OREGON LIQUOR & CANNABIS COMMISSION



BREWERY-PUBLIC HOUSE Primary License Privileges

<u>Introduction</u>

Oregon Revised Statute (ORS) 471.220 authorizes the brewery-public house license and its license privileges, including the ability to have a primary (1st) location along with optional 2nd and 3rd locations.

A brewery-public house license at the primary (1st) location

- The OLCC license fee is \$500 per year.
- May make malt beverages at this location.
- May not import malt beverages into Oregon to this location.
- May export malt beverages out of Oregon from this location.
- Oregon has no requirements regarding shipping or delivering malt beverages to a business or individual outside of Oregon; however, the state or country in which the business or individual is located may have requirements.
- May sell and distribute malt beverages directly to wholesale malt beverage and wine (WMBW) licensees in Oregon.
- May sell and distribute malt beverages <u>manufactured</u> on the licensed premises to any other premises (whether a manufacturer, wholesaler, or retail premises) licensed to the <u>same licensee of record as</u> the brewery-public house.
- May sell and distribute directly to licensees in Oregon in a calendar year no more than 7,500 barrels (31 U.S. gallons to a barrel) of malt beverages *produced* by the brewery-public house licensee.
 - → As described later in this document, a brewery-public house licensee who receives malt beverages under a custom order agreement produced by an Oregon brewery licensee or different Oregon brewery-public house licensee may not wholesale or distribute those malt beverages (this is because the malt beverages are not produced by the receiving brewery-public house licensee; and thus, the receiving brewery-public house licensee may only sell the malt beverages at retail).
- On-premises: May sell and serve <u>by the drink</u> at retail to consumers for consumption <u>on</u> your licensed premises:
 - * Malt beverages (beer), wine, and cider.
- Off-Premises: May sell at retail to consumers for consumption off your licensed premises:
 - * Malt beverages, wine, and cider in factory-sealed containers. There is no minimum or maximum container size or volume limit to *sell*, but there are delivery limits (see the delivery rules).
 - * Malt beverages, wine, and cider in a securely covered container (growler). The maximum container for wine and cider is no more than 2 gallons; however, the maximum container size limit does not apply to malt beverages. There is no minimum container size limit for malt beverages, wine, or cider. There are delivery limits (see the delivery rules).
- May <u>deliver</u> factory-sealed containers and securely covered containers (growlers) of malt beverages (beer), wine, and cider direct to consumer for consumption <u>off</u> your licensed premises; however, must follow the delivery rules at OAR 845-006-0392 and 845-006-0396.
- Eligible to obtain the following OLCC licenses: full on-premises sales, limited on-premises sales, temporary sales license (TSL), winery, distillery, and warehouse.
- Eligible to apply for a special event brewery-public house (SEBPH) license.
- · Must obtain an OLCC privilege tax bond.
- Must meet the alcohol server education, service permit, and liquor liability insurance requirements.

Prohibited Financial Assistance from Manufacturer/Wholesaler to Retailer

 ORS 471.200 subsection (3) designates a brewery-public house as both a retail licensee and a manufacturer. As such, for financial assistance issues:

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- → ORS 471.398 prohibits a brewery-public house licensee from providing financial assistance to a full on-premises, limited on-premises, off-premises, or temporary sales licensee unless allowed by exception;
- → ORS 471.398 prohibits a brewery-public house licensee from providing or accepting financial assistance from another brewery-public house licensee unless allowed by exception;
- → ORS 471.398 prohibits a brewery-public house licensee from providing or accepting financial assistance from a brewery, winery, grower sales privilege, distillery, wholesale malt beverage and wine, warehouse licensee or any manufacturer of alcoholic beverages whose products are sold in the State of Oregon unless allowed by exception.
- For the primary exceptions, see the "Supplier-Retailer Relations" guide.

Private Labels

 May produce and then sell malt beverages to retail licensees under a private label but must follow OAR 845-010-0206.

Custom Order Agreements

- Custom Order Agreement to <u>produce</u> malt beverages for another OLCC licensee (see OAR 845-006-0410):
 - → A "custom order agreement" means an agreement whereby a brewery-public house licensee agrees to produce or manufacture malt beverages based on certain specifications for a commission licensee as described in OAR 845-006-0410(5).
 - → Malt beverages produced under a custom order agreement are produced by the producing brewery-public house licensee and not by the receiving licensee.
 - → Privilege taxes for malt beverages produced under a custom order agreement are due from the producing licensee when the producing licensee sells or transfers the malt beverage to the receiving licensee. Despite this requirement, the producing licensee may qualify for nonpayment of privilege taxes under ORS 473.050.
 - \rightarrow Must follow OAR 845-006-0410, section (5).
 - May <u>not</u> use a custom order agreement to produce malt beverages for a full on-premises, limited on-premises, off-premises, or temporary sales license. However, despite this requirement, may produce malt beverages for a full on-premises, limited on-premises, or temporary sales license licensed to the same licensee of record as the brewery-public house licensee.
 - May use a custom order agreement to produce malt beverages for a different brewery-public house licensee.
 - The custom order agreement must be in writing, must identify the malt beverage by a specific formula, and must identify a defined period of time for the agreement that is no longer than 60 days from production to delivery of the malt beverage to the receiving licensee.
 - * The agreement may not allow the producing licensee to store the malt beverage longer than the 60-day time period.
 - * As per OAR 845-006-0410, sections (2) and (3), the malt beverages are produced by the producing brewery-public house licensee. This means the producing brewery-public house licensee is responsible for paying Oregon privilege taxes and the receiving brewery-public house licensee may only sell the malt beverages at retail (the brewery-public house licensee may not wholesale or distribute the malt beverages).
 - As per section (5)(c), may use a custom order agreement to produce malt beverages for a manufacturer or wholesaler as defined in ORS 471.392.

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- Custom Order Agreement to <u>receive</u> malt beverages produced by a brewery licensee or a different brewery-public house licensee:
 - → May use a custom order agreement to receive malt beverages produced by a brewery or a different brewery-public house licensee.
 - → May sell these malt beverages to individual consumers (non-licensees of the OLCC) for consumption on the licensed premises.
 - → May sell these malt beverages to individual consumers (non-licensees of the OLCC) in factorysealed containers for consumption off the licensed premises. There is no minimum or maximum container size limit.
 - → May sell these malt beverages to individual consumers in a securely covered container ("growler") for consumption off the licensed premises. The container may not hold more than 2 gallons; however, there is no minimum container size limit.
 - → As per OAR 845-006-0410, sections (2) and (3), the malt beverages are produced by the <u>producing</u> brewery or brewery-public house licensee. This means the receiving brewery-public house licensee may only sell the malt beverages at retail (the brewery-public house licensee may not wholesale or distribute the malt beverages).

Alternating Proprietorship

- This is a term used by the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) to describe an arrangement at a licensed premises where two or more parties use the same premises and equipment to make an alcoholic beverage (in this case, malt beverages).
 - → At a premises with a brewery-public house license. Each party must have its own brewery-public house (not brewery) 1st location license. The OLCC requires each party to obtain its own TTB Brewer's Notice.
 - → At premises with a brewery license. A brewery and a brewery-public house may not be licensed at the same address.

Some Links

- CAMP Customer Portal: CAMP Customer Portal
- Alcoholic liquor laws: ORS 471
- Wine and cider delivery to consumer: OAR 845-006-0392
- Malt beverage delivery to a consumer: OAR 845-006-0396
- Custom order agreements: OAR 845-006-0410
- Private label agreements: OAR 845-010-0206
- Supplier-Retailer Relations Guide
- For inquiries regarding OLCC privilege tax bond: <u>olcc.bonds@olcc.oregon.gov</u>
- For inquiries regarding OLCC privilege tax online: olcc.privilegetaxonline@olcc.oregon.gov
- For alcohol service permit questions; olcc.servicepermits@olcc.oregon.gov
- For general liquor licensing questions: olcc.alcohollicensing@olcc.oregon.gov
- For liquor license renewal inquiries: olcc.renewals@olcc.oregon.gov
- For liquor compliance or enforcement inquiries: alcohol.olcc@olcc.oregon.gov