

House Bill 2159

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Special Committee on Small Business Growth)

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**.

Changes definition of "cider" for purposes of alcohol control laws and alcohol taxation laws. Exempts licensee producing only cider from certain winery licensee requirements regarding federal permits.

A BILL FOR AN ACT

1
2 Relating to cider; amending ORS 471.023, 471.223 and 473.015.

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

4 **SECTION 1.** ORS 471.023 is amended to read:

5 471.023. For the purposes of this chapter, "cider" means an alcoholic beverage made from the
6 fermentation of the juice of apples or pears that contains not more than *[seven]* **8.5** percent of al-
7 cohool by volume, including, but not limited to, flavored, sparkling or carbonated cider.

8 **SECTION 2.** ORS 471.223 is amended to read:

9 471.223. (1) As used in this section, "control" means that the licensee:

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

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

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

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

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

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

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

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

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

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

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

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

30 (j) To obtain a special events winery license that shall entitle the holder to conduct the activ-

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.

ities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the one set forth in the winery license for a period not to exceed five days.

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

(4) **Except as provided in subsection (5) of this section**, in order to hold a winery license the licensee shall:

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

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

(5) Subsection (4) of this section does not apply if a licensee produces only cider under the winery license.

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

[(6)(a)] (7)(a) Except as provided in paragraph (b) of this subsection, a winery licensee, or any person having an interest in the licensee, may also hold a full on-premises sales license. If a winery licensee, or a person having an interest in the licensee, also holds a full on-premises sales license, the provisions of this chapter do not prevent the licensee or person from both selling wine or cider bottled and produced under the winery license and selling alcoholic liquor as authorized under the full on-premises sales license.

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

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

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

SECTION 3. ORS 473.015 is amended to read:

473.015. For the purposes of this chapter, "cider" means an alcoholic beverage made from the fermentation of the juice of apples or pears that contains not less than one-half of one percent and not more than [seven] **8.5** percent of alcohol by volume, including, but not limited to, flavored, sparkling or carbonated cider.