26 are subject to any rules adopted by the commission relating to deliveries made under this sub-
27 section.

28 (b) The holder of a full on-premises sales license that uses a third-party delivery facilitator to
29 make deliveries under this subsection is not responsible for ensuring that the deliveries made by the
30 third-party delivery facilitator meet any requirements applicable to the deliveries.

31 (10) On or before the 20th day of each month, the holder of a full on-premises sales license
32 *[shall]* **may** submit to the commission a report showing the quantity of malt beverages, wine or cider
33 received from the holder of a direct to retailer permit issued under ORS 471.274 during the imme-
34 diately preceding calendar month, and any other information required by the commission by rule.

35 (11) A nonprofit private club, including but not limited to a fraternal or veterans organization,
36 may qualify for a full on-premises sales license under this section only if the club meets any mini-
37 mum membership, nonprofit status and food service requirements established by commission rule.

38 (12) Beginning January 1, 2017, the commission may annually adjust the price threshold estab-
39 lished in subsection (4)(a) of this section by a percentage equal to the percentage change in the
40 Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bu-
41 reau of Labor Statistics of the United States Department of Labor. However, the commission may
42 not adjust the price threshold to be less than \$30.

43 (13) An applicant for a full on-premises sale license that intends to offer alcoholic beverages for
44 consumption on the licensed premises shall at the time of application apply for a service permit
45 under ORS 471.375.

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

SECTION 6. ORS 471.178, as amended by section 2, chapter 40, Oregon Laws 2024, is amended to read:

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

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

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

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

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

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

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

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

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

(9) The commission may adopt rules to carry out this section.

SECTION 7. ORS 471.186 is amended to read:

471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of malt beverages, wine and cider for consumption off the licensed premises.

(2) The holder of an off-premises sales license may sell for consumption off the licensed premises malt beverages, wine and cider in securely covered containers supplied by the consumer and that have capacities of not more than two gallons each.

(3) The holder of an off-premises sales license may provide sample tasting of alcoholic beverages on the licensed premises if the licensee applies in writing to the Oregon Liquor and Cannabis Commission and receives written approval from the commission to conduct tastings on the premises. Tastings must be limited to the alcoholic beverages that may be sold under the privileges of the license.

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

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

4 (6)(a) The holder of an off-premises sales license may deliver malt beverages, wine or cider that
5 is sold under the privileges of the license to retail customers in this state without a direct shipper
6 permit issued under ORS 471.282. The holder of an off-premises sales license may use a contractor,
7 an agent or employee of the holder, or may use a delivery person or a third-party delivery
8 facilitator, to make the deliveries described in this subsection. Any deliveries by the holder of an
9 off-premises sales license are subject to any rules adopted by the commission relating to deliveries
10 made under this subsection.

11 (b) The holder of an off-premises sales license shall ensure that deliveries under this subsection
12 made by a contractor or an agent or employee of the holder:

13 (A) Are made only to a person who is at least 21 years of age;

14 (B) Are made only for personal use and not for the purpose of resale;

15 (C) Are made in containers that are conspicuously labeled with the words: "CONTAINS AL-
16 COHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY" or
17 similar language adopted by the commission by rule; and

18 (D) Are not completed unless the contractor, agent or employee making the delivery:

19 (i) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

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

22 (iii) Determines that the recipient is not visibly intoxicated at the time of delivery.

23 (c) The holder of an off-premises sales license that uses a third-party delivery facilitator to make
24 deliveries under this subsection is not responsible for ensuring that deliveries made by the third-
25 party delivery facilitator meet the requirements of this subsection.

26 (7) Any person who knowingly or negligently delivers malt beverages, wine or cider under the
27 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-
28 livers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated
29 person, violates ORS 471.410.

30 (8) If a court determines that deliveries of malt beverages, wine or cider under subsection (6)
31 of this section cannot be restricted to holders of off-premises sales licenses, and the decision is a
32 final judgment that is no longer subject to appeal, the holder of an off-premises sales license may
33 not make deliveries of malt beverages, wine or cider under the provisions of subsection (6) of this
34 section after entry of the final judgment.

35 (9) The holder of an off-premises sales license may purchase for sale at retail malt beverages,
36 wine and cider only from the holder of a license or permit issued by the commission that authorizes
37 sales of malt beverages, wine or cider at wholesale to licensees of the commission.

38 (10) On or before the 20th day of each month, the holder of an off-premises sales license *[shall]*
39 **may** submit to the commission a report showing the quantity of malt beverages, wine or cider re-
40 ceived from the holder of a direct to retailer permit issued under ORS 471.274 during the imme-
41 diately preceding calendar month, and any other information required by the commission by rule.

42 (11) The commission may adopt rules to carry out this section.

43 **SECTION 8.** ORS 471.190, as amended by section 3, chapter 40, Oregon Laws 2024, is amended
44 to read:

45 471.190. (1) The holder of a temporary sales license may sell:

- 1 (a) At retail by the drink wine, malt beverages, cider and distilled liquor.
- 2 (b) For consumption off the licensed premises wine, malt beverages and cider in factory-sealed
3 containers.
- 4 (c) For consumption off the licensed premises wine, malt beverages and cider in securely covered
5 containers supplied by the consumer and having capacities of not more than two gallons each.
- 6 (2) Distilled liquor served by the holder of a temporary sales license must be purchased from a
7 retail sales agent of the Oregon Liquor and Cannabis Commission. The holder of a temporary sales
8 license must provide food service as required by commission rule.
- 9 (3) A temporary sales license may be issued only to:
- 10 (a) Nonprofit or charitable organizations that are registered with the state.
- 11 (b) A political committee that has filed a statement of organization under ORS 260.039 or
12 260.042.
- 13 (c) State agencies.
- 14 (d) Local governments, and agencies and departments of local governments.
- 15 (e) Persons not otherwise described in this subsection, as long as the applicant submits a plan
16 that is approved by the commission detailing how minors will be prevented from gaining access to
17 alcoholic beverages and how minors will be prevented from gaining access to any portion of the li-
18 censed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.
- 19 (4) The commission may by rule establish additional eligibility requirements for temporary sales
20 licenses.
- 21 (5) Subject to such qualifications as the commission may establish by rule, persons who hold a
22 full or limited on-premises sales license are eligible for temporary sales licenses.
- 23 (6) A temporary sales license issued to a person described in subsection (3)(a), (c) or (d) of this
24 section authorizes the holder of the temporary sales license to:
- 25 (a)(A)(i) Have on a single licensed premises more than one location at which wine, malt
26 beverages or cider is sold at retail by the drink or for consumption off the licensed premises; and
27 (ii) Have on a single licensed premises more than one location at which wine, malt beverages,
28 cider or distilled liquor is sold at retail by the drink; or
- 29 (B) Have up to three separate premises in this state licensed under the temporary sales license
30 at which wine, malt beverages or cider is sold for consumption off the licensed premises; and
- 31 (b) Operate for up to 30 days, whether or not the days are consecutive.
- 32 (7) The commission may adopt rules to carry out subsection (6) of this section.
- 33 (8) A person holding a temporary sales license is not required to obtain an intermittent tempo-
34 rary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mobile
35 unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service con-
36 tainers are served and only nonperishable food items that are exempted from licensure by the
37 Oregon Health Authority are served.
- 38 (9) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organ-
39 ization licensed under this section are not required to have service permits or temporary service
40 permits or to complete an alcohol server education program and examination under ORS 471.542.
41 The commission by rule may establish education requirements for servers described in this sub-
42 section.
- 43 (10) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a
44 nonprofit trade association that has a membership primarily composed of persons that hold winery
45 licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

1 (11) The holder of a temporary sales license that uses a third-party delivery facilitator to make
 2 deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the third-
 3 party delivery facilitator meet any requirements applicable to the deliveries.

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

7 (b) The holder of a temporary sales license that is an entity described in subsection (3)(a) to (d)
 8 of this section may accept donations of malt beverages, wine or cider in accordance with rules
 9 adopted by the commission.

10 (13) On or before the 20th day of each month, the holder of a temporary sales license *[shall]*
 11 **may** submit to the commission a report showing the quantity of malt beverages, wine or cider re-
 12 ceived from the holder of a direct to retailer permit issued under ORS 471.274 during the imme-
 13 diately preceding calendar month, and any other information required by the commission by rule.

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

15 **SECTION 9.** ORS 471.200, as amended by section 4, chapter 40, Oregon Laws 2024, is amended
 16 to read:

17 471.200. (1) A brewery-public house license allows the licensee to:

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

20 (b) Sell malt beverages manufactured on or off the licensed premises at retail for consumption
 21 on or off the premises;

22 (c) Sell malt beverages in brewery-sealed packages at retail directly to the consumer for con-
 23 sumption off the premises;

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

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

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

30 (g) Conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this sub-
 31 section at two locations other than the premises where the manufacturing occurs;

32 (h) Obtain a special events brewery-public house license entitling the holder to conduct the ac-
 33 tivities allowed under paragraphs (b) to (f) of this subsection at a designated location other than the
 34 location set forth in the brewery-public house license for a period not exceeding five days;

35 (i) Distribute malt beverages manufactured at the licensed premises to any other premises li-
 36 censed to the same licensee, whether a manufacturer, wholesaler or retail premises; and

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

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

41 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail
 42 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS
 43 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,
 44 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,
 45 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the

1 licensee, is also a manufacturer for the purposes of ORS 471.394 and, except as otherwise provided
2 by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other in-
3 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of
4 any other retail licensee, as defined in ORS 471.392.

5 (4)(a) Except as provided in this subsection, a brewery-public house licensee, or any person
6 having an interest in the licensee, is a retail licensee for the purposes of ORS 471.398 and, except
7 as otherwise provided by this section and ORS 471.400, may not accept directly or indirectly any
8 financial assistance described in ORS 471.398 from any manufacturer or wholesaler, as defined in
9 ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is
10 also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this sec-
11 tion and ORS 471.400, may not provide directly or indirectly any financial assistance described in
12 ORS 471.398 to any retail licensee, as defined in ORS 471.392. The prohibitions on financial assist-
13 ance in ORS 471.398 do not apply to financial assistance between manufacturing and retail busi-
14 nesses licensed to the same person under the provisions of this section.

15 (b) The commission may issue more than one brewery-public house license at a single premises
16 if each licensee:

17 (A) Has a valid Brewer's Notice issued by the federal Alcohol and Tobacco Tax and Trade Bu-
18 reau at the premises address; and

19 (B) Otherwise complies with ORS 471.398.

20 (c) A brewery-public house licensee may produce malt beverages for another brewery-public
21 house licensee under a custom order agreement. The commission may adopt rules regarding the
22 contents of custom order agreements.

23 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person
24 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A
25 brewery-public house licensee, or any person having an interest in the licensee, may also hold a
26 warehouse license authorized by ORS 471.242.

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

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

34 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any
35 person having an interest in the licensee, may also hold a distillery license. No provision of this
36 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-
37 pointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled
38 liquors under ORS 471.230.

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

41 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,
42 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does
43 not result in exercise of control over, or participation in the management of, the manufacturer's or
44 wholesaler's business or business decisions and does not result in exclusion of any competitor's
45 brand of alcoholic liquor.

1 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,
2 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly
3 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-
4 sult in exercise of control over, or participation in the management of, the licensee's business or
5 business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

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

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

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

12 (12) On or before the 20th day of each month, a brewery-public house licensee [*shall*] **may** sub-
13 mit to the commission a report showing the quantity of malt beverages, wine or cider received from
14 the holder of a direct to retailer permit issued under ORS 471.274 during the immediately preceding
15 calendar month, and any other information required by the commission by rule.

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

18 (14) The holder of a brewery-public house license that uses a third-party delivery facilitator to
19 make deliveries on behalf of the holder is not responsible for ensuring that deliveries made by the
20 third-party delivery facilitator meet any requirements applicable to the deliveries.

21 (15) An applicant for a brewery-public house license that intends to offer alcoholic beverages for
22 consumption on the licensed premises shall at the time of application apply for a service permit
23 under ORS 471.375.

24 (16) The commission may adopt rules to carry out this section.

25 **SECTION 10. (1) Section 2 of this 2025 Act and the amendments to ORS 471.001, 471.038,**
26 **471.175, 471.178, 471.186, 471.190 and 471.200 by sections 3 to 9 of this 2025 Act become opera-**
27 **tive on January 1, 2026.**

28 **(2) The Oregon Liquor and Cannabis Commission may take any action before the opera-**
29 **tive date specified in subsection (1) of this section that is necessary to enable the commission**
30 **to exercise, on and after the operative date specified in subsection (1) of this section, all of**
31 **the duties, functions and powers conferred on the commission by section 2 of this 2025 Act**
32 **and the amendments to ORS 471.001, 471.038, 471.175, 471.178, 471.186, 471.190 and 471.200 by**
33 **sections 3 to 9 of this 2025 Act.**

34 **SECTION 11. This 2025 Act takes effect on the 91st day after the date on which the 2025**
35 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

36