

SB 603 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

Prepared By: Channa Newell, Counsel

Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Allows Oregon Liquor Control Commission, with advice and consent of Attorney General, to enter into agreements with other states to preserve wine quality and reputation and to protect consumers, including identifying and agreeing on common label requirements, packaging, marketing, and advertisement, developing and amending model standards for wine across states, information exchange, and tax collection. Defines terms.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon is home to several wine grape growing regions. Oregon State University estimated that in 2015, the Oregon wine industry had a \$3.35 billion dollar impact on Oregon's economy. Wine labeling is controlled by both federal and state laws. The Alcohol and Tobacco Tax and Trade Bureau (TTB) regulates American Viticultural Areas, or AVAs. In order to specify a particular AVA on a wine label, at least 85% of the grapes in the wine must be grown in that AVA. An AVA may cross a state boundary. Under Oregon law, ORS 471.445 requires the label on a bottle of wine to precisely and clearly indicate the contents of the bottle and not mislead on age, composition, quantity, or quality.

Senate Bill 603 allows the Oregon Liquor Control Commission, with the advise and consent of the Attorney General, to enter into interstate agreements on wine labeling standards.