REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Seventh Oregon Legislative Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number:	**SB 841 A**
Revenue Area:	**Property, Income and Excise Tax**
Economist:	**Christine Broniak**
Date:	**4/19/2013**

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:
Allows winery to be sited on land zoned for mixed farm and forest use.

Revenue Impact (in $Millions):
Indeterminate but positive, see below.

Impact Explanation:
The measure allows wineries to be sited on areas zoned for mixed farm and forest use if they obtain grapes from a land area of at least 15 acres and produce less than 50,000 gallons of wine or if they obtain grapes from an area of at least 40 acres and make at least 50,000 gallons of wine. These are the current requirements for winery siting on exclusive farm use zones. The measure expands the list of promotional activities that the winery may conduct. It requires a permit from the local government for winery special events and allows the local government to charge a fee to provide the permitting and licensing service. It does not have a revenue impact because it is a fee to cover costs of regulation.

This measure allows more activities at wineries than are currently allowed. It also allows wineries to be sited on mixed farm and forest use zones. These new wineries would pay property taxes and increase revenue. New winery business activity or construction of property would result in additional property tax, excise tax, and income tax revenues. Increased events associated with wine production and restaurants would also result in increased excise tax revenue and corporate income tax revenue. The size of this impact cannot be determined, as it depends on whether more wineries are established in these zones and the number, size and value of any additional wineries. It also depends on the expansion of businesses operations as a result of this measure.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒

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