

Prototype Amended Draft 3/14/18mjm

Senate Bill 831.1

Sponsored by Senator HASS, Representatives NOBLE, WILLIAMSON; Senators BEYER, BOQUIST, BURDICK, DEMBROW, FAGAN, FREDERICK, GIROD, MANNING JR, MONNES ANDERSON, OLSEN, RILEY, STEINER HAYWARD, THATCHER, WAGNER, Representatives BARKER, BOLES, BOSCHART DAVIS, BYNUM, CLEM, DOHERTY, DRAZAN, EVANS, 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 wine using American viticultural area in this state as appellation of origin or implying American viticultural area as source be produced entirely from grapes grown in that American viticultural area. Authorizes Oregon Liquor Control Commission to grant variance or temporary exemption for specified cause. Authorizes the commission to identify American viticultural areas that are subject to the requirements. Applies to wine labeled 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 as an appellation of origin or implies that the wine is derived from grapes grown in such American viticultural area, the wine must be produced entirely from grapes grown within the American viticultural area indicated or implied on the label.

(3) (a) The requirements of subsection (2) of this section apply to a wine labeled with 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 may be subject to the 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 name of an area should be subject to subsection (2) of this Section.

(c) The Oregon Liquor Control Commission may, by rule, allow a variance to the requirements of subsection (2) of this Section through December 31, 2035 if 95% or more of the grapes used in the production of a wine have been grown in the appellation of origin stated on the wine and the other grapes used in the production of the wine are purchased from a vineyard that can demonstrate to the commission that: 1) prior to December 31, 2018 the vineyard sold grapes to the winery for the production of the referenced wine and 2) the quantity of grapes does not exceed the maximum quantity sold to the winery in any of the three years prior to December 31, 2018.

(4) The Oregon Liquor Control Commission may, by rule, allow a variance or temporary exemption from subsection (2) of this section to allow the use up of existing label stocks.

SECTION 3. Section 2 of this 2019 Act applies to labels on wine bottled on or after January 1, 2030.

SECTION 4. (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 wine 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 of existing stocks of labels;

(b) The names of additional American viticultural areas that should be subject to the label requirements of Section 2(2) of this 2019 Act, including but not limited to recommendations regarding any American viticultural area in this state that extends 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 an American viticultural area before the advisory committee may recommend to the commission that the name of an area be subject to Section 2(2) of this 2019 Act.

SECTION 5. 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, 2030.

SECTION 6. 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 4 of this 2019 Act and the status of commission rule adoption proceedings under sections 2 and 5 of this 2019 Act.

SECTION 7. Section 4 of this 2019 Act is repealed on January 2, 2023.

SECTION 8. Section 5 of this 2019 Act is repealed on January 2, 2030. The repeal of section 5 of this 2019 Act by this section does not affect the validity of any rules adopted under section 5 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.