

SENATE BILL REPORT

SB 5611

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 13, 2007

Title: An act relating to a separate location for certain licenses for microbreweries and domestic breweries.

Brief Description: Allowing microbreweries and breweries to open a second retail only location.

Sponsors: Senators Jacobsen, Kohl-Welles, Pflug, Clements and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/05/07, 2/13/07 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5611 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Holmquist and Prentice.

Staff: Jennifer Strus (786-7316)

Background: Microbreweries licensed as such by the Liquor Control Board (LCB) may also hold either a spirits, beer, and wine restaurant license or a wine and/or beer restaurant license for the location at which the beer is brewed.

Summary of Bill: Microbreweries holding either a spirits, beer, and wine restaurant license or a wine and/or beer restaurant license may apply to the LCB for a location endorsement to either of these licenses. The location endorsement will allow the microbrewery to open a second location.

The fee for the location endorsement is \$1,000 per year.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): Rather than a microbrewery or brewery holding a location endorsement to a license they already have, the amendatory language allows the brewery with a spirits, beer, and wine restaurant license or a beer and/or wine license to open a second retail only location.

Appropriation: None.

Fiscal Note: Requested on January 25, 2007.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Allowing microbreweries to open second locations is consistent with Oregon law and provides another outlet for their products. This bill will open the door a bit on tied house restrictions for microbreweries which will help boost their business. This bill would create more of a level playing field for breweries similar to what the statutes afford wineries right now. The bill should be clarified to indicate that the second location is a retail-only location, not another brewery location.

OTHER: This exception should be placed in the tied house portion of the statute. The enforcement costs in the fiscal note are too high and the endorsement fee is probably not sufficient and should be \$1,600 rather than \$1,000. The LCB will provide a new fiscal note as soon as possible.

Testifying: PRO: Senator Jacobsen, prime sponsor; Arlen Harris, Washington Brewer's Guild; Tim Bunch, Ram Restaurants; Allen Rhoades, Rockfish Grill/Anacortes Brewery.

OTHER: Rick Garza, LCB.