

# House Bill 2567

Sponsored by Representatives WILLIAMSON, MCKEOWN, DOHERTY; Representatives BOONE, BUCKLEY, CLEM, EVANS, FAGAN, FREDERICK, GOMBERG, GORSEK, HELM, HOLVEY, LININGER, LIVELY, MCLAIN, NATHANSON, NOSSE, READ, REARDON, SMITH WARNER, TAYLOR, VEGA PEDERSON (Pre-session filed.)

## 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**.

Authorizes appointment of distillery licensee as distillery retail outlet agent for distiller consenting to appointment. Allows distillery licensee to conduct tastings and sales of distilled liquor produced by distiller for which distillery licensee is distillery retail outlet agent. Allows compensation agreement between distiller and distillery licensee acting as distillery retail outlet agent of distiller.

## A BILL FOR AN ACT

1  
2 Relating to the appointment of distillery licensees as distillery retail outlet agents; amending ORS  
3 471.230.

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

5 **SECTION 1.** ORS 471.230 is amended to read:

6 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,  
7 denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell  
8 the spirits to the Oregon Liquor Control Commission and to transport the spirits out of this state  
9 for sale outside this state. Distillery licensees are permitted to purchase from and through the  
10 commission alcoholic beverages for blending and manufacturing purposes upon such terms and con-  
11 ditions as the commission may provide. A distillery licensee may not sell any alcoholic beverage  
12 within this state except to the commission or as provided in this section. However, any agricultural  
13 producer or association of agricultural producers or the legal agents of an agricultural producer or  
14 association of agricultural producers that manufactures and converts agricultural surpluses, by-  
15 products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are  
16 not required to obtain a license from the commission.

17 (2) A distillery licensee may:

18 (a) Permit tastings of the distilled liquor manufactured by the distillery licensee **or, as provided**  
19 **in paragraph (c) of this subsection, by another distiller for which the distillery licensee is a**  
20 **distillery retail outlet agent**. The tastings may be conducted on the licensed premises of the  
21 distillery and at no more than five other premises owned or leased by the licensee. The licensee  
22 **producing the distilled liquor** must purchase the distilled liquor from the commission.

23 (b) Obtain a special events distillery license.

24 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of  
25 retailing, [*only distilled liquor that the licensee manufactured in Oregon*] at locations where tastings  
26 are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section, **distilled**  
27 **liquor manufactured by the licensee or another distiller. The commission may appoint a**  
28 **distillery licensee to act as a distillery retail outlet agent for another distiller licensed under**

**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 **this section or issued a certificate of approval under ORS 471.251 that consents in writing**  
 2 **to the appointment. The appointment may be without a fixed expiration date or for a speci-**  
 3 **fied period. If the appointment is for a specified period, the commission may limit the ap-**  
 4 **pointment to one or more locations described in this subsection or subsection (4) of this**  
 5 **section. Notwithstanding ORS 471.392 to 471.400, subject to review and approval by the com-**  
 6 **mission, a distiller and a distillery licensee may enter into an agreement for the distiller to**  
 7 **compensate the distillery licensee for being a distillery retail outlet agent of the distiller.**

8 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises  
 9 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-  
 10 cense for one other location. All distilled spirits sold under the full on-premises sales license must  
 11 be purchased from the commission.

12 (4)(a) A distillery licensee that holds a special events distillery license may conduct an event  
 13 on a premises at a designated location other than the location set forth in the distillery license for  
 14 a period not exceeding five days. A distillery licensee conducting an event may:

15 (A) Permit tastings of distilled liquor manufactured by the distillery **licensee or by any distiller**  
 16 **for which the distillery licensee is a distillery retail outlet agent.**

17 (B) Permit sales by the drink of distilled liquor manufactured by the distillery **licensee or by**  
 18 **any distiller for which the distillery licensee is a distillery retail outlet agent.**

19 (C) If the distillery licensee has been appointed as a distillery retail outlet agent under sub-  
 20 section (2)(c) of this section, sell factory sealed containers of distilled liquor manufactured by the  
 21 distillery **or another distiller identified in the appointment** for consumption off the licensed  
 22 premises of the event.

23 (b) **Except as provided in subsection (5) of this section,** a distillery licensee that holds a  
 24 special events distillery license:

25 (A) Must purchase distilled liquor that the licensee uses for conducting tastings at the event  
 26 from the commission at the price set by the commission for distilled liquor removed from bond for  
 27 tastings.

28 (B) Must purchase distilled liquor that the licensee uses for sales by the drink at the event at  
 29 the retail price set by the commission for the month in which the distilled liquor is sold by the  
 30 drink.

31 (C) Must purchase distilled liquor that the licensee sells in factory sealed containers at the  
 32 event at the retail price set by the commission for the month in which the licensee makes the pur-  
 33 chase.

34 (D) Must sell distilled liquor described in subparagraph (C) of this paragraph at the retail price  
 35 set by the commission for the month in which the licensee makes the sale.

36 **(5) If the distillery licensee that holds a special events distillery license is a distillery**  
 37 **retail outlet agent for another distiller, the distiller manufacturing the distilled liquor is re-**  
 38 **sponsible for purchasing distilled liquor under subsection (4)(b) of this section.**

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