

Prototype Amended Draft 3/14/19mjm

Senate Bill 830.1

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, GOMBERG, GORSEK, HELM, HERNANDEZ, HOLVEY, LIVELY, MCLAIN, MEEK, NEARMAN, NOSSE, PILUSO, POWER, PRUSAK, 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 wine labeled with American viticultural area in Oregon is labeled with single grape variety as type designation, wine must meet specified content requirements. Authorizes Oregon Liquor Control Commission to exempt wine grape varieties from requirements. Authorizes commission to identify American viticultural areas that are subject to the requirements. Applies to wine labeled on or after January 1, 2023. Imposes revised content requirements for wine bottled on or after January 1, 2030.

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 (3) of this section, or implies that the wine is derived from grapes grown in such American viticultural area, and uses a single grape variety as a type designation, except an exempt grape variety as provided in subsection (4) of this section:

(a) At least 95 percent of the wine, by volume, must be derived from the grape variety used as the type designation; and

(b) The percentage and name of each grape variety used must be listed on the label as provided under 27 C.F.R. part 4.

(3) (a) The requirements of subsection (2) of this Section apply to a wine label that bears the name of the Willamette Valley viticultural area.

(b) The commission, by rule, may identify the names of additional American viticultural areas located in this state that are subject to the label requirements of subsection (2) of 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.

(4)(a) The commission, by rule, may classify a grape variety as an exempt variety. The commission shall not classify the grape variety Pinot noir as an exempt variety. A wine that uses an exempt variety of grape as a type designation is not subject to the content requirement in subsection (2) of this section. However, at least 75% of the wine, by volume, must be derived from the exempt variety as provided under 27 C.F.R. part 4.

(b) If a wine label bears the name of an American viticultural area that is not subject to subsection (2) of this section and uses a single grape variety name as the type designation, at least 90 percent of the wine, by volume, must be derived from the grape variety used as the type designation, unless that grape variety has been classified as an exempt variety under subsection (4)(a) of this section.

(c) The commission shall solicit and consider recommendations by Oregon winemaking industry associations regarding whether a grape variety should be classified as an exempt variety under paragraph (a) of this subsection.

(5) The commission may, by rule, allow a variance or temporary exemption from subsection (2) of this section to allow the use up of existing label stock.

(6) The commission may not impose a civil penalty for failure to list a grape variety as required under subsection (2)(b) of this section if the unlisted grape variety is less than one percent of the wine.

SECTION 3. Section 2 of this 2019 Act applies to labels on wine bottled on or after January 1, 2023.

SECTION 4. Section 2 of this 2019 Act is amended to read:

Sec. 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)(a) If a wine label bears the name of an American viticultural area identified pursuant to subsection (3) of this section, or implies that the wine is derived from grapes grown in such American viticultural area, and uses a single grape variety as a type designation, except an exempt or non-exclusive grape variety as provided in subsection (4) of this section, the wine must be produced entirely from the grape variety used as the type designation.[:]

(b) A wine label that bears the name of the Willamette Valley American viticultural area and uses Pinot noir as the type designation is subject to the requirement in subsection (2)(a) of this section.

[(a) At least 95 percent of the wine, by volume, must be derived from the grape variety used as the type designation; and]

[(b) The percentage and name of each grape variety used must be listed on the label as provided under 27 C.F.R. part 4.]

[(3)] (3) (a) The requirements of subsection (2) of this Section apply to a wine label that bears the name of the Willamette Valley viticultural area.

(b) The Oregon Liquor Control Commission, by rule, may identify the names of additional American viticultural areas located in this state that are subject to the label requirements of subsection (2) of 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.

(4)(a) The commission, by rule, may classify a grape variety as an exempt variety. The commission shall not classify Pinot noir as an exempt variety. A wine that uses an exempt variety of grape as a type designation is not subject to the content requirement in subsection [(2)(a)] (2) of this section. However, at least 75 percent of the wine, by volume, must be derived from the exempt variety of grape as provided under 27 C.F.R. part 4.

(b) The commission, by rule, may classify a grape variety as a nonexclusive variety. A wine that uses a nonexclusive variety of grape as a type designation is not subject to the content requirement in

subsection (2) of this section. However, at least 95 percent of the wine, by volume, must be derived from the nonexclusive variety of grape as provided under 27 C.F.R. part 4. The percentage and name of each grape variety used must be listed on the label as provided under 27 C.F.R. part 4.

[(b)] (c) If a wine label bears the name of an American viticultural area that is not subject to subsection (2) of this section and uses a single grape variety name as the type designation, at least 90 percent of the wine, by volume, must be derived from the grape variety used as the type designation, unless that grape variety has been classified as an exempt variety under subsection (4)(a) of this section.

[(c)] (d) The commission shall solicit and consider recommendations by Oregon winemaking industry associations regarding:

(A) Whether a grape variety should be classified as an exempt variety under paragraph (a) of this subsection; [and]

(B) Whether a grape variety should be classified as a nonexclusive variety under paragraph (b) of this subsection.

(5) The commission may, by rule, allow a variance or temporary exemption from subsection (2) of this section to allow the use up of existing label stock.

(6) The commission may not impose a civil penalty for violation of section (2) of this section if the violation results from the presence of rogue vines in a vineyard and less than one percent of the wine, derived from that vineyard, is from a variety other than the single grape variety used as the type designation.

SECTION 5. The amendments to section 2 of this 2019 Act by section 4 of this 2019 Act become operative January 1, 2030, and apply to labels on wine bottled on or after that date.

SECTION 6. (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 up existing stocks of labels;

(b) The names of additional American viticultural areas that should subject to the label requirements of Section 2(2) of this 2019 Act, including but not limited to recommendations regarding any American viticultural area that extends across state lines;

(c) Which grape varieties should receive classification as exempt varieties;

(d) Which grape varieties should, when the classification becomes available, receive classification as nonexclusive varieties; and

(e) 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 an American viticultural area before the advisory committee may recommend to the commission that an area be subject to Section 2(2) of this 2019 Act.

SECTION 7. 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 8. 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 6 of this 2019 Act and the status of commission rule adoption proceedings under sections 2 and 7 of this 2019 Act.

SECTION 9. Section 6 of this 2019 Act is repealed on January 2, 2023.

SECTION 10. Section 7 of this 2019 Act is repealed on January 2, 2023. The repeal of section 7 of this 2019 Act by this section does not affect the validity of any rules adopted under section 7 of this 2019 Act.

SECTION 11. 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.
