

# Senate Bill 623

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

## 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**.

Eliminates malt beverage and wine production restriction on winery licensee, or person having interest in winery licensee, that acquires full on-premises sales license. Revises language regarding activities under licenses.

## A BILL FOR AN ACT

1  
2 Relating to alcohol; amending ORS 471.223.

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

4 **SECTION 1.** ORS 471.223 is amended to read:

5 471.223. (1) As used in this section, "control" means that the licensee:

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

7 (b) Performs or has the legal right to perform all of the acts common to a brand owner under  
8 the terms of a trademark license or similar agreement that for the brand under which the wine or  
9 cider is labeled has a term of at least three years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **(6) A winery licensee, or a person having an interest in the licensee, may also hold a full**  
 18 **on-premises sales license. If a winery licensee, or a person having an interest in the licensee,**  
 19 **also holds a full on-premises sales license, the provisions of this chapter do not prevent the**  
 20 **licensee or person from both selling wine or cider bottled and produced under the winery li-**  
 21 **cence and selling alcoholic liquor as authorized under the full on-premises sales license.**

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

26 (8) If a winery licensee does not possess at a bonded premises within Oregon a valid producer  
 27 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the  
 28 licensee may exercise the privileges described in this section only for wine and cider brands that  
 29 are under the control of the licensee.

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