

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
140 STATE CAPITOL BUILDING
SALEM, OREGON 97310
378-8873

REVENUE ANALYSIS OF PROPOSED LEGISLATION
1985 REGULAR SESSION

BILL NUMBER	TAX AREA	ECONOMIST	DATE
SB 813	LIQUOR LICENSES FEES	YATES	6/12/85

Description:

Creates a bed and breakfast license to permit the sale of beer and wine. License may be issued to the owner or operator of a private residence that is not a boarding house but that accommodates transients for a limited duration. The license fee is \$5.00 per guest unit.

Creates a Brewery-Public House license for manufacturers producing less than 25,000 barrels of malt beverage. Allows retail sale. Licensee is eligible to hold a winery license, a retail malt beverage license and special one-day beer licenses but not a brewery license or wholesale malt beverage and wine license. The license fee is \$250 and a \$1,000 bond is required.

Revenue Impact:

This revenue impact assumes that motels do not qualify for bed and breakfast licenses. There are currently about 100 establishments which would qualify and offer about 300 guest units. While growth in the number of bed and breakfast establishments is expected it is not anticipated that all establishments will serve beer or wine. Assuming 300 guest units per year the bed and breakfast license will yield \$3,000 for the 1985-87 biennium.

Assuming 100 Brewery-Public House licenses per year, this would increase liquor revenues for the 1985-87 biennium by \$50,000. This increase could be reduced or become a net revenue loss through a reduction in the \$2.60 per barrel tax on malt liquor. This offset requires that sales by these breweries, which may qualify for tax credits against investments in Oregon, replace sales by major breweries. No net revenue impact is estimated assuming that each brewery captures about 100 barrels per year in sales from major manufacturers or importers.

1985 Regular Legislative Session
 FISCAL ANALYSIS OF PROPOSED LEGISLATION
 Prepared by the Executive and the Legislative Fiscal Office

MEASURE NUMBER: SB 813
 STATUS: A-Engrossed
 SUBJECT: Establishes brewery-public house license and allows licensees to brew and sell malt beverages up to eight percent alcohol.
 Establishes "bed and breakfast" wine and beer license.
 GOVERNMENT UNIT AFFECTED: Oregon Liquor Control Commission
 BUDGET AND MANAGEMENT ANALYST: --
 LEGISLATIVE FISCAL ANALYST: Kenneth Jones 6-13-85

EFFECT ON EXPENDITURES:	1985-87	1987-89
OLCC Administrative Costs	\$45,000 OF	\$92,000 OF

EFFECT ON REVENUES:

License Fees	\$25,000 OF	\$50,000 OF
Privilege Tax Loss	<u>-117,000 OF</u>	<u>-234,000 OF</u>
Total	-\$92,000 OF	-\$184,000 OF
Reduced Distributions		
Cities and Counties	-\$60,000 OF	-\$121,000 OF
General Fund	<u>-77,000 GF</u>	<u>-154,000 GF</u>
Total Reduced Distributions	-\$137,000	-\$276,000

COMMENTS:

The expenditure and revenue estimates are based upon an assumed number of "Brew-Pubs" numbering 50 in 1985-87 and 100 by the end of 1987-89. The loss in Privilege Tax revenues is for illustration purposes only and is based upon an assumed number of new "Brew-Pubs" which would be established and the assumption that patrons purchasing tax exempt beer at those establishments would have otherwise purchased taxable beer at some other location. The law currently exempts the first \$200,000 of sales by manufacturers of malt beverages when an equivalent amount of the tax is used to purchase plant, machinery or equipment used in the manufacture of malt beverages.

OREGON HOUSE OF REPRESENTATIVES

63rd Legislative Assembly

STAFF MEASURE ANALYSIS

MEASURE: SB 813 with amendments. Creates a bed and breakfast license to permit the sale and consumption of beer & wine to guests for consumption
Committee: only on the premises. The amendments add to the bill the creation of a new license, "brewery-public house" to allow
Hearing dates: micro breweries to manufacture and sell their products.
Consumer & Business Affairs May 30, June 4.
Explanation by: James Jones, Committee Administrator

PROBLEM ADDRESSED:

Under current law, bed and breakfast establishments cannot sell guests beer and/or wine or even "give" beer or wine to guests as a part of the services provided to travelers/tourists. Smaller establishments cannot afford a Retail Malt Beverage License because of low volume and a smaller scale operation.

For "microbreweries", the problem is that although current law allows them to brew malt beverages, they cannot sell their products on premises or at other microbreweries. This is a disadvantage and economic barrier to providing "tasting" or retail operations to familiarize visitors with their products.

Until prohibition, Oregon (particularly the Portland area) had numerous, locally-owned, small breweries. After prohibition ended, the era of mergers, acquisitions and growth prevailed. Recently, several of these small or "micro" breweries have once again begun to brew malt beverages in small quantities in the early European and Northwestern tradition. There are currently several of these "microbreweries" in the Portland area.

NOTE*** Comparatively, these small or tiny breweries produce around 1,000 to 6,000 31-gallon barrels annually while the yearly output of a brewery like Anheuser-Bush is over 50 million barrels.

FUNCTION OF THE MEASURE AS AMENDED:

The bill would accomplish two things:

1. Creation of a bed and breakfast license to permit the sale of wine and beer to guests of the establishment for consumption only on premises.
2. Creation of a "brewery-public house" license to allow "microbreweries" to manufacture and sell their products on their own premises or at the premises of other "microbreweries".

AMENDMENTS:

The amendments were all "friendly" and have the support of sponsors.

There was no testimony in opposition to the bill.

UNANIMOUS "AYE" VOTE: Schoon, Eachus, Sides, Anderson, Lindquist, McTeague.
Excused: Rijken.

CARRIER: ANDERSON

NOTE: This analysis is intended for information purposes only.

Enrolled

Senate Bill 813

Sponsored by Senators HANNON, BRADBURY, JERNSTEDT, OLSON, Representatives BROGOITTI, BUNN, BURROWS, CALOURI, CAMPBELL, HOOLEY, JOHNSON, D. E. JONES, MARKHAM, MILLER, PETERSON, TARZIAN (at the request of Edinburgh Lodge Bed and Breakfast, Ashland)

CHAPTER

AN ACT

Relating to alcoholic liquor; creating new provisions; amending ORS 471.290; and declaring an emergency.

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

SECTION 1. A bed and breakfast license may be issued to the owner or operator of a private residence that is not a boarding house but that accommodates transients for a limited duration and shall allow the sale or service by the licensee or any employe of malt beverages containing not more than eight percent of alcohol by weight, and wine containing not more than 21 percent of alcohol by volume to guests for consumption on the licensed premises only. The license does not permit sale or service to or consumption by the general public or employes of the premises.

SECTION 2. ORS 471.290 is amended to read:

471.290. (1) Any person desiring a license or renewal of a license shall make application to the commission upon forms to be furnished by the commission showing the name and address of the applicant, the applicant's citizenship, location of the place of business which is to be operated under the license, and such other pertinent information as the commission may require. No license shall be granted or renewed until the provisions of the Liquor Control Act and the rules of the commission have been complied with.

(2) Except as provided in this section, the commission shall assess a nonrefundable fee for processing each application for any license authorized by ORS chapter 471 or 472, in an amount equal to 25 percent of the annual license fee. The commission shall not begin to process any license application until the application fee is paid. If the commission allows an applicant to apply at the same time for alternative licenses at one premises, only the application fee for the most expensive license shall be required. If a license is granted or committed, the application fee of 25 percent shall be applied against the annual license fee. This subsection shall not apply to an agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care facility license or to any license which is issued for a period of less than 30 days.

(3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for processing a renewal application for any license authorized by ORS chapter 471 or 472 only if the renewal application is received by the commission less than 20 days before expiration of the license. If the renewal application is received prior to expiration of the license but less than 20 days prior to expiration, this fee shall be 25 percent of the annual license fee. If a renewal application is received by the commission after expiration of the license but no more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection shall not apply to an agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care facility license, a **brewery-public house license** or to any license which is issued for a period of less than 30 days.

(4) The commission may waive the fee imposed under subsection (3) of this section if it finds that failure to submit a timely application was due to unforeseen circumstances or to a delay in processing the application by the local governing authority that is no fault of the licensee.

(5) The annual license fee is nonrefundable and shall be paid by each applicant upon the granting or committing of a license. The annual license fee and the minimum bond required of each class of license are as follows:

License	Fee	Minimum Bond
Brewery, including Certificate of Approval	\$ 500	\$ 1,000
Winery	250	1,000
Distillery	100	1,000
Wholesale Malt Beverage and Wine	275	1,000
Bottler	150	None
Restaurant	200	None
Agent	25	None
Salesman	5	None
Certificate of Approval, Class A	15	None
Certificate of Approval, Class B	50	None
Package Store	50	None
Druggist	5	None
Railroad System or Public Passenger Carrier or Boat	100	None
Industrial Alcohol	50	None
Retail Malt Beverage	200	None
Health Care Facility	5	None
Special retail beer license may be issued for any picnic, convention, fair, civic or community enterprise at	\$ 10 per day	
Special retail wine license may be issued for any picnic, convention, fair, civic or community enterprise at	\$ 10 per day	
Special events winery license may be issued to a winery licensee at	\$ 10 per day	
Bed and breakfast license	\$ 5 per guest unit	
Brewery-Public House, including Certificate of Approval	250	\$ 1,000

SECTION 3. Section 4 of this Act is added to and made a part of ORS chapter 471.

SECTION 4. (1) A brewery-public house license shall allow the licensee:

(a) To manufacture annually on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more than eight percent of alcohol by weight;

(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the premises;

(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;

(d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a container supplied by the consumer; and

(e) To conduct the activities described in paragraphs (b) to (d) of this subsection at one location other than the premises where the manufacturing occurs.

(2) A brewery-public house licensee, or any person having an interest in the licensee, is not eligible for a brewery license authorized by ORS 471.220 or a wholesale malt beverage and wine license authorized by ORS 471.235.

(3) A brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery license authorized by ORS 471.223.

(4) A brewery-public house licensee is eligible for a retail malt beverage license and for special one-day retail beer licenses. All sales and delivery of malt beverage to the retail malt beverage licensed premises must be made only through a wholesale malt beverage and wine licensee.

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

SECTION 5. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

Passed by Senate May 22, 1985

Repassed by Senate June 18, 1985

.....
Secretary of Senate

.....
President of Senate

Passed by House June 13, 1985

.....
Speaker of House

Received by Governor:

.....M.,....., 1985

Approved:

.....M.,....., 1985

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 1985

.....
Secretary of State

ENROLLED
A-Engrossed

Senate Bill 813

Ordered by the Speaker June 12
Including House Amendments dated June 12

Sponsored by Senators HANNON, BRADBURY, JERNSTEDT, OLSON, Representatives BROGOITTI, BUNN, BURROWS, CALOURI, CAMPBELL, HOOLEY, JOHNSON, D. E. JONES, MARKHAM, MILLER, PETERSON, TARZIAN (at the request of Edinburgh Lodge Bed and Breakfast, Ashland)

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.

Establishes "bed and breakfast" wine and beer licenses for annual fee of \$5 per guest unit. **Establishes "brewery-public house" license to allow "microbrewery" to manufacture and sell product for consumption on premises. Specifies other activities permitted by license.**

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to alcoholic liquor; creating new provisions; amending ORS 471.290; and declaring an emergency.

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

4 **SECTION 1.** A bed and breakfast license may be issued to the owner or operator of a private residence that
5 is not a boarding house but that accommodates transients for a limited duration and shall allow the sale or service
6 by the licensee or any employe of malt beverages containing not more than eight percent of alcohol by weight, and
7 wine containing not more than 21 percent of alcohol by volume to guests for consumption on the licensed
8 premises only. The license does not permit sale or service to or consumption by the general public or employes of
9 the premises.

10 **SECTION 2.** ORS 471.290 is amended to read:

11 471.290. (1) Any person desiring a license or renewal of a license shall make application to the commission
12 upon forms to be furnished by the commission showing the name and address of the applicant, the applicant's
13 citizenship, location of the place of business which is to be operated under the license, and such other pertinent
14 information as the commission may require. No license shall be granted or renewed until the provisions of the
15 Liquor Control Act and the rules of the commission have been complied with.

16 (2) Except as provided in this section, the commission shall assess a nonrefundable fee for processing each
17 application for any license authorized by ORS chapter 471 or 472, in an amount equal to 25 percent of the annual
18 license fee. The commission shall not begin to process any license application until the application fee is paid. If
19 the commission allows an applicant to apply at the same time for alternative licenses at one premises, only the
20 application fee for the most expensive license shall be required. If a license is granted or committed, the
21 application fee of 25 percent shall be applied against the annual license fee. This subsection shall not apply to an
22 agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care
23 facility license or to any license which is issued for a period of less than 30 days.

NOTE: Matter in **bold face** in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.

(3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for processing a renewal application for any license authorized by ORS chapter 471 or 472 only if the renewal application is received by the commission less than 20 days before expiration of the license. If the renewal application is received prior to expiration of the license but less than 20 days prior to expiration, this fee shall be 25 percent of the annual license fee. If a renewal application is received by the commission after expiration of the license but no more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection shall not apply to an agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care facility license, a **brewery-public house license** or to any license which is issued for a period of less than 30 days.

(4) The commission may waive the fee imposed under subsection (3) of this section if it finds that failure to submit a timely application was due to unforeseen circumstances or to a delay in processing the application by the local governing authority that is no fault of the licensee.

(5) The annual license fee is nonrefundable and shall be paid by each applicant upon the granting or committing of a license. The annual license fee and the minimum bond required of each class of license are as follows:

License	Fee	Minimum Bond
Brewery, including Certificate of Approval	\$ 500	\$ 1,000
Winery	250	1,000
Distillery	100	1,000
Wholesale Malt Beverage and Wine	275	1,000
Bottler	150	None
Restaurant	200	None
Agent	25	None
Salesman	5	None
Certificate of Approval, Class A	15	None
Certificate of Approval, Class B	50	None
Package Store	50	None
Druggist	5	None
Railroad System or Public Passenger Carrier or Boat	100	None
Industrial Alcohol	50	None
Retail Malt Beverage	200	None
Health Care Facility	5	None
Special retail beer		

1 license may be
2 issued for any picnic,
3 convention, fair, civic
4 or community enterprise at \$ 10 per day

5 **Special retail wine**
6 license may be issued
7 for any picnic,
8 convention, fair, civic
9 or community enterprise at \$ 10 per day

10 **Special events winery**
11 license may be
12 issued to a
13 winery licensee at \$ 10 per day

14 **Bed and breakfast**
15 license \$ 5 per guest unit
16 **Brewery-Public House,** 250 \$ 1,000
17 **including Certificate of Approval**

18
19 **SECTION 3.** Section 4 of this Act is added to and made a part of ORS chapter 471.

20 **SECTION 4.** (1) A brewery-public house license shall allow the licensee:

21 (a) To manufacture annually on the licensed premises, store, transport, sell to wholesale malt beverage and
22 wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more
23 than eight percent of alcohol by weight;

24 (b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the
25 premises;

26 (c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off
27 the premises;

28 (d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in
29 unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in
30 a container supplied by the consumer; and

31 (e) To conduct the activities described in paragraphs (b) to (d) of this subsection at one location other than
32 the premises where the manufacturing occurs.

33 (2) A brewery-public house licensee, or any person having an interest in the licensee, is not eligible for a
34 brewery license authorized by ORS 471.220 or a wholesale malt beverage and wine license authorized by ORS
35 471.235.

36 (3) A brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery
37 license authorized by ORS 471.223.

38 (4) A brewery-public house licensee is eligible for a retail malt beverage license and for special one-day retail
39 beer licenses. All sales and delivery of malt beverage to the retail malt beverage licensed premises must be made
40 only through a wholesale malt beverage and wine licensee.

41 (5) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to be a
42 manufacturer.

1 **SECTION 5.** This Act being necessary for the immediate preservation of the public peace, health and
2 safety, an emergency is declared to exist, and this Act takes effect on its passage.

**CONFERENCE COMMITTEE REPORT ON
A-ENGROSSED SENATE BILL 813**

June 17

Mr. President:

Your Conference Committee to whom was referred A-engrossed Senate Bill 813, having had the same under consideration, respectfully reports it back with the recommendation that the Senate concur in the House amendments dated June 12 and that the bill be repassed.

/s/ L. B. Day
Senator

/s/ Joyce Cohen
Senator

/s/ Tom Mason
Representative

/s/ Andy Anderson
Representative

CONFERENCE COMMITTEE REPORT

Salem, Oregon 6/17/85

Mr. President or ~~Speaker~~:



Your Conference Committee to whom was referred ^{A engrossed Senate Bill 813,} ~~SB 813~~ having had the same under consideration, respectfully report it back with the recommendation that ^{in the} ~~the Senate concur with House amendments dated June 12, 1985, and repass the bill~~ ^{that the bill be repassed.}



1s/ L. B. Day
Senator

1s/ Joyce Cohen
Senator

1s/ Tom Mason
Representative

1s/ Andy Anderson
Representative



 Cohen

Notification of House Amendments to SB 813-A
To: Sen. Cohen Date 6/13/85
Chairman, Committee on Business, Housing + Finance
cc: Sen. Hannon Principal Sponsor
Message notifying of House passage with amendments read 6/13/85

Action on amendments governed by Senate Rule 11:01.

To assist in preparation of Agenda, would the Committee Chairman please advise the Secretary of action to be recommended.

~~_____~~ To concur ~~_____~~ Not to concur

Secretary of the Senate

Senator Cohen will lead discussion.

J. Cohen
(Initial and return to Secretary of the Senate)

HOUSE AMENDMENTS TO SENATE BILL 813

By COMMITTEE ON CONSUMER AND BUSINESS AFFAIRS

June 12

1 On page 1 of the printed bill, line 2, delete "and" and before the period insert "; and declaring an emergency".

2 On page 2, line 2, after the first "license" insert ", a brewery-public house license".

3 On page 3, after line 8, insert:

4 "Brewery-Public House, 250 \$ 1,000
5 including Certificate of Approval".

6 After line 9, insert:

7 "SECTION 3. Section 4 of this Act is added to and made a part of ORS chapter 471.

8 "SECTION 4. (1) A brewery-public house license shall allow the licensee:

9 "(a) To manufacture annually on the licensed premises, store, transport, sell to wholesale malt beverage and
10 wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more
11 than eight percent of alcohol by weight;

12 "(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the
13 premises;

14 "(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off
15 the premises;

16 "(d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in
17 unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in
18 a container supplied by the consumer; and

19 "(e) To conduct the activities described in paragraphs (b) to (d) of this subsection at one location other than
20 the premises where the manufacturing occurs.

21 "(2) A brewery-public house licensee, or any person having an interest in the licensee, is not eligible for a
22 brewery license authorized by ORS 471.220 or a wholesale malt beverage and wine license authorized by ORS
23 471.235.

24 "(3) A brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery
25 license authorized by ORS 471.223.

26 "(4) A brewery-public house licensee is eligible for a retail malt beverage license and for special one-day retail
27 beer licenses. All sales and delivery of malt beverage to the retail malt beverage licensed premises must be made
28 only through a wholesale malt beverage and wine licensee.

29 "(5) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to be a
30 manufacturer.

1 **“SECTION 5. This Act being necessary for the immediate preservation of the public peace, health and**
2 **safety, an emergency is declared to exist, and this Act takes effect on its passage.”.**

Ordered by the Speaker June 12
Including House Amendments dated June 12 (1)

63rd OREGON LEGISLATIVE ASSEMBLY--1985 Regular Session

A-ENGROSSED
Senate Bill 813

Sponsored by Senators HANNON, BRADBURY, JERNSTEDT, OLSON, Representatives BROGOITTI, BUNN, BURROWS, CALOURI, CAMPBELL, HOOLEY, JOHNSON, D. E. JONES, MARKHAM, MILLER, TARZIAN (at the request of Edinburgh Lodge Bed and Breakfast, Ashland)

PETERSON

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.

Establishes "bed and breakfast" wine and beer licenses for annual fee of \$5 per guest unit.

A BILL FOR AN ACT

1
2 Relating to alcoholic liquor; creating new provisions; ~~and~~ amending ORS 471.290; *and dealing*
3 **Be It Enacted by the People of the State of Oregon:** *on emergency*

4 **SECTION 1.** A bed and breakfast license may be issued to the owner or operator of a private residence that
5 is not a boarding house but that accommodates transients for a limited duration and shall allow the sale or service
6 by the licensee or any employe of malt beverages containing not more than eight percent of alcohol by weight, and
7 wine containing not more than 21 percent of alcohol by volume to guests for consumption on the licensed
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13 citizenship, location of the place of business which is to be operated under the license, and such other pertinent
14 information as the commission may require. No license shall be granted or renewed until the provisions of the
15 Liquor Control Act and the rules of the commission have been complied with.

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17 application for any license authorized by ORS chapter 471 or 472, in an amount equal to 25 percent of the annual
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28 the annual license fee. If a renewal application is received by the commission after expiration of the license but no
29 more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection shall not

NOTE: Matter in bold face in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.

1 apply to an agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a
 2 ~~a brewery-public home license~~ health care facility license or to any license which is issued for a period of less than 30 days.

3 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that failure to
 4 submit a timely application was due to unforeseen circumstances or to a delay in processing the application by
 5 the local governing authority that is no fault of the licensee.

6 (5) The annual license fee is nonrefundable and shall be paid by each applicant upon the granting or
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Agent	25	None
Salesman	5	None
Certificate of Approval, Class A	15	None
Certificate of Approval, Class B	50	None
Package Store	50	None
Druggist	5	None
Railroad System or Public Passenger Carrier or Boat	100	None
Industrial Alcohol	50	None
Retail Malt Beverage	200	None
Health Care Facility	5	None
Special retail beer license may be issued for any picnic, convention, fair, civic or community enterprise at	\$ 10 per day	
Special retail wine license may be issued for any picnic,		

- 1 convention, fair, civic
- 2 or community enterprise at \$ 10 per day
- 3 Special events winery
- 4 license may be

① Brewery-Public House, 250 \$1,000
 including certificate of approval

① \$ 5 per guest unit
 9 ② ④

Insert ①
 Insert ②

② SECTION 3. Section 4 of this Act is added to and made a part of ORS chapter 471.

SECTION 4. (1) A brewery-public house license shall allow the licensee:

(a) To manufacture annually on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more than eight percent of alcohol by weight;

(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the premises;

(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;

(d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a container supplied by the consumer; and

(e) To conduct the activities described in paragraphs (b) to (d) of this subsection at one location other than the premises where the manufacturing occurs.

(2) A brewery-public house licensee, or any person having an interest in the licensee, is not eligible for a brewery license authorized by ORS 471.220 or a wholesale malt beverage and wine license authorized by ORS 471.235.

transport, sell to wholesale malt beverage and wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more than eight percent of alcohol by weight;

✓(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the premises;

✓(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;

✓(d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a container supplied by the consumer; and

✓(e) To conduct the activities described in paragraphs (b) to (d) of this subsection at one location other than the premises where the manufacturing occurs.

✓(2) A brewery-public house licensee, or any person having an interest in the licensee, is not eligible for a brewery license authorized by ORS 471.220 or a wholesale malt beverage and wine license authorized by ORS 471.235.

✓(3) A brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery license authorized by ORS 471.223.

✓(4) A brewery-public house licensee is eligible for a retail malt beverage license and for special one-day retail beer licenses. All sales and delivery of malt beverage to the retail malt beverage licensed premises must be made only through a wholesale malt beverage and wine licensee.

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

✓SECTION 5. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

1 convention, fair, civic
2 or community enterprise at \$ 10 per day

3 Special events winery
4 license may be
5 issued to a
6 winery licensee at \$ 10 per day

7 **Bed and breakfast**
8 license \$ 5 per guest unit

9 ①

Insert ①

② 4

Insert ②

HOUSE COMMITTEE REPORT

1

DATE: JUNE _____, 19 85

Speaker: KATZ

Your Committee on CONSUMER & BUSINESS AFFAIRS (Name of Committee)

to whom was referred SB 813 (Bill # Engrossment), having had the same under consideration, respectfully reports it back

- () WITHOUT RECOMMENDATION AS TO PASSAGE
(X) WITH RECOMMENDATION THAT IT:
(X) DO PASS
() BE ADOPTED
(X) WITH AMENDMENTS
() WITH SECOND HOUSE AMENDMENTS
() BE PRINTED ENGROSSED By order of the Speaker
() PLACED ON CONSENT CALENDAR
() BE REFERRED TO WAYS & MEANS BY PRIOR REFERENCE
() BE REFERRED TO REVENUE BY PRIOR REFERENCE
() RESCIND SUBSEQUENT REFERRAL TO COMMITTEE ON
() BE REFERRED TO COMMITTEE ON
() BE REREFERRED TO COMMITTEE ON

REP. VERNER 'ANDY' ANDERSON
Carrier of Measure

John Schoon
VICE-Chairperson
REP. JOHN SCHOON

submit 4 copies if no amendments
9 copies if amendments
retain 1 copy for committee files

FOR INFORMATION ONLY -- NOT PART OF COMMITTEE REPORT

Voting no:

Voting aye: ANDERSON, EACHUS, LINDQUIST, MCTEAGUE, SCHOON, SIDES

Excused: RIJKEN

Absent:

FOR OFFICE USE ONLY

()

PROPOSED AMENDMENTS TO SENATE BILL 813

On page 1 of the printed bill, line 2, delete "and" and before the period insert "; and declaring an emergency".

On page 2, line 2, after the first "license" insert ", a brewery-public house license".

On page 3, after line 8, insert:

"Brewery-Public House, 250 \$1,000
including certificate of approval".

(LC) X

After line 9, insert:

SECTION 3. Section 4 of this Act is added to and made a part of ORS chapter 471.

SECTION 4. (1) A brewery-public house license shall allow the licensee:

"(a) To manufacture annually on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the commission and export no more than 10,000 barrels of malt beverages containing not more than eight percent of alcohol by weight;

"(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on the premises;

"(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;

"(d) To sell on the licensed premises at retail malt beverages manufactured on the licensed premises in unpasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a container supplied by the consumer; and

1 "(e) To conduct the activities described in paragraphs (b) to
2 (d) of this subsection at one location other than the premises
3 where the manufacturing occurs.

4 "(2) A brewery-public house licensee, or any person having an
5 interest in the licensee, is not eligible for a brewery license
6 authorized by ORS 471.220 or a wholesale malt beverage and wine
7 license authorized by ORS 471.235.

8 "(3) A brewery-public house licensee, or any person having an
9 interest in the licensee, may also hold a winery license authorized
10 by ORS 471.223.

11 "(4) A brewery-public house licensee is eligible for a retail
12 malt beverage license and for special one-day retail beer licenses.
13 All sales and delivery of malt beverage to the retail malt beverage
14 licensed premises must be made only through a wholesale malt
15 beverage and wine licensee.

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

18 "SECTION 5. This Act being necessary for the immediate
19 preservation of the public peace, health and safety, an emergency
20 is declared to exist, and this Act takes effect on its passage."

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
140 STATE CAPITOL BUILDING
SALEM, OREGON 97310
378-8873

REVENUE ANALYSIS OF PROPOSED LEGISLATION
1985 REGULAR SESSION

BILL NUMBER	TAX AREA	ECONOMIST	DATE
SB 813	LIQUOR LICENSES FEES	YATES	5/21/85

Description:

Creates a bed and breakfast license to permit the sale of beer and wine. License may be issued to the owner or operator of a private residence that is not a boarding house but that accommodates transients for a limited duration. The license fee is \$5.00 per guest unit.

Comment:

The Oregon Liquor Control Commission (OLCC) expressed the concern that the definition of establishments qualifying may include up to 20% of the 1,270 licensed transient motor hotels. The committee was advised that hotels, motels and boarding houses are not included.

Revenue Impact:

This revenue impact assumes that motels do not qualify for bed and breakfast licenses.

The Department of Economic Development currently lists about 50 bed and breakfast establishments. There are about another 50 establishments separately listed with reservation services in the Portland area. Assuming an average of 3 beds per establishment, there are currently about 300 guest units.

While growth in the number of bed and breakfast establishments is expected it is not anticipated that all establishments will serve beer or wine. Assuming 300 guest units per year the bed and breakfast license will yield \$3,000 for the 1985-87 biennium.

1985 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Executive Department and the Legislative Fiscal Office

MEASURE NUMBER: SB 813
STATUS: Original
SUBJECT: Establishes "bed and breakfast" wine and beer license.
GOVERNMENT UNIT AFFECTED: Oregon Liquor Control Commission
BUDGET AND MANAGEMENT ANALYST: --
LEGISLATIVE FISCAL ANALYST: Kenneth Jones 5-21-85

EFFECT ON EXPENDITURES:	1985-87	1987-89
Oregon Liquor Control Commission (assumes 25-50 permits)	\$900 to \$1,800	\$941 to \$1,881

EFFECT ON REVENUES:

Fee per bed of \$5 per year	\$1,300 to \$2,600	\$1,300 to \$2,600
-----------------------------	--------------------	--------------------

COMMENTS:

The estimate is for illustration purposes only and shows the relationships between revenues and costs as estimated by the Oregon Liquor Control Commission for up to fifty permits issued annually.

SENATE COMMITTEE REPORT

DATE: May 15, 1985

PRESIDENT KITZHABER:

YOUR COMMITTEE ON Business, Housing and Finance TO WHOM WAS REFERRED
SB 813, HAVING HAD THE SAME UNDER CONSIDERATION,
RESPECTFULLY REPORT IT BACK RECOMMENDING:

- XX passage. (adoption) _____ that the measure be returned to the President's desk pursuant to SR 9.05(1). Letter attached requesting:
- passage (adoption) with amendments. _____ A. subsequent referral to another committee; or
- passage with amendments to the _____ B. that subsequent referral be rescinded.
_____ - Engrossed measure.
- passage (adoption) with amendments to resolve conflicts. _____ that the measure be printed engrossed and rereferred to committee for further consideration.
- Subsequent referral to Committee on: _____ that _____ be substituted therefor. (SR 9.45)
- Other: _____

NOT CONCURRING (SR 9.15(2)) Senators(s) _____

Senator Simmons will lead floor discussion.

Jay Cohen
Chair

Submit:
2 copies if no amdts.
7 copies if amdts.

OREGON STATE SENATE

63rd Legislative Assembly

STAFF MEASURE ANALYSIS

MEASURE: Senate Bill 813

Title: Relating to alcoholic liquor; creating new provisions; and amending ORS 471.290.

Committee: Senate Business, Housing and Finance

Hearing date: 5/15

Explanation prepared by: Brad Higbee, Administrator

SB 813 would create a bed and breakfast license to permit the sale of wine and beer to guests of the establishment, only, for consumption on the premises. The license would allow operators of bed and breakfast establishments to provide services contributing to the enhancement of the experience of travelers staying there.

Increasingly popular, bed and breakfast establishments are defined as private residences affording accommodations to tourists. Hotels, motels and boarding houses are not intended to be eligible for the bed and breakfast liquor license. The obligations of a bed and breakfast establishment to obtain a business license and to pay all hotel taxes are not affected by SB 813.

Under current law, it is not legal to "give away" liquor where a fee is required for access, as with a bed and breakfast establishment. Such establishments may not obtain a Class A distilled spirits license unless food is served on the premises and the area quota permits. Similarly, a Retail Malt Beverage license is often too costly for the smaller scale operations.

The license created by SB 813 would permit the sale of wine and beer to guests at an annual fee of \$5 per unit.

NOTE: This analysis is intended for information purposes only and has not been adopted or officially endorsed by action of the Senate Committee on Business, Housing and Finance.

Senate Bill 813

Sponsored by Senators HANNON, BRADBURY, JERNSTEDT, OLSON, Representatives BROGOITTI, BUNN, BURROWS, CALOURI, CAMPBELL, HOOLEY, JOHNSON, D. E. JONES, MARKHAM, MILLER, TARZIAN (at the request of Edinburgh Lodge Bed and Breakfast, Ashland)

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**.

Establishes "bed and breakfast" wine and beer licenses for annual fee of \$5 per guest unit.

A BILL FOR AN ACT

1
2 Relating to alcoholic liquor; creating new provisions; and amending ORS 471.290.

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

4 **SECTION 1.** A bed and breakfast license may be issued to the owner or operator of a private residence that
5 is not a boarding house but that accommodates transients for a limited duration and shall allow the sale or service
6 by the licensee or any employe of malt beverages containing not more than eight percent of alcohol by weight, and
7 wine containing not more than 21 percent of alcohol by volume to guests for consumption on the licensed
8 premises only. The license does not permit sale or service to or consumption by the general public or employes of
9 the premises.

10 **SECTION 2.** ORS 471.290 is amended to read:

11 471.290. (1) Any person desiring a license or renewal of a license shall make application to the commission
12 upon forms to be furnished by the commission showing the name and address of the applicant, the applicant's
13 citizenship, location of the place of business which is to be operated under the license, and such other pertinent
14 information as the commission may require. No license shall be granted or renewed until the provisions of the
15 Liquor Control Act and the rules of the commission have been complied with.

16 (2) Except as provided in this section, the commission shall assess a nonrefundable fee for processing each
17 application for any license authorized by ORS chapter 471 or 472, in an amount equal to 25 percent of the annual
18 license fee. The commission shall not begin to process any license application until the application fee is paid. If
19 the commission allows an applicant to apply at the same time for alternative licenses at one premises, only the
20 application fee for the most expensive license shall be required. If a license is granted or committed, the
21 application fee of 25 percent shall be applied against the annual license fee. This subsection shall not apply to an
22 agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care
23 facility license or to any license which is issued for a period of less than 30 days.

24 (3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for processing a
25 renewal application for any license authorized by ORS chapter 471 or 472 only if the renewal application is
26 received by the commission less than 20 days before expiration of the license. If the renewal application is
27 received prior to expiration of the license but less than 20 days prior to expiration, this fee shall be 25 percent of
28 the annual license fee. If a renewal application is received by the commission after expiration of the license but no
29 more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection shall not

NOTE: Matter in **bold face** in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.

1 apply to an agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a
 2 health care facility license or to any license which is issued for a period of less than 30 days.

3 (4) The commission may waive the fee imposed under subsection (3) of this section if it finds that failure to
 4 submit a timely application was due to unforeseen circumstances or to a delay in processing the application by
 5 the local governing authority that is no fault of the licensee.

6 (5) The annual license fee is nonrefundable and shall be paid by each applicant upon the granting or
 7 committing of a license. The annual license fee and the minimum bond required of each class of license are as
 8 follows:

License	Fee	Minimum Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	250	1,000
Distillery	100	1,000
Wholesale Malt		
Beverage and Wine	275	1,000
Bottler	150	None
Restaurant	200	None
Agent	25	None
Salesman	5	None
Certificate of Approval,		
Class A	15	None
Certificate of Approval,		
Class B	50	None
Package Store	50	None
Druggist	5	None
Railroad System or Public		
Passenger Carrier		
or Boat	100	None
Industrial Alcohol	50	None
Retail Malt Beverage	200	None
Health Care Facility	5	None
Special retail beer		
license may be		
issued for any picnic,		
convention, fair, civic		
or community enterprise at	\$ 10 per day	
Special retail wine		
license may be issued		
for any picnic,		

1 convention, fair, civic
2 or community enterprise at \$ 10 per day
3 **Special events winery**
4 license may be
5 issued to a
6 winery licensee at \$ 10 per day
7 **Bed and breakfast**
8 license \$ 5 per guest unit
9

MEASURE SUMMARY

Establishes "bed and breakfast" wine and beer licenses for annual fee of \$5 per guest unit.

A BILL FOR AN ACT

1
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4 Be It Enacted by the People of the State of Oregon:

5 SECTION 1. A bed and breakfast license may be issued to the
6 owner or operator of a private residence that is not a boarding
7 house but that accommodates transients for a limited duration and
8 shall allow the sale or service by the licensee or any employe of
9 malt beverages containing not more than eight percent of alcohol by
10 weight, and wine containing not more than 21 percent of alcohol by
11 volume to guests for consumption on the licensed premises only.
12 The license does not permit sale or service to or consumption by
13 the general public or employes of the premises.

14 SECTION 2. ORS 471.290 is amended to read:

15 471.290. (1) Any person desiring a license or renewal of a
16 license shall make application to the commission upon forms to be
17 furnished by the commission showing the name and address of the
18 applicant, the applicant's citizenship, location of the place of
19 business which is to be operated under the license, and such other
20 pertinent information as the commission may require. No license
21 shall be granted or renewed until the provisions of the Liquor
22 Control Act and the rules of the commission have been complied
23 with.

24 (2) Except as provided in this section, the commission shall
25 assess a nonrefundable fee for processing each application for any

1 license authorized by ORS chapter 471 or 472, in an amount equal to
2 25 percent of the annual license fee. The commission shall not
3 begin to process any license application until the application fee
4 is paid. If the commission allows an applicant to apply at the
5 same time for alternative licenses at one premises, only the
6 application fee for the most expensive license shall be required.
7 If a license is granted or committed, the application fee of 25
8 percent shall be applied against the annual license fee. This
9 subsection shall not apply to an agent's license, a salesman's
10 license, a manufacturer certificate of approval, a druggist's
(1 license, a health care facility license or to any license which is
12 issued for a period of less than 30 days.

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18 application is received prior to expiration of the license but less
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20 the annual license fee. If a renewal application is received by
21 the commission after expiration of the license but no more than 30
22 days after expiration, this fee shall be 40 percent of the annual
23 license fee. This subsection shall not apply to an agent's
24 license, a salesman's license, a manufacturer certificate of
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4 by each applicant upon the granting or committing of a license. The
5 annual license fee and the minimum bond required of each class of
6 license are as follows:

8			Minimum
9	License	Fee	Bond
10	Brewery, including		
11	Certificate		
12	of Approval	\$ 500	\$1,000
13	Winery	250	1,000
14	Distillery	100	1,000
15	Wholesale Malt		
16	Beverage and Wine	275	1,000
17	Bottler	150	None
18	Restaurant	200	None
19	Agent	25	None
20	Salesman	5	None
21	Certificate of Approval,		
22	Class A	15	None
23	Certificate of Approval,		
24	Class B	50	None
25	Package Store	50	None
26	Druggist	5	None
27	Railroad System or Public		
28	Passenger Carrier		
29	or Boat	100	None

1	Industrial Alcohol	50	None
2	Retail Malt Beverage	200	None
3	Health Care Facility	5	None
4	Special retail beer		
5	license may be		
6	issued for any picnic,		
7	convention, fair, civic		
8	or community enterprise at	\$ 10	per day
9	Special retail wine		
10	license may be issued		
11	for any picnic,		
12	convention, fair, civic		
13	or community enterprise at	\$ 10	per day
14	Special events winery		
15	license may be		
16	issued to a		
17	winery licensee at	\$ 10	per day
18	<u>Bed and breakfast</u>		
19	<u>license</u>	<u>\$ 5</u>	<u>per guest unit</u>
20			

SENATE BILL BACK

▼ CROSS OUT INAPPLICABLE WORDS ▼

BILL ~~RESOLUTION~~ } NUMBER 813
 ~~MEMORIAL~~ }

Title:

Relating to alcoholic liquor; creating new provisions; and amending ORS 471.290.

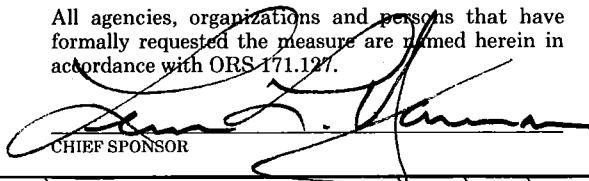
Sponsored by
Committee on:

At the request of:

Edinburgh Lodge Bed and Breakfast,
Ashland, OR

All agencies, organizations and persons that have formally requested the measure are named herein in accordance with ORS 171.127.

CHIEF SPONSOR



SPONSORS Senate	Principal	Additional	SPONSORS House	Principal	Additional	SPONSORS House	Principal	Additional
Bradbury		BB	Agrons			Jolin		
Brenneman			Anderson			Jones, D.		
Brockman			Banzer			Jones, D. E.		
Brown			Bauman			Katz		
Cease			Bellamy			Kopetski		
Cohen			Brogioiti		BB	Kotulski		
Day			Bunn		BB	Lindquist		
Fadeley			Burrows		BB	Markham		EM
Frye			Burton			Mason		
Hamby			Calouri		TRC	McCarty		
Hanlon			Campbell		LLC	McCracken		
Hannon		HA	Carter			McTeague		RM
Hendriksen			Cease			Miller		
Houck			Eachus			Parkinson		
Jernstedt		HCY	Fawbush			Peterson		
Kitzhaber			Ford			Phillips		
McCoy			French			Rijken		
Meeker			Gillis			Roberts		
Monroe			Gilmour			Schoon		
Olson		WAC	Gold			Schroeder		
Otto			Hanlon			Shiprack		
Roberts			Hanneman			Sides		
Ryles			Harper			Springer		
Simmons			Hayden			Tarzian		SA
Starkovich			Hill, J.			Throop		
Thorne			Hill, L.			Trahern		
Timms			Hooley		HT	Van Vliet		
Trow			Hosticka			VanLeeuwen		
Wyers			Hugo			Whitty		
Yih			Johnson		HT	Young		

Staple

Staple