

**A-Engrossed**  
**House Bill 2284**

Ordered by the Speaker February 27  
Including House Amendments dated February 27

Sponsored by Representatives MASON, BANZER, BURTON, CEASE, FAWBUSH, FORD, GILMOUR, JOLIN, MARKHAM, MASON, McCARTY, ROBERTS, SHIPRACK, TRAHERN, YOUNG, Senators HAMBY, HENDRIKSEN, Representatives KOPETSKI, SPRINGER.

**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 brewery-public house license. Allows brewery-public house licensees to brew and sell malt beverages up to eight percent alcohol.

**A BILL FOR AN ACT**

1  
2 Relating to malt beverages; creating new provisions; and amending ORS 471.290.

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

4 **SECTION 1.** Section 2 of this Act is added to and made a part of ORS chapter 471.

5 **SECTION 2.** (1) A brewery-public house license shall allow the licensee:

6 (a) To manufacture annually on the licensed premises no more than 25,000 barrels of malt beverages  
7 containing not more than eight percent of alcohol by weight;

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

11 (c) To sell unpasteurized malt beverages manufactured on or off the licensed premises at retail for  
12 consumption on the premises;

13 (d) To sell pasteurized malt beverages not manufactured on the licensed premises at retail directly to the  
14 consumer for consumption on or off the premises; and

15 (e) To conduct the activities described in paragraphs (b) to (d) of this subsection on premises other than the  
16 premises where the manufacturing occurs but only as an alternative to selling for consumption on the premises  
17 where manufacturing occurs.

18 (2) Subsection (1) of this section does not authorize the licensee to import malt beverages.

19 (3) ORS 471.452, 471.455, 471.456 and 471.460 do not apply to persons holding a license under this section.

20 (4) A licensee under this section is eligible for a retail malt beverage license.

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

23 **SECTION 3.** ORS 471.290 is amended to read:

24 471.290. (1) Any person desiring a license or renewal of a license shall make application to the commission  
25 upon forms to be furnished by the commission showing the name and address of the applicant, the applicant's

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

1 citizenship, location of the place of business which is to be operated under the license, and such other pertinent  
 2 information as the commission may require. No license shall be granted or renewed until the provisions of the  
 3 Liquor Control Act and the rules of the commission have been complied with.

4 (2) Except as provided in this section, the commission shall assess a nonrefundable fee for processing each  
 5 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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 9 application fee of 25 percent shall be applied against the annual license fee. This subsection shall not apply to an  
 10 agent's license, a salesman's license, a manufacturer certificate of approval, a druggist's license, a health care  
 11 facility license, a **brewery-public house license** or to any license which is issued for a period of less than 30 days.

12 (3) Subject to subsection (4) of this section, the commission shall assess a nonrefundable fee for processing a  
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 14 received by the commission less than 20 days before expiration of the license. If the renewal application is  
 15 received prior to expiration of the license but less than 20 days prior to expiration, this fee shall be 25 percent of  
 16 the annual license fee. If a renewal application is received by the commission after expiration of the license but no  
 17 more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection shall not  
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23 (5) The annual license fee is nonrefundable and shall be paid by each applicant upon the granting or  
 24 committing of a license. The annual license fee and the minimum bond required of each class of license are as  
 25 follows:

License	Fee	Mini- mum 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

1	Certificate of Approval,		
2	Class B .....	50	None
3	Package Store .....	50	None
4	Druggist .....	5	None
5	Railroad System or Public		
6	Passenger Carrier		
7	or Boat .....	100	None
8	Industrial Alcohol .....	50	None
9	Retail Malt Beverage .....	200	None
10	Health Care Facility .....	5	None
11	<b>Brewery-Public House .....</b>	<b>250</b>	<b>1,000</b>

12 **The fee shall**

13 **allow manufacture,**  
 14 **wholesale and retail**  
 15 **sales (including**  
 16 **certificate of approval).**

17 Special retail beer  
 18 license may be  
 19 issued for any picnic,  
 20 convention, fair, civic  
 21 or community enterprise at ..... \$10 per day

22 Special retail wine  
 23 license may be issued  
 24 for any picnic,  
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27 Special events winery  
 28 license may be  
 29 issued to a  
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31

**HOUSE AMENDMENTS TO  
HOUSE BILL 2284**

By COMMITTEE ON CONSUMER AND BUSINESS AFFAIRS

February 27

1 On page 1 of the printed bill, line 6, delete "10,000" and insert "25,000".

2 In line 8, delete "no more than 50 percent of the".

3 In line 11, after the first "on" insert "or off".

4 After line 20, insert:

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

7 On page 3, line 7, delete "50" and insert "250" and delete "None" and insert "1,000".

8 After line 7, insert:

9 "The fee shall

10 allow manufacture,

11 wholesale and retail

12 sales (including

13 certificate of approval)."

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( ORDERED BY THE SPEAKER FEBRUARY 27  
INCLUDING HOUSE AMENDMENTS dated FEBRUARY 27 ) ①

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7 (b) To sell on the licensed premises at retail ~~no more than 50 percent of the~~ malt beverage manufactured on  
8 the premises in unpasteurized form directly to the consumer for consumption off the premises, delivery of which  
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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

1	Railroad System or Public		
2	Passenger Carrier		
3	or Boat .....	100	None
4	Industrial Alcohol .....	50	None
5	Retail Malt Beverage .....	200	None
6	Health Care Facility .....	5	None
7	Brewery-Public House .....	<del>50</del> <sup>250</sup>	None <u>1,000</u>

(2)

The fee shall  
allow manufacture,  
wholesale and retail  
sales (including  
certificate of approval)

..... \$10 per day

16	convention, fair, civic	
17	or community enterprise at .....	\$10 per day
18	Special events winery	
19	license may be	
20	issued to a	
21	winery licensee at .....	\$10 per day

Insert (2)



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2	Passenger Carrier		
3	or Boat .....	100	None
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6	Health Care Facility .....	5	None
7	② Brewery-Public House .....	<del>50</del> <sup>250</sup>	None <u>1,000</u>
8	Special retail beer		
9	license may be		
10	issued for any picnic,		
11	convention, fair, civic		
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Insert  
②

HOUSE COMMITTEE REPORT

DATE: February 26, 19 85

Speaker: KATZ

Your Committee on CONSUMER AND BUSINESS AFFAIRS

(Name of Committee)

to whom was referred HB 2284, having had the same under consideration,  
(Bill # Engrossment)  
respectfully reports it back

- WITHOUT RECOMMENDATION AS TO PASSAGE
- WITH RECOMMENDATION THAT IT:
  - DO PASS
  - BE ADOPTED
  - 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. TOM MASON

Carrier of Measure

*Max C. Rijken*  
REP. MAX RIJKEN

Chairperson

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, RIJKEN, CHAI

Excused: \_\_\_\_\_

Absent: \_\_\_\_\_  
-----

FOR OFFICE USE ONLY

\_\_\_\_\_

PROPOSED AMENDMENTS TO HOUSE BILL 2284

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16

On page 1 of the printed bill, line 6, delete "10,000" and insert "25,000".

In line 8, delete "no more than 50 percent of the".

In line 11, after the first "on" insert "or off".

After line 20, insert:

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

On page 3, line 7, delete "50" and insert "250" and delete "None" and insert "\$1,000".

After line 7, insert:

"The fee shall allow manufacture, wholesale and retail sales (including certificate of approval)".

\*\*\*\*\*

X

X

**OREGON STATE SENATE**  
**63rd Legislative Assembly**  
**STAFF MEASURE ANALYSIS**

**MEASURE:** HB 2284

**Title:** Relating to malt beverages and amending ORS 471.290.  
Establishes a new license which would provide for a brewery -- public house.

**Committee:** House Consumer and Business Affairs

**Hearing dates:** February 7th (hearing and work session).

**Explanation prepared by:** James Jones, Committee Administrator

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Although "microbreweries" are currently allowed to brew malt beverages, they are not permitted to sell them on premises.

Until prohibition, Oregon (in particular Portland) had numerous 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 now several of these "microbreweries" in the Portland area. Note\* Comparatively, these small or tiny breweries brew around 1,000 to 6,000 31-gallon barrels annually. This is compared to the current yearly output of Anheuser-Bush which is 50 million barrels.

Issues discussed included ways for the microbreweries to promote themselves to local residents and visitors and the need to sell their product on their own premises or at other microbreweries.

Amendments suggested were all "friendly" and have the support of sponsors. The amendments clarify the bill with regard to the type of license, require the breweries to pay taxes on their products, increase the fee for a license and define a "microbrewery" as a manufacturer for tax purposes.

Note\*\*\*. The Committee wanted the legislative intent to be clear that the tax credit allowed for purchase of manufacturing equipment was to be only for use in the manufacturing of the malt beverage and that any financial transaction--such as the sale of the facility--was to be an "at arms length" transaction; i.e. at fair market value, at a good distance and a business-like transaction which can be reasonably expected to be honored even though the parties may be related.

UNANIMOUS VOTE in committee: Voting "AYE": Rijken, Schoon, V. Anderson, Eachus,  
Mc Teague, Lindquist and Sides.

CARRIER: Rep. Tom Mason  
There is no fiscal impact.

NOTE: This analysis is intended for information purposes only and has not been adopted or officially endorsed by action of the House Committee on Consumer and Business Affairs.

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MEASURE SUMMARY

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19. (d) To sell pasteurized malt beverages not manufactured on the  
20. licensed premises at retail directly to the consumer for  
21. consumption on or off the premises; and

22. (e) To conduct the activities described in paragraphs (b) to  
23. (d) of this subsection on premises other than the premises where  
24. the manufacturing occurs but only as an alternative to selling for  
25. consumption on the premises where manufacturing occurs.

X



1 (2) Subsection (1) of this section does not authorize the  
2 licensee to import malt beverages.

3 (3) ORS 471.452, 471.455, 471.456 and 471.460 do not apply to  
4 persons holding a license under this section.

5 (4) A licensee under this section is eligible for a retail malt  
6 beverage license.

7 SECTION 3. ORS 471.290 is amended to read:

8 471.290. (1) Any person desiring a license or renewal of a  
9 license shall make application to the commission upon forms to be  
10 furnished by the commission showing the name and address of the  
11 applicant, the applicant's citizenship, location of the place of  
12 business which is to be operated under the license, and such other  
13 pertinent information as the commission may require. No license  
14 shall be granted or renewed until the provisions of the Liquor  
15 Control Act and the rules of the commission have been complied  
16 with.

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



1 license or to any license which is issued for a period of less than  
 2 30 days.

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

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

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

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27	Minimum		
28	License	Fee	Bond
29	Brewery, including		

1	Certificate		
2	of Approval.....	\$500	\$ 1,000
3	Winery.....	250	1,000
4	Distillery.....	100	1,000
5	Wholesale Malt		
6	Beverage and Wine.....	275	1,000
7	Bottler.....	150	None
8	Restaurant.....	200	None
9	Agent.....	25	None
10	Salesman.....	5	None
11	Certificate of Approval,		
12	Class A.....	15	None
13	Certificate of Approval,		
14	Class B.....	50	None
15	Package Store.....	50	None
16	Druggist.....	5	None
17	Railroad System or Public		
18	Passenger Carrier		
19	or Boat.....	100	None
20	Industrial Alcohol.....	50	None
21	Retail Malt Beverage.....	200	None
22	Health Care Facility.....	5	None
23	<u>Brewery-Public House</u> .....	<u>50</u>	<u>None</u>
24	Special retail beer		
25	license may be		
26	issued for any picnic,		
27	convention, fair, civic		
28	or community enterprise at.....	\$10 per day	
29	Special retail wine		

align column ←

1 license may be issued  
2 for any picnic,  
3 convention, fair, civic  
4 or community enterprise at.....\$10 per day  
5 Special events winery  
6 license may be  
7 issued to a  
8 winery licensee at.....\$10 per day  
9

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# HOUSE BILL BACK

▼ CROSS OUT INAPPLICABLE WORDS ▼

BILL ..... ~~RESOLUTION~~ } NUMBER 2284 17 JAN 1985  
 ..... ~~MEMORIAL~~ }

Title:

Relating to malt beverages; creating new provisions; and amending ORS 471.290.

Sponsored by  
Committee on:

At the request of:

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

*Tom Mason*  
CHIEF SPONSOR (MASON)

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

Staple

Staple