

A-Engrossed
Senate Bill 830

Ordered by the Senate April 12
Including Senate Amendments dated April 12

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, BOSHAART 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.

Requires that, **to extent provided by Oregon Liquor Control Commission rules**, 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 varieties or American viticultural areas from requirement.*] **Requires commission to make requirements applicable to wine with labels identifying Willamette Valley viticultural area and American viticultural areas wholly or partly within Willamette Valley viticultural area. Creates exception.**

Requires commission to classify certain grape varieties as exempt from content requirements. Authorizes commission to exempt additional grape varieties by rule. Prohibits identifying Pinot noir as exempt grape variety. Establishes content requirement for wine from exempt grape varieties. Establishes default content requirement for wines not subject to other content requirements.

[*Applies*] **Makes content requirements applicable** 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, [2030] **2023**.

Requires commission to adopt rules establishing penalty schedule for labeling requirement. **Creates exception to civil penalty.** Requires adoption of initial rules in time to take effect January 1, 2023. Repeals rule adoption requirement January 2, [2023] **2024**.

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

1
2 Relating to wine labeling; and prescribing an effective date.

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

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

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

7 **(2) If a wine label bears the name of an American viticultural area that is located in this**
8 **state and uses a single grape variety as a type designation, except as provided in subsection**
9 **(4) of this section, the Oregon Liquor Control Commission may require that:**

10 **(a) At least 95 percent of the wine, by volume, be derived from the grape variety that is**
11 **used on the label as the type designation; and**

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **(3) The commission shall adopt rules identifying American viticultural areas for which**
 2 **the labeling requirements described in subsection (2) of this section apply. The commission**
 3 **shall, at a minimum, adopt rules to make the labeling requirements applicable to wines**
 4 **bearing the name of the Willamette Valley viticultural area or of an American viticultural**
 5 **area wholly or partially within the Willamette Valley American viticultural area. For all**
 6 **other American viticultural areas, the commission shall solicit and consider recommen-**
 7 **dations by Oregon winemaking industry associations associated with an American**
 8 **viticultural area before determining whether to identify the area by rule under this sub-**
 9 **section.**

10 **(4)(a) Except as provided in this subsection, the commission may classify one or more**
 11 **grape varieties used as a type designation on a wine label as an exempt variety. The com-**
 12 **mission may not classify Pinot noir as an exempt grape variety. If the commission designates**
 13 **a grape variety as exempt, a wine that bears the exempt grape variety as a type designation**
 14 **is subject to the derivation requirement in paragraph (b) of this subsection. The classifica-**
 15 **tion of a grape variety as exempt shall apply statewide. The commission shall, at a mini-**
 16 **imum, classify the following as exempt grape varieties:**

17 **(A) Cabernet franc;**

18 **(B) Cabernet Sauvignon;**

19 **(C) Carmenere;**

20 **(D) Durif, also referred to as Petite Sirah;**

21 **(E) Grenache, also referred to as Garnacha;**

22 **(F) Malbec;**

23 **(G) Marsanne;**

24 **(H) Merlot;**

25 **(I) Mourvedre;**

26 **(J) Petit Verdot;**

27 **(K) Roussanne;**

28 **(L) Sangiovese;**

29 **(M) Sauvignon blanc, also referred to as Fume blanc;**

30 **(N) Semillon;**

31 **(O) Syrah;**

32 **(P) Tannat;**

33 **(Q) Tempranillo; and**

34 **(R) Zinfandel.**

35 **(b) If a wine label uses an exempt variety as a type designation on its label, at least 75**
 36 **percent of the wine, by volume, must be derived from the exempt variety of grape as pro-**
 37 **vided under 27 C.F.R. part 4. The commission shall solicit and consider recommendations by**
 38 **Oregon winemaking industry associations regarding whether a grape variety should be clas-**
 39 **sified as an exempt variety.**

40 **(5) Except as provided under subsections (2) to (4) of this section, if a wine label bears**
 41 **the name of an American viticultural area that is located in this state and uses a single**
 42 **grape variety as a type designation, at least 90 percent of the wine, by volume, must be de-**
 43 **derived from the grape variety used as the type designation.**

44 **(6)(a) The commission may adopt rules allowing a variance or exemption from labeling**
 45 **requirements under subsection (2) of this section to allow a winemaker to make use of an**

1 existing stock of labels.

2 (b) The commission may not assess a penalty for failure to list a wine variety on a label
3 under subsection (2) of this section if the unlisted grape variety is less than one percent of
4 the wine.

5 (7) A wine label that bears all or part of the name of an American viticultural area as a
6 brand name is not subject to subsections (2) to (5) of this section if the brand name has been
7 in continuous use since December 31, 1990.

8 **SECTION 3.** Section 2 of this 2019 Act applies to labels on wine bottled on or after Jan-
9 uary 1, 2023.

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

11 **Sec. 2.** (1) As used in this section, “American viticultural area” means a delimited grape grow-
12 ing region approved under 27 C.F.R. part 9.

13 (2) If a wine label bears the name of an American viticultural area that is located in this state
14 and uses a single grape variety as a type designation, except as provided in [subsection (4)] sub-
15 sections (4) and (5) of this section, the Oregon Liquor Control Commission may require that the
16 wine be made entirely from the grape variety that is used on the label as the type desig-
17 nation.[.]

18 [(a) At least 95 percent of the wine, by volume, be derived from the grape variety that is used on
19 the label as the type designation; and]

20 [(b) The name of each grape variety used be listed on the label as provided under 27 C.F.R. part
21 4.]

22 (3) The commission shall adopt rules identifying American viticultural areas for which the la-
23 beling requirements described in subsection (2) of this section apply. The commission shall, at a
24 minimum, adopt rules to make the labeling requirements applicable to wines bearing the name of the
25 Willamette Valley viticultural area or of an American viticultural area wholly or partially within
26 the Willamette Valley American viticultural area. For all other American viticultural areas, the
27 commission shall solicit and consider recommendations by Oregon winemaking industry associations
28 associated with an American viticultural area before determining whether to identify the area by
29 rule under this subsection.

30 (4)(a) Except as provided in this subsection, the commission may classify one or more grape
31 varieties used as a type designation on a wine label as an exempt variety. The commission may not
32 classify Pinot noir as an exempt grape variety. If the commission designates a grape variety as ex-
33 empt, a wine that bears the exempt grape variety as a type designation is subject to the derivation
34 requirement in paragraph (b) of this subsection. The classification of a grape variety as exempt shall
35 apply statewide. The commission shall, at a minimum, classify the following as exempt grape vari-
36 eties:

37 (A) Cabernet franc;

38 (B) Cabernet Sauvignon;

39 (C) Carmenere;

40 (D) Durif, also referred to as Petite Sirah;

41 (E) Grenache, also referred to as Garnacha;

42 (F) Malbec;

43 (G) Marsanne;

44 (H) Merlot;

45 (I) Mourvedre;

- 1 (J) Petit Verdot;
- 2 (K) Roussanne;
- 3 (L) Sangiovese;
- 4 (M) Sauvignon blanc, also referred to as Fume blanc;
- 5 (N) Semillon;
- 6 (O) Syrah;
- 7 (P) Tannat;
- 8 (Q) Tempranillo; and
- 9 (R) Zinfandel.

10 (b) If a wine label uses an exempt variety as a type designation on its label, at least 75 percent
11 of the wine, by volume, must be derived from the exempt variety of grape as provided under 27
12 C.F.R. part 4. The commission shall solicit and consider recommendations by Oregon winemaking
13 industry associations regarding whether a grape variety should be classified as an exempt variety.

14 **(5) Except as provided in this subsection, the commission may classify one or more grape**
15 **varieties used as a type designation on a wine label as a nonexclusive grape variety. The**
16 **commission may not classify Pinot noir grapes as a nonexclusive variety. The commission**
17 **shall, at a minimum, classify Pinot gris as a nonexclusive grape variety. The classification**
18 **of a grape variety as nonexclusive shall apply statewide. If the commission designates a wine**
19 **grape variety as a nonexclusive grape variety, at least 95 percent of the wine, by volume,**
20 **must be derived from the nonexclusive grape variety as provided under 27 C.F.R. part 4. The**
21 **percentage and name of each grape variety used must be listed on the label as provided under**
22 **27 C.F.R. part 4. The commission shall solicit and consider recommendations by Oregon**
23 **winemaking industry associations regarding whether a grape variety should be classified as**
24 **a nonexclusive variety.**

25 [(5)] **(6)** Except as provided under subsections (2) to [(4)] **(5)** of this section, if a wine label bears
26 the name of an American viticultural area that is located in this state and uses a single grape va-
27 riety as a type designation, at least 90 percent of the wine, by volume, must be derived from the
28 grape variety used as the type designation.

29 [(6)(a)] **(7)(a)** The commission may adopt rules allowing a variance or exemption from labeling
30 requirements under subsection (2) of this section to allow a winemaker to make use of an existing
31 stock of labels.

32 [(b) *The commission may not assess a penalty for failure to list a wine variety on a label under*
33 *subsection (2) of this section if the unlisted grape variety is less than one percent of the wine.*]

34 **(b) The commission may not assess a civil penalty for a violation of subsection (2) of this**
35 **section if the violation results from the presence of rogue vines in a vineyard and less than**
36 **one percent of the wine produced from grapes grown in that vineyard is from the grape va-**
37 **riety other than the variety used as the type designation.**

38 [(7)] **(8)** A wine label that bears all or part of the name of an American viticultural area as a
39 brand name is not subject to subsections (2) to [(5)] **(6)** of this section if the brand name has been
40 in continuous use since December 31, 1990.

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

43 **SECTION 6. (1) The Oregon Liquor Control Commission shall appoint an advisory com-**
44 **mittee to assist the commission in developing rules to carry out section 2 of this 2019 Act.**
45 **The commission shall ensure that members of the advisory committee are persons having**

1 expertise in the production and labeling of Oregon wines. To the extent practicable, the
2 commission shall appoint advisory committee members from the various wine growing areas
3 of this state in proportion to the relative acreage in those areas used for wine grape pro-
4 duction. In making appointments to the advisory committee, the commission shall consider
5 nominees of Oregon winemaking industry associations or other organizations related to the
6 winemaking industry.

7 (2) The duties of the advisory committee shall include, at a minimum, developing rec-
8 ommendations to the commission regarding:

9 (a) Standards for a winery to request, and for the commission to approve, the use of
10 existing stocks of labels;

11 (b) Subject to subsection (3) of this section, American viticultural areas for which the
12 label requirements of section 2 (2) of this 2019 Act should apply, including but not limited to
13 recommendations regarding any American viticultural areas that extend across state lines;

14 (c) Which grape varieties should receive classification under section 2 of this 2019 Act
15 as exempt varieties;

16 (d) Which grape varieties should, when the classification becomes available, receive
17 classification under section 2 of this 2019 Act as nonexclusive varieties; and

18 (e) A penalty schedule for violations of section 2 of this 2019 Act.

19 (3) The advisory committee shall solicit and consider recommendations by Oregon
20 winemaking industry associations associated with an American viticultural area before the
21 advisory committee may recommend to the commission that an area be subject to the la-
22 beling requirements described in section 2 (2) of this 2019 Act.

23 **SECTION 7.** The Oregon Liquor Control Commission shall adopt rules establishing a
24 penalty schedule for violations of section 2 of this 2019 Act. The commission shall complete
25 the adoption of an initial penalty schedule under this section in time for the penalties to take
26 effect January 1, 2023.

27 **SECTION 8.** The Oregon Liquor Control Commission shall report to an interim commit-
28 tee of the Legislative Assembly relating to business in the manner provided under ORS
29 192.245 no later than September 15, 2020, regarding the recommendations made by the advi-
30 sory committee described in section 6 of this 2019 Act and the status of commission rule
31 adoption proceedings under sections 2 and 7 of this 2019 Act.

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

33 **SECTION 10.** Section 7 of this 2019 Act is repealed on January 2, 2024. The repeal of
34 section 7 of this 2019 Act by this section does not affect the validity of any rules adopted
35 under section 7 of this 2019 Act.

36 **SECTION 11.** This 2019 Act takes effect on the 91st day after the date on which the 2019
37 regular session of the Eightieth Legislative Assembly adjourns sine die.

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