

# 2019 Alcohol Bill and Technical Package

## OREGON LIQUOR CONTROL COMMISSION CHAPTER 845 PROPOSED AMENDMENTS

Note: **Bold and underlined** = new text; *italics and strikethrough* = deleted text

### **845-005-0410**

#### **Full or Limited On-Premises Licensee Large-Scale Private Catered Events and Temporary Use of an Annual License for Events at Another Location**

(1) A person must obtain from the Commission a license or authority to sell alcoholic beverages on premises that the Commission has not licensed. ORS 471.405 establishes a prohibition on the sale of alcoholic beverages without a license or authority. ORS 471.406 defines sale of alcoholic beverages.

(2) Definitions. For this rule:

(a) "Bar" means a counter at which the preparation, pouring, serving, sale, or consumption of alcoholic beverages is the primary activity;

(b) "Food counter" means a counter in an area in which minors are allowed and at which the primary activity at all times is the preparation, serving, sale, or consumption of food;

(c) "License day" means from 7:00 am until 2:30 am on the succeeding calendar day, or any part of a license day.

(d) "Serious violation history" means:

(A) Two or more category III or IIIa administrative violations of any type, or category IV violations involving minors. However, if the circumstances of a violation include aggravation, one violation may be sufficient; or

(B) One category I, II, or IIa administrative violation; or

(C) Two or more crimes or offenses involving liquor laws.

(e) "Social game" means a game other than a lottery, if authorized by a local county or city ordinance pursuant to ORS 167.121, between players in a private business, private club, or place of public accommodation where no house player, house bank, or house odds exist and there is no house income from the operation of the social game.

(f) "Video lottery game" means a video lottery game terminal authorized by the Oregon State Lottery. Examples include but are not limited to video poker and video slots. Keno

monitors are not considered a video lottery game.

(3) ORS 471.184(2) allows the holder of a Full On-Premises Sales or Limited On-Premises Sales license to serve the alcoholic beverages permitted by the license for on-premises consumption at locations other than the licensee's annually licensed premises at large-scale catered events or temporary use of an annual license events after having obtained prior written Commission approval. This rule refers to these types of events as either large-scale private catered events or temporary use of an annual license events.

(4) For purposes of this rule, large-scale private catered events are events, such as weddings, receptions, conferences, company picnics and parties, and company sponsored events, that:

(a) Are not open to the general public. However, a large-scale private event may be open to the general public if the purpose of the event is fund raising for a charitable or nonprofit organization that is registered as such with Oregon's Secretary of State;

(b) Are catered for 101 or more guests or participants;

(c) Have a contract between the client and the licensee to provide alcohol and food service for a specific number of guests or participants;

(d) Have alcoholic beverage service as secondary to and in conjunction with food service at the event;

(e) Have the licensee not as the client; and

(f) Have the provision of alcohol at the catered event be not more than one license day's duration unless the event is a closed conference or seminar.

(5) An event that doesn't qualify as a large-scale private catered event under this rule may be approved as a temporary use of an annual license event under this rule.

(6) For purposes of this rule, temporary use of an annual license events are events at which the licensee:

(a) Does not have, or is not eligible for, pre-approval to provide the service of small-scale private catering as per OAR 845-005-0405; and

(b) Does not have, or is not eligible for, pre-approval to provide the service of large-scale private catering as per this rule.

(7) Application. Applicants for events under this rule must apply in writing using the application form provided by the Commission. The Commission may require additional forms, documents, or information as part of the application. The Commission may refuse to process any application not complete, not accompanied by the documents or

disclosures required by the form or the Commission, or that does not allow the Commission sufficient time to investigate it. Sufficient time is typically one to three weeks prior to beginning the service of large-scale private catering or prior to the date of the temporary use event. The Commission may give applicants the opportunity to be heard if the Commission refuses to process an application. A hearing under this subsection is not subject to the requirements for contested case proceeding under ORS 183.310 to 183.550.

(8) The Commission may grant pre-approval to provide the service of large-scale private catering for events that meet the requirements of section (4) of this rule. The licensee's application for pre-approval for future large-scale private catered events shall be made in writing and include:

(a) A written, dated, and signed plan the Commission determines adequately manages:

(A) All events to prevent problems and violations;

(B) Patronage by minors as set out in subsection (10) of this rule; and

(C) Alcohol consumption by adults.

NOTE: An application is not complete if this plan is not approved by the Commission. The Commission may use subsection (7) of this rule to refuse to process any application that is not complete;

(b) A brief description of the types of events to be catered;

(c) Identification of the counties and incorporated cities where the licensee will usually cater events authorized under this section; and

(d) Menu or sample menu showing type of food service proposed to comply with OAR 845-006-0462.

(9) The Commission does not grant pre-approval for the temporary use of an annual license for events at another location. The licensee may apply for approval of each temporary use of an annual license event as provided in this section. The licensee's application for the temporary use of an annual license at another location must be in writing and must be on a separate application form for each event. The Commission will not approve more than seven license days on a single application. The Commission may limit approval of any application to a single license day or to any number of license days fewer than seven days. The application must include:

(a) A written, dated, and signed plan the Commission determines adequately manages:

(A) All events to prevent problems and violations;

- (B) Patronage by minors as set out in subsection (10) of this rule; and
- (C) Alcohol consumption by adults.

NOTE: An application is not complete if this plan is not approved by the Commission. The Commission may use subsection (7) of this rule to refuse to process any application that is not complete;

- (b) Identification of all individuals to be employed by the licensee to manage the premises proposed for license authority;
- (c) Identification of the premises proposed to be licensed;
- (d) Statement of the type of event to be licensed, type and extent of entertainment to be offered, expected patronage overall and by minors, and proposed hours of operation;
- (e) A written proposal showing compliance with the food service standards of OAR 845-006-0462;
- (f) The recommendation of the local governing body where the licensed premises will be located; and
- (g) ~~Processing fee established by Commission rule~~ **License fees as established by ORS 471.311.**

(10) A plan for managing patronage by minors under subsections (8)(a) and (9)(a) of this rule must meet the following requirements:

- (a) If the large-scale catered event premises or temporary use of an annual licensed premises will be on any part of a premises, room, or area with an annual license issued by the Commission, the Commission must be convinced that the plan will follow the minor posting and control plan, including any temporary relaxation of the minor posting, assigned to that premises, room, or area under the annual license. The Commission must also be convinced that the plan will prevent minors from gaining access to alcoholic beverages and any portion of the licensed premises prohibited to minors.
- (b) If the catered or temporary use of an annual licensed premises will not be on any part of a premises, room, or area with an annual license issued by the Commission, the Commission must be convinced that the plan will prevent minors from gaining access to alcoholic beverages and any portion of the licensed premises the Commission prohibits to minors.

(11) Minors are prohibited from the large-scale catered event premises or temporary use of an annual licensed premises or portions of the licensed premises as follows:

- (a) Minors may not sit or stand at a bar; however, minors may sit or stand at a food

counter;

(b) Minors may not be in an area where there are video lottery games, social games, or nude entertainment or where such activities are visible;

(c) Minors may not be in an area where the licensee's approved written plan designates that minors will be excluded.

(12) The Commission may deny, cancel or restrict temporary off-premises license use for large-scale private catering or temporary use of an annual license for any reason for which the Commission may deny, cancel or restrict a regular license.

(13) The Commission may deny or restrict temporary off-premises license use for large-scale private catering or temporary use of an annual license events if the applicant has a serious violation history within the past 36 months.

(14) When the Commission approves a written plan under subsections (8)(a) or (9)(a) of this rule, the licensee must follow that written plan. Failure to follow that written plan is a Category III violation.

(15) If the licensee fails to prevent minors from gaining access to alcoholic beverages or fails to prevent minors from gaining access to any portion of the large-scale private catering or temporary use licensed premises prohibited to minors, the Commission may immediately prohibit minors from the licensed premises or portion(s) of the premises.

Statutory/Other Authority: ORS 471, including 471.030, 471.040, 471.730(1) & (5)  
Statutes/Other Implemented: ORS 471.184(2)

#### **845-005-0425**

#### **Qualifications for Wine Self-Distribution Permit for Wine and Cider**

ORS 471.274 allows a manufacturer of wine or cider with a Wine Self-Distribution Permit to sell and ship wine and cider that the manufacturer produced directly to the Commission or to retail licensees of the Commission who hold a valid endorsement issued by the Commission authorizing receipt of wine or cider from the holder of a Wine Self-Distribution Permit. This rule sets the qualifications to obtain a Wine Self-Distribution Permit.

(1) In order to qualify for a Wine Self-Distribution Permit, a person must:

(a) Hold a valid license issued by another state within the United States that authorizes the manufacture of wine or cider;

(b) Hold a valid Certificate of Approval issued under ORS 471.244; and

(c) Hold a bond or other security, as described in ORS 471.155, in the minimum amount

of \$1,000.

(2) Application. A person must make application to the Commission upon forms to be furnished by the Commission and receive a Wine Self-Distribution Permit from the Commission before shipping any wine or cider directly to retail licensees of the Commission. The application shall include:

(a) Any information required by the Commission to establish that the applicant holds a valid license authorizing the manufacture of wine or cider;

(b) A statement that the person understands and will follow Oregon's alcohol laws and rules regarding wine self-distribution, tied-house and financial assistance prohibitions, and wine and cider privilege tax;

(c) Proof of a valid Certificate of Approval issued under ORS 471.244;

(d) ~~A \$100 fee~~ **License fees as established by ORS 471.311**; and

(e) Proof of posting a bond or other security, as described in ORS 471.155, in the minimum amount of \$1,000.

(3) The Commission may refuse to process any application required under this rule that is not complete and accompanied by the documents or disclosures required by the form. The Commission shall give applicants the opportunity to be heard if the Commission refuses to process an application. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS Chapter 183.

(4) The Commission may revoke or refuse to issue or renew a Wine Self-Distribution Permit if the permit holder or applicant fails to qualify for the permit under this rule or a refusal basis applies under ORS Chapter 471 or any other rule of the Commission and good cause does not overcome the refusal basis.

Statutory/Other Authority: ORS 471, including 471.030, 471.040, 471.730(1) & (5)  
Statutes/Other Implemented: ORS 471.272 & 471.274