OREGON LIQUOR & CANNABIS COMMISSION



WINERY Primary License Privileges

Introduction

Oregon Revised Statute (ORS) 471.223 authorizes the winery license and its license privileges, including the ability to have a primary (1st) location along with an optional $2^{nd} - 5^{th}$ location.

To obtain and hold an Oregon Winery license, ORS 471.223 requires the licensee to hold a permit from the federal Alcohol and Tobacco Tax and Trade Bureau (TTB), unless an exception applies.

- When a TTB permit is required, here are the permit requirements:
 - → A valid *Producer and Blender Basic Permit* at the premises where production occurs; or
 - → A valid <u>Wholesaler Basic Permit</u> (at any address in the U.S.) <u>and</u> a written contract with an Oregon Winery that does have a valid TTB Producer and Blender Basic Permit to produce wine or cider for the licensee (this contract is typically called a "custom crush" agreement) and the receiving licensee must own the brand under which the wine or cider is labeled; or
 - → A valid <u>Wine Blender Basic Permit</u> (at an Oregon address) <u>and</u> a written contract with an Oregon Winery that does have a valid TTB Producer and Blender Basic Permit to produce wine or cider for the licensee (this contract is typically called a "custom crush" agreement) and the receiving licensee must own the brand under which the wine or cider is labeled.
- Exception to the TTB permit requirement
 - → The OLCC does not require a Winery licensee who will produce only cider to obtain a TTB permit or to have a written contract with an Oregon Winery that does have a valid TTB Producer and Blender Basic Permit to produce wine or cider for the licensee (this contract is typically called a "custom crush" agreement).
 - → The OLCC defines "cider" as an alcoholic beverage made from the fermentation of the juice of apples or pears that contains not more than 8.5 percent of alcohol by volume, including, but not limited to, flavored, sparkling or carbonated cider.
 - → Note that despite the OLCC requirement, the TTB will likely require the licensee to meet its requirements.

A winery license at the primary (1st) location when the licensee holds or will hold a valid TTB <u>Producer and Blender Basic Permit</u>

- The OLCC license fee is \$500 per license year or any part of a license year.
- May manufacture, blend, store, bottle, and export wine and cider.
 - → If exporting out of Oregon. Oregon has no requirements to ship or deliver wine or cider 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 import wine or cider into Oregon:
 - → In containers that have a capacity of more than four liters; or
 - → In containers that have a capacity of four liters or less if the brand of wine or cider is under the control of the licensee. "Control" is defined in ORS 471.223.
- Wholesale sale, distribution, and delivery (direct to wholesale and retail licensees of the OLCC):
 - → Once legally acquired, may sell, distribute, and deliver at wholesale <u>all</u> brands of wine and cider to wholesale and retail licensees of the OLCC.
 - → Malt beverages. May not sell, distribute, or deliver malt beverages at wholesale.
- Retail sale and service (direct to consumer). Once legally acquired:
 - → <u>By the drink</u>. May sell and serve <u>all</u> brands of wine and cider and <u>all</u> brands of malt beverages by the drink at retail to consumers for consumption **on** the licensed premises.
 - → <u>Factory-sealed containers</u>. May sell <u>all</u> brands of wine and cider and <u>all</u> brands of malt beverages in factory-sealed containers at retail to consumers for consumption <u>off</u> the licensed

Rev: 11.10.21 Page 1 of 3

OREGON LIQUOR & CANNABIS COMMISSION



WINERY Primary License Privileges

- premises. There is no minimum or maximum container size or volume limit to <u>sell</u>, but there are delivery limits (see the delivery rules).
- → <u>Securely covered container (growler)</u>. May sell <u>all</u> brands of wine and cider and <u>all</u> brands of malt beverages in a securely covered container (growler) at retail to consumers for consumption <u>off</u> the licensed premises. The container may not hold more than two gallons; however, there is no limit on the number of containers sold at one time. There are delivery limits (see the delivery rules).
- Retail delivery (direct to consumer). Once legally acquired, may deliver <u>all</u> brands of wine and cider and <u>all</u> brands of malt beverages in factory-sealed containers and securely covered containers (growlers) 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 apply for a special event winery (SEW) license.
- Must obtain an OLCC privilege tax bond unless an exemption applies.
- Must meet the alcohol server education, service permit, and liquor liability insurance requirements, unless an exemption applies.

A winery license at the 2nd – 5th location when the licensee holds or will hold a valid TTB Producer and Blender Basic Permit

- No OLCC license fee, but must apply to the OLCC for each location.
- Eligible to use all of the license privileges of the primary (1st) location.

Winery license at the primary (1st) location when the licensee holds or will hold a valid TTB Wholesaler Basic Permit or a valid TTB Wine Blender Basic Permit

- The OLCC license fee is \$500 per license year or any part of a license year.
- Unless an exception applies as described above, must have a written contract with an Oregon Winery
 that has a valid TTB Producer and Blender Basic Permit to produce wine or cider for the licensee (this
 contract is typically called a "custom crush" agreement) and the receiving licensee must own the
 brand under which the wine or cider is labeled.
- For wine and cider, may exercise the privileges of the license only for wine and cider brands that are under the control of the licensee. "Control" is defined in ORS 471.223.
- May import such wine and cider into Oregon (in any size container).
- May store such wine and cider.
- May export such wine and cider out of Oregon (Oregon has no requirements to ship or deliver wine or cider to a business or individual outside of Oregon; however, the state or country in which the business or individual is located may have requirements).
- Wholesale sale, distribution, and delivery (direct to wholesale and retail licensees of the OLCC):
 - → Once legally acquired, may sell, distribute, and deliver at wholesale <u>only</u> brands of wine and cider under the control of the licensee to wholesale and retail licensees of the OLCC.
 - → Malt beverages. May not sell or distribute malt beverages at wholesale.
- Retail sale and service (direct to consumer). Once legally acquired:
 - → <u>By the drink</u>. May sell and serve <u>only</u> brands of wine and cider under the control of the licensee and <u>all</u> brands of malt beverages by the drink at retail to consumers for consumption <u>on</u> the licensed premises.
 - → <u>Factory-sealed containers</u>. May sell <u>only</u> brands of wine and cider under the control of the licensee and <u>all</u> brands of malt beverages in factory-sealed containers at retail to consumers for consumption <u>off</u> the licensed premises. There is no minimum or maximum container size or volume limit to <u>sell</u>, but there are delivery limits (see the delivery rules).
 - → <u>Securely covered container (growler)</u>. May sell <u>only</u> brands of wine and cider under the control of the licensee and <u>all</u> brands of malt beverages in a securely covered container (growler) at retail to

Rev: 11.10.21 Page 2 of 3

OREGON LIQUOR & CANNABIS COMMISSION



WINERY Primary License Privileges

consumers for consumption <u>off</u> the licensed premises. The container may not hold more than two gallons; however, there is no limit on the number of containers sold at one time. There are delivery limits (see the delivery rules).

- Retail delivery (direct to consumer). Once legally acquired, may deliver <u>only</u> brands of wine and cider under the control of the licensee and <u>all</u> brands of malt beverages in factory-sealed containers and securely covered containers (growlers) 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.
- Must obtain an OLCC privilege tax bond unless an exemption applies.
- Must meet the alcohol server education, service permit, and liquor liability insurance requirements, unless an exemption applies.

Winery license at the 2nd – 5th location when the licensee holds or will hold a valid TTB Wholesaler Basic Permit or a valid TTB Wine Blender Basic Permit

- No OLCC license fee, but must apply to the OLCC for each location.
- Eligible to use all of the license privileges of the primary (1st) location.

Prohibited Financial Assistance from Manufacturer/Wholesaler to Retailer

- ORS 471.392 defines a winery as a manufacturer or wholesaler.
- ORS 471.398 prohibits a manufacturer or wholesaler from providing financial assistance to a full onpremises, limited on-premises, off-premises, brewery-public house, or temporary sales licensee unless allowed by exception.
- For the primary exceptions, see the "Supplier-Retailer Relations" guide.

Private Labels

 Private labels. May produce and then sell wine and cider to retail licensees under a private label but must follow OAR 845-010-0206.

Some Links

- Special event winery (SEW) application: <u>SEW application</u>
- 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
- Private label agreements: OAR 845-010-0206
- Supplier-Retailer Relations Guide
- For general inquiries regarding OLCC privilege taxes: olcc.privilegetax@oregon.gov
- For inquiries regarding OLCC privilege tax bond: olcc.bonds@oregon.gov
- For inquiries regarding OLCC privilege tax online: olcc.privilegetaxonline@oregon.gov
- For alcohol service permit questions: olcc.servicepermits@oregon.gov
- For general liquor licensing questions: olcc.liquorlicenseapplication@oregon.gov
- For liquor license renewal inquiries: olcc.renewals@oregon.gov
- For liquor compliance or enforcement inquiries: <u>alcohol@oregon.gov</u>

Rev: 11.10.21 Page 3 of 3