

2021 ALCOHOL LEGISLATIVE CHANGES GUIDANCE FOR BUSINESSES

This document provides an overview of the legislative changes that occurred during the 2021 legislative session.

What's happening?

The 2021 legislative session modernized various aspects of how alcohol is regulated in Oregon. OLCC staff have developed the following guidance to aide licensees in understanding these changes. Some changes have already been implemented while others will go into effect on January 1, 2022.

UPDATES FOR ALL ALCOHOL LICENSEES

- **OLCC name change.** Effective August 2, 2021, the OLCC is now known as the Oregon Liquor and Cannabis Commission. For more information, go [here](#).
- **Canadian driver license and province ID cards added to list of acceptable IDs.** Oregon licensed businesses and retail liquor stores may now accept drivers licenses and ID cards issued by individual Canadian provinces. The acceptable IDs signage ([English](#), [Spanish](#)) has been updated for posting in your business. In addition, the OLCC developed an informational document about the change that can be found, [here](#).
- **OLCC received authorization for deferral and waiver of annual license fees.** The OLCC received authorization to design a framework for deferral and waiver of annual license fees in the event of a declared state of emergency or a public health crisis. Individuals who are interested in the rulemaking process related to developing the criteria for license fee waiver and deferral should [apply to participate](#) in the OLCC's advisory committee meetings. For updates on the advisory committee sessions and rulemaking, you can also sign up for email alerts by going [here](#).
- **Counties in the State of Oregon may now hold a liquor license.** Previously, Oregon law allowed cities to hold alcohol licenses, but was silent about whether counties could also be liquor licensees. No longer. Effective July 19, 2021, Oregon counties may now hold liquor licenses.

UPDATES FOR BARS, RESTAURANTS & STORES

- **Retail license consolidation.** Full and Limited On-Premises Sales licensees no longer need the Off-Premises Sales license to sell manufacturer-sealed containers (bottles, cans, kegs, etc.) of malt beverages, wine, and cider for carry-out and delivery. To SAVE MONEY AND TIME, licensees that currently hold a Full or Limited On-Premises Sales license AND the Off-Premises Sales license should consider eliminating the unnecessary Off-Premises Sales license. For more information, see the [Licensee Bulletin: Retail License Consolidation](#).

- **Additional retail licensees may now sell “kegs” to consumers.** Off-Premises Sales and Full On-Premises Sales licensees may now sell manufacturer-sealed containers (including “kegs”) of any size to consumers for pick-up at the licensed premises (max container size for delivery still limited to 2 gallons). For more information about updates related to keg sales, see the [Licensee Bulletin: Keg Sales to Consumers](#). In addition, Full On-Premises or Off-premises Sales licensees that held a Limited On-Premises Sales license in order to sell kegs no longer need that license to sell kegs. For more information, see the [Licensee Bulletin: Retail License Consolidation](#).
- **Keg-tag requirement eliminated.** The Oregon legislature repealed the statute that required licensees to collect certain information when selling a keg to a consumer and the requirement to “tag” kegs sold to consumers. For more information about updates related to keg sales, see the [Licensee Bulletin: Keg Sales to Consumers](#).
- **Drinks (cocktails) to go made permanent in Oregon.** The Oregon legislature amended the Full-On Premises Sales license statute to permanently allow Full On-Premises Sales licensees (restaurants and bars) to sell drinks containing distilled liquor in sealed containers for carryout and delivery with food. For more information, see the OLCC’s [Drinks To Go](#) webpage.

UPDATES FOR MANUFACTURER AND WHOLESALER LICENSEES; DIRECT SHIPPERS

- **Most hard seltzers now qualify as “malt beverage” in Oregon.** The Oregon legislature updated the definition of malt beverage to align the state’s definition with the federal beverage alcohol classification for beer and malt beverage. This definition change had the greatest impact on suppliers of hard seltzer. For more information, see the [Hard Seltzer as a Malt Beverage factsheet](#) and the [OLCC Guide to Hard Seltzer in Oregon](#).
- **Wine delivery to consumers volume increase.** In-state wineries, brew-pubs, breweries, grower sales privilege licensees and out-of-state direct shipper permittees may now deliver up to five, 9 liter cases of wine per day and per month to Oregon consumers. For more information, see [Wine Industry Guidance: Monthly Direct to Consumer Wine Shipments](#) and [OAR 845-006-0392](#) (wine deliveries rule).
- **Manufacturer or wholesaler to retailer equipment leases.** Manufacturers and wholesalers may now lease certain equipment to retail licensees (including special event licensees) for up to 14 days. For more information, see [OAR 845-013-0090\(5\)](#).
- **Keg-tag requirement eliminated.** The Oregon legislature repealed the statute that required licensees to collect certain information when selling a keg to a consumer and the requirement to “tag” kegs sold to consumers. For more information about updates related to keg sales, see the [Licensee Bulletin: Keg Sales to Consumers](#).

UPDATES FOR SPECIAL EVENTS

- **Unlicensed (Exempt) Charitable Events.** Oregon nonprofit and charitable organizations may now conduct events involving alcohol sales and service for up to 45 days in a calendar year without a license. Organizations interested in conducting exempt events (like auctions and raffles) must still receive approval from the OLCC. For more information about nonprofit exempt events (including the application for approval and guide), go to the OLCC’s [special events licensing page](#).

- **Nonprofit temporary sales licensees can use one application for an event with multiple locations:** If an Oregon nonprofit or charitable organization has exhausted the exempt event days for the calendar year as discussed above, there is another benefit for these organizations that came out of the 2021 legislative session. Oregon nonprofit and charitable organizations may now use one nonprofit temporary sales license application to cover multiple addresses for a single event, provided all addresses are within the same local governing body jurisdiction (same city or county). An example of an event that would benefit from this change is a “wine walk” conducted by a local chamber of commerce involving multiple addresses. For more information about the updates to nonprofit temporary sales licenses (including the application and guide), go to the OLCC’s [special events licensing page](#).
- **Alcohol deliveries by temporary sales licensees:** All temporary sales licensees may now deliver malt beverages, wine and cider on days covered by the special event license and following Oregon’s alcohol delivery rules ([OAR 845-006-0392](#) for wine and cider deliveries; [OAR 845-006-0396](#) for malt beverage deliveries). For more information about alcohol deliveries under a temporary sales license, see the [Special Events Guide for TSLs and Exempt Events](#).

Legislative changes effective in 2022

In addition to the legislative changes addressed above, there were changes to Oregon’s alcohol laws that will take effect on January 1, 2022. Detailed information about those changes is forthcoming, but include topics like:

UPCOMING CHANGES IN 2022 FOR ALL ALCOHOL LICENSEES

- **Applicants for any new license will be eligible for a temporary authority to operate AND the timeframe for the authority doubled.** Currently, there are only two categories of license applicants that are eligible for a temporary authority to operate (while the license investigation is ongoing and ahead of getting a license) for up to 90 days. The temporary authority to operate is only available to Off-Premises Sales license applicants and applicants who are purchasing a licensed business from an existing licensee (and not making any substantial changes to the business). Beginning on January 1, 2022, applicants for any new license will be eligible for a temporary authority to operate (subject to a preliminary assessment of licensability). In addition, the temporary authority to operate will be issued for 180 days rather than 90 days. Additional information and rulemaking is forthcoming.
- **Alcohol service permittees to become mandatory reporters for suspected sex trafficking.** OLCC service permittees will be required to report suspected incidents of sex trafficking occurring in the liquor licensed establishments where they work. Policy and rulemaking on this topic is forthcoming.

UPCOMING CHANGES IN 2022 FOR MANUFACTURER AND WHOLESALER LICENSEES

- **Alcohol by volume (ABV) increases for privilege tax classification.** Oregon increased the ABV upper limit for the “table wine” privilege tax classification and the ABV upper limit for malt beverages to align with the federal ABV limits set for collection of excise tax. The ABV cap for both beverage alcohol categories moved from 14% ABV to 16% ABV (the malt beverage increase was effective 6/8/21). Additional guidance is forthcoming.
- **“Cider” can be fortified with distilled liquor.** The current definition of cider in Oregon law (ORS 471.023) does not allow for distilled liquor (like a brandy or sherry) to be added for fortification

purposes. *Once effective*, the new definition would allow hard cider producers to fortify the product with distilled liquor, provided the alcohol by volume of the finished product does not exceed 8.5%. In Oregon, a winery license is needed to produce cider and the winery statute (ORS 471.223) explains how winery licensees may obtain distilled liquor for fortification purposes.

Questions or Concerns

For questions, or to report a concern, please contact Alcohol.OLCC@oregon.gov