

**B-Engrossed**  
**Senate Bill 583**

Ordered by the House June 10  
Including Senate Amendments dated April 16 and House Amendments  
dated June 10

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

**Corrected 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.

*[Allows brewery-public house licensee to also hold interest in off-premises sales licensee. Allows brewery-public house licensee to distribute malt beverages manufactured by licensee to other premises of same licensee. Increases yearly amount brewery-public house licensee may sell at wholesale and distribute to Oregon Liquor Control Commission licensees.]*

Changes frequency for holder of direct shipper permit to report wine and cider shipments made to Oregon residents.

**Authorizes holder of off-premises sales license or direct shipper permit to deliver malt beverages for delivery to consumer or to ship malt beverages for delivery to consumer. Creates exception.**

**Allows brewery licensee to sell growlers of malt beverages brewed on premises. Allows brewery licensee to sell malt beverages brewed on premises for off-premises consumption.**

*[Declares emergency, effective on passage.]*

**A BILL FOR AN ACT**

1  
2 Relating to alcoholic beverages; amending ORS 471.186, 471.220, 471.223, 471.242, 471.282 and  
3 471.404.

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

5 **SECTION 1.** ORS 471.186 is amended to read:

6 471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of **malt**  
7 **beverages**, wine[, *malt beverages*] and cider. Factory-sealed containers of malt beverages sold under  
8 the license may not hold more than two and one-quarter gallons.

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

12 (3) The holder of an off-premises sales license may provide sample tasting of alcoholic beverages  
13 on the licensed premises if the licensee makes written application to the Oregon Liquor Control  
14 Commission and receives approval from the commission to conduct tastings on the premises.  
15 Tastings must be limited to the alcoholic beverages that may be sold under the privileges of the li-  
16 cense.

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

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

21 (6) The holder of an off-premises sales license may deliver **malt beverages**, wine or cider that  
22 is sold under the privileges of the license to retail customers in this state without a direct shipper

**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 permit issued under ORS 471.282. Any deliveries by the holder of an off-premises sales license are  
2 subject to any rules adopted by the commission relating to deliveries made under this subsection.

3 Deliveries under this subsection:

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

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

6 (c) Must be made in containers that are conspicuously labeled with the words: "CONTAINS  
7 ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR  
8 DELIVERY."

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

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

13 (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
14 21 years of age; and

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

16 (8) Any person who knowingly or negligently delivers **malt beverages**, wine or cider under the  
17 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-  
18 livers **malt beverages**, wine or cider under the provisions of this section to a visibly intoxicated  
19 person, violates ORS 471.410.

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

25 **SECTION 2.** ORS 471.220 is amended to read:

26 471.220. (1) A brewery license shall allow the manufacture, importation, storage, transportation,  
27 wholesale sale and distribution to licensees of the Oregon Liquor Control Commission, and the ex-  
28 port of malt beverages. A brewery licensee may not sell within the State of Oregon any beer con-  
29 taining more than six percent alcohol by volume. Except as provided in subsection (2) of this section,  
30 a brewery licensee may not sell malt beverages for consumption on the licensed premises.

31 (2) A brewery licensee may:

32 (a) Sell malt beverages brewed on the licensed premises **at retail** for consumption on **or off** the  
33 licensed premises; *[and]*

34 **(b) Sell in securely covered containers supplied by the consumer and having a capacity**  
35 **of not more than two gallons each, malt beverages brewed on the licensed premises, for**  
36 **off-premises consumption; and**

37 *[(b)]* (c) Sell *[malt beverages brewed on the licensed premises]*, in quantities of not less than four  
38 gallons, **malt beverages brewed on the licensed premises**, to an unlicensed organization, lodge,  
39 picnic party or private gathering. An unlicensed organization, lodge, picnic party or private gath-  
40 ering may not resell the malt beverages that a brewery licensee sells under this paragraph.

41 **SECTION 3.** ORS 471.223 is amended to read:

42 471.223. (1) As used in this section, "control" means that the licensee:

43 (a) Owns the brand under which the wine or cider is labeled; or

44 (b) Performs or has the legal right to perform all of the acts common to a brand owner under  
45 the terms of a trademark license or similar agreement that for the brand under which the wine or

1 cider is labeled has a term of at least three years.

2 (2) A winery license shall allow the licensee:

3 (a) To import wine or cider in containers that have a capacity of more than four liters.

4 (b) To import wine or cider in containers that have a capacity of four liters or less if the brand  
5 of wine or cider is under the control of the licensee.

6 (c) To bottle, produce, blend, store, transport or export wines or cider.

7 (d) To sell wines or cider at wholesale to the Oregon Liquor Control Commission or to licensees  
8 of the commission.

9 (e) To sell wines or cider at retail directly to the consumer for consumption on or off the li-  
10 censed premises.

11 (f) To sell malt beverages at retail for consumption on or off the licensed premises.

12 (g) To sell for consumption off the premises malt beverages, wines and cider in securely covered  
13 containers supplied by the consumer and having capacities of not more than two gallons each.

14 (h) To conduct any activities described in paragraphs (a) to (g) of this subsection at a second  
15 or third premises as may be designated by the commission.

16 (i) To purchase from or through the commission brandy or other distilled liquors for fortifying  
17 wines.

18 (j) To obtain a special events winery license that shall entitle the holder to conduct the activ-  
19 ities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the  
20 one set forth in the winery license for a period not to exceed five days.

21 (3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from  
22 the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

23 (4) In order to hold a winery license the licensee shall:

24 (a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued  
25 by the federal Alcohol and Tobacco Tax and Trade Bureau; or

26 (b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol  
27 and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under par-  
28 agraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine  
29 or cider that is under the control of the licensee.

30 (5) A winery licensee may sell and ship **malt beverages**, wine or cider directly to a resident  
31 of this state only if the licensee has a direct shipper permit issued under ORS 471.282.

32 (6)(a) Except as provided in paragraph (b) of this subsection, a winery licensee, or any person  
33 having an interest in the licensee, may also hold a full on-premises sales license. If a person holds  
34 both a winery license and a full on-premises sales license, nothing in this chapter shall prevent the  
35 sale by the licensee of both distilled liquor and wine or cider bottled and produced under the winery  
36 license.

37 (b) The commission may not issue a full on-premises sales license to a winery licensee under the  
38 provisions of this subsection if the winery licensee, or any person having an interest in the licensee  
39 or exercising control over the licensee, is a brewery that brews more than 200,000 barrels of malt  
40 beverages annually or a winery that produces more than 200,000 gallons of wine or cider annually.

41 (7) More than one winery licensee may exercise the privileges of a winery license at a single  
42 location. The commission may not refuse to issue a winery license to a person for the production  
43 of wine or cider on specified premises based on the fact that other winery licensees also produce  
44 wine or cider on those premises.

45 (8) If a winery licensee does not possess at a bonded premises within Oregon a valid producer

1 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the  
2 licensee may exercise the privileges described in this section only for wine and cider brands that  
3 are under the control of the licensee.

4 **SECTION 4.** ORS 471.242 is amended to read:

5 471.242. (1) A warehouse license shall allow the licensee to store, import, bottle, produce, blend,  
6 transport and export nontax paid, bonded wine or wine on which the tax is paid and to store, import  
7 and export nontax paid malt beverages and cider, or malt beverages and cider on which the tax is  
8 paid. Wine, cider and malt beverages may be removed from the licensed premises only for:

9 (a) Sale for export;

10 (b) Sale or shipment to a wholesale malt beverage and wine licensee;

11 (c) Sale or shipment to another warehouse licensee;

12 (d) Sale or shipment to a winery licensee;

13 (e) Shipment of wine or cider produced by a winery licensee to a licensee of the Oregon Liquor  
14 Control Commission authorized to sell wine or cider at retail if the shipment is made pursuant to  
15 a sale to the retail licensee by the holder of a winery license issued under ORS 471.223, a grower  
16 sales privilege license issued under ORS 471.227 or a wholesale malt beverage and wine license is-  
17 sued under ORS 471.235; or

18 (f) Shipment of **malt beverages**, wine or cider to a person for personal use, as described in  
19 subsection (7) of this section.

20 (2) A license applicant must hold an approved registration for a bonded wine cellar or winery  
21 under federal law.

22 (3) For the purposes of tax reporting, payment and record keeping, the provisions that shall  
23 apply to a manufacturer under ORS chapter 473 shall apply to a warehouse licensee.

24 (4) A warehouse must be physically secure in an area zoned for the intended use and be phys-  
25 ically separated from any other use.

26 (5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall be considered a man-  
27 ufacturer.

28 (6) For purposes of ORS 473.045, a warehouse licensee shall be considered a winery licensee.

29 (7) **Malt beverages**, wine or cider may be removed from the premises licensed under this section  
30 for shipment pursuant to a sale under ORS 471.282. The warehouse licensee shall take reasonable  
31 steps to ensure that shipments are made in containers that are conspicuously labeled with the  
32 words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER RE-  
33 QUIRED FOR DELIVERY." In addition, the warehouse licensee shall take reasonable steps to en-  
34 sure that any carrier used by the licensee does not deliver any **malt beverages**, wine or cider  
35 unless the carrier:

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

37 (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
38 21 years of age; and

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

40 **SECTION 5.** ORS 471.282 is amended to read:

41 471.282. (1) Notwithstanding any other provision of this chapter and except as provided by ORS  
42 471.186 (6), a person may sell and ship **malt beverages**, wine or cider directly to a resident of  
43 Oregon only if the person holds a direct shipper permit. The Oregon Liquor Control Commission  
44 shall issue a direct shipper permit only to:

45 (a) A person that holds a license issued by this state or another state that authorizes the man-

1 manufacture of **malt beverages**, wine or cider;

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

4 (c) A person that holds a license authorizing the sale of **malt beverages**, wine or cider at retail;  
5 or

6 (d) A nonprofit trade association that holds a temporary sales license under ORS 471.190 and  
7 that has a membership primarily composed of persons holding winery licenses issued under ORS  
8 471.223 or grower sales privilege licenses issued under ORS 471.227.

9 **(2) The holder of a direct shipper permit that is a licensee of another state may deliver**  
10 **malt beverages under the permit only if that other state makes direct shipper permits, or**  
11 **the equivalent, available for the delivery of malt beverages by persons holding a license is-**  
12 **ssued by the commission authorizing the manufacture or retail sale of malt beverages.**

13 [(2)(a)] **(3)(a)** A person may apply for a direct shipper permit by filing an application with the  
14 commission. The application must be made in such form as may be prescribed by the commission.

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

17 (c) If the application is based on a license issued by another state, the person must include in  
18 the application a true copy of the license issued to the person by the other state or include sufficient  
19 information to allow verification of the license by electronic means or other means acceptable to the  
20 commission.

21 (d) If the application is based on a license issued by another state, or the application is by a  
22 nonprofit trade association described in subsection (1)(d) of this section, the person or association  
23 must pay a \$50 registration fee and maintain a bond or other security described in ORS 471.155 in  
24 the minimum amount of \$1,000.

25 [(3)] **(4)** Sales and shipments under a direct shipper permit:

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

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

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

30 [(4)] **(5)** Sales and shipments under a direct shipper permit must be made directly to a resident  
31 of this state in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL:  
32 SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

33 [(5)] **(6)** A person holding a direct shipper permit must take all actions necessary to ensure that  
34 a carrier used by the permit holder does not deliver any **malt beverages**, wine or cider unless the  
35 carrier:

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

37 (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
38 21 years of age; and

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

40 [(6)(a)] **(7)(a)** A person holding a direct shipper permit must report to the commission **on a**  
41 **quarterly basis** all shipments of **malt beverages**, wine or cider made to Oregon residents under  
42 the permit [*as required by ORS chapter 473*]. The report must be made in a form prescribed by the  
43 commission.

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

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

4 [(7)(a)] **(8)(a)** A person holding a direct shipper permit must timely pay to the commission all  
5 taxes imposed under ORS chapter 473 on **malt beverages**, wine and cider sold and shipped under  
6 the permit. For the purpose of the privilege tax imposed under ORS chapter 473, all **malt**  
7 **beverages**, wine or cider sold and shipped pursuant to a direct shipper permit is sold in this state.

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

12 [(8)] **(9)** A direct shipper permit must be renewed annually. If the person holds the permit based  
13 on an annual license issued by another state, the person may renew the permit by paying a \$50 re-  
14 newal fee and providing the commission with a true copy of a current license issued to the person  
15 by the other state or with sufficient information to allow verification of the license by electronic  
16 means or other means acceptable to the commission. If the person holds the permit based on an  
17 annual license issued by this state, the person may renew the permit at the same time that the  
18 person renews the license.

19 [(9)] **(10)** The commission may refuse to issue or may suspend or revoke a direct shipper permit  
20 if the permit holder fails to comply with the provisions of this section. A person may sell and ship  
21 **malt beverages**, wine or cider under a direct shipper permit only for as long as the person has the  
22 license issued by this state or another state that authorizes the person to hold a direct shipper  
23 permit. **A direct shipper permit does not authorize the shipment of malt beverages by a per-**  
24 **mit holder described in subsection (1)(b) of this section or lacking authority as provided un-**  
25 **der subsection (2) of this section.**

26 [(10)] **(11)** Any person who knowingly or negligently delivers **malt beverages**, wine or cider  
27 under the provisions of this section to a person under 21 years of age, or who knowingly or  
28 negligently delivers **malt beverages**, wine or cider under the provisions of this section to a visibly  
29 intoxicated person, violates ORS 471.410.

30 [(11)] **(12)** A person may not make sales and shipments of **malt beverages**, wine or cider di-  
31 rectly to Oregon residents unless the person holds a direct shipper permit issued under this section.  
32 Any person who knowingly makes, participates in, transports, imports or receives a shipment of  
33 **malt beverages**, wine or cider that is in violation of this section commits a misdemeanor as pro-  
34 vided in ORS 471.990 (1).

35 **SECTION 6.** ORS 471.404 is amended to read:

36 471.404. (1) Alcoholic liquor may not be imported into this state by any person other than a  
37 holder of a brewery, winery, distillery or wholesaler's license, except as follows:

38 (a) Alcoholic liquor ordered by and en route to the Oregon Liquor Control Commission, under  
39 a certificate of approval issued by the commission.

40 (b) Wines for sacramental purposes according to rules adopted by the commission.

41 (c) Alcoholic liquor that is in transit on a common carrier to a destination outside Oregon.

42 (d) Alcoholic liquor coming into Oregon on a common carrier according to orders placed by a  
43 licensed brewery, winery or wholesaler.

44 (e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing, mechanical or indus-  
45 trial use, under a certificate of approval issued by the commission.

1 (f) Wine or cider that is sold and transported by the holder of a wine self-distribution permit to  
2 a retail licensee that has the endorsement described in ORS 471.274 (5).

3 (g) **Malt beverages**, wine or cider shipped directly to a resident of this state under a direct  
4 shipper permit issued pursuant to ORS 471.282.

5 (2) The commission may require importers of alcoholic liquor to pay a reasonable handling fee  
6 based on the quantity and type of alcoholic liquor being imported.

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