

Prototype Amended Draft 3-14-19mjm

Senate Bill 829.1

Sponsored by Senator HASS, Representatives NOBLE, WILLIAMSON; Senators BEYER, BOQUIST, BURDICK, DEMBROW, FAGAN, FREDERICK, GIROD, MANNING JR, MONNES ANDERSON, OLSEN, PROZANSKI, RILEY, STEINER HAYWARD, THATCHER, WAGNER, Representatives BARKER, BOLES, BOSHART DAVIS, BYNUM, CLEM, DOHERTY, DRAZAN, EVANS, FAHEY, GOMBERG, GORSEK, HELM, HERNANDEZ, HOLVEY, LIVELY, MCLAIN, MEEK, NEARMAN, NOSSE, PILUSO, POST, POWER, REARDON, SALINAS, SCHOUTEN, SOLLMAN, SPRENGER, WILDE, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Requires that if appellation of origin on wine label is American viticultural area in Oregon that is in larger American viticultural area, label must also identify larger American viticultural area. Authorizes Oregon Liquor Control Commission to identify American viticultural areas that are subject to the requirements. Authorizes commission to adopt label rules for wine produced in some or all of American viticultural areas in state. Applies to wine labeled on or after January 1, 2023.

Requires commission to appoint advisory committee. Sunsets advisory committee January 2, 2023.

Requires commission to adopt rules establishing penalty schedule for labeling requirement. Requires adoption of initial rules in time to take effect January 1, 2023. Repeals rule adoption requirement January 2, 2023.

Requires commission to report to interim committee of Legislative Assembly no later than September 15, 2020, regarding advisory committee recommendations and status of commission rule adoption proceedings.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to wine labeling; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 471.

SECTION 2. (1) As used in this section, "American viticultural area" means a delimited grape growing region approved under 27 C.F.R. part 9.

(2) If a wine label bears the name of an American viticultural area identified pursuant to subsection (4) of this section and that American viticultural area is wholly or partially within the boundaries of a larger American viticultural area, the wine label must also identify the larger American viticultural area. The larger American viticultural area must be identified in letters:

(a) At least two millimeters high if the wine container is more than 187 milliliters in volume;

(b) At least one millimeter high if the wine container is 187 milliliters or less in volume.

(3) Subsection (2) of this section does not require that the name of the larger American viticultural area:

- (a) Be included in or near the appellation of origin; or
- (b) Be in the same size or font as the appellation of origin.

(4) (a) The requirements of subsection (2) of this section shall apply to a wine label that bears the name of an American viticultural area that is contained wholly or partially within the boundaries of the Willamette Valley viticultural area.

(b) The Oregon Liquor Control Commission, by rule, may identify the names of additional American viticultural areas in this state that are subject to the label requirements of subsection (2) or this Section. The commission shall solicit and consider recommendations by Oregon winemaking industry associations associated with an American viticultural area before determining whether the area should be subject to the requirements of subsection (2) of this Section.

(c) The Oregon Liquor Control Commission, by rule, may identify the name of a larger American viticulture area that does not need to be identified on a wine label in the case where a smaller American viticultural area is wholly or partially contained within the boundaries of a larger American viticultural area.

(5) The commission, by rule, may impose label requirements for wine produced in this state as the commission deems appropriate. The commission may make a wine label requirement applicable to wines produced in some or all of the American viticultural areas in this state.

SECTION 3. (1) The Oregon Liquor Control Commission shall appoint an advisory committee to assist the commission in developing rules to carry out section 2 of this 2019 Act. The commission shall ensure that members of the advisory committee are persons having expertise in the production and labeling of Oregon wines. To the extent practicable, the commission shall appoint advisory committee members from the various wine growing areas of this state in proportion to the relative acreage in those areas used for wine grape production. In making appointments to the advisory committee the commission shall consider nominees of winemaking industry associations or other organizations related to the winemaking industry.

(2) The duties of the advisory committee may include the consideration of other matters related to wine content and labeling and shall include, at a minimum, developing recommendations to the commission regarding:

- (a) Standards for a winery to request, and for the commission to approve, variances or the use of existing stocks of labels;
- (b) The names of additional American viticultural areas that should be included in the label requirements of section 2 (2) of this 2019 Act, including but not limited to recommendations regarding any American viticultural areas in this state that extend across state lines; and
- (c) a penalty schedule for violations of section 2 of this 2019 Act.

(3) The advisory committee shall solicit and consider recommendations by Oregon winemaking industry associations associated with the American viticultural area before the advisory committee may recommend to the commission that the name of the area be subject to the requirements of Section 2 (4) of this 2019 Act.

SECTION 4. The Oregon Liquor Control Commission shall adopt rules establishing a penalty schedule for violations of section 2 of this 2019 Act. The commission shall complete the adoption of an initial penalty schedule under this section in time for the penalties to take effect January 1, 2023.

SECTION 5. The Oregon Liquor Control Commission shall report to an interim committee of the Legislative Assembly relating to business in the manner provided under ORS 192.245 no later than September 15, 2020, regarding the recommendations made by the advisory committee described in section 3 of this 2019 Act and the status of commission rule adoption proceedings under sections 2 and 4 of this 2019 Act.

SECTION 6. Section 2 of this 2019 Act becomes operative on January 1, 2023, and applies to wine labeled on or after January 1, 2023.

SECTION 7. Section 3 of this 2019 Act is repealed on January 2, 2023.

SECTION 8. Section 4 of this 2019 Act is repealed on January 2, 2023. The repeal of section 4 of this 2019 Act by this section does not affect the validity of any rules adopted under section 4 of this 2019 Act.

SECTION 9. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.