

B-Engrossed
Senate Bill 829

Ordered by the House May 17
Including Senate Amendments dated April 12 and House Amendments
dated May 17

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, FAHEY, 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.

Requires that, to extent provided by Oregon Liquor Control Commission rules, if appellation of origin on wine label is American viticultural area in Oregon that is in larger American viticultural area, label must also identify larger American viticultural area. Requires commission to make requirement applicable by rule within Willamette Valley viticultural area. Prohibits use of American viticultural area on wine label in manner resembling brand. Creates exception. Applies to wine labeled on or after January 1, 2023.

Requires commission to appoint advisory committee. Sunsets advisory committee January 2, 2024.

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, 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

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 the appellation of origin on a wine label is an American viticultural area that is wholly or partially within the boundaries of a larger American viticultural area, the Oregon Liquor Control Commission may require that the wine label also identify the larger American viticultural area. If the commission requires that the wine label identify the larger American viticultural area, the area must be identified in letters:

(a) At least two millimeters high if the wine container is more than 187 milliliters in volume; or

(b) At least one millimeter high if the wine container is 187 milliliters or less in volume.

(3) Subsection (2) of this section does not require that the name of the larger American viticultural area:

(a) Be included in or near the appellation of origin; or

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 (b) Be in the same size or font as the appellation of origin.

2 (4) The commission shall adopt rules specifying any American viticultural areas for which
3 the wine labeling requirement in subsection (2) of this section is applicable. The commission
4 shall, at a minimum, adopt rules to require American viticultural areas that are wholly or
5 partially within the boundaries of the Willamette Valley viticultural area to identify the
6 Willamette Valley viticultural area on the label. For all other areas, the commission shall
7 solicit and consider recommendations by Oregon winemaking industry associations that are
8 associated with an American viticultural area before determining whether the area should
9 be included for purposes of the wine labeling requirement in subsection (2) of this section.

10 (5) Except as provided in this subsection, an American viticultural area may not appear
11 on a wine label in a manner that resembles all or part of a brand name or appear in lettering
12 that is larger or more prominent than the brand name. This subsection does not apply if the
13 brand name stating or implying an American viticultural area has been in continuous use
14 as a brand name since December 31, 2017, and prior to December 31, 2017, was:

15 (a) Used in conformance with commission standards;

16 (b) Subject to a federal trademark registration for wine under United States Patent and
17 Trademark Office Class 33; and

18 (c) Sold in interstate commerce.

19 (6) The commission may adopt rules to impose additional wine labeling requirements that
20 the commission deems appropriate. The commission may make a wine labeling requirement
21 applicable to wines produced in some or all of the American viticultural areas in this state.

22 **SECTION 3.** (1) The Oregon Liquor Control Commission shall appoint an advisory com-
23 mittee to assist the commission in developing rules to carry out section 2 of this 2019 Act.
24 The commission shall appoint an odd number of members to the advisory committee. The
25 commission shall ensure that members of the advisory committee are persons having ex-
26 pertise in the production and labeling of Oregon wines. To the extent practicable, the com-
27 mission shall appoint advisory committee members from the various wine grape growing
28 areas of this state in proportion to the relative acreage in those areas used for wine grape
29 production. However, the commission shall appoint at least one advisory committee member
30 from within the Willamette Valley viticultural area and at least one member from outside
31 of the Willamette Valley viticultural area. In making appointments to the advisory commit-
32 tee the commission shall consider nominees of winemaking industry associations or other
33 organizations related to the winemaking industry.

34 (2) The duties of the advisory committee may include making recommendations regarding
35 the labeling of wine and shall include, at a minimum, developing recommendations to the
36 commission regarding:

37 (a) Subject to subsection (3) of this section, American viticultural areas that should be
38 included for purposes of the wine labeling requirement described in section 2 (2) of this 2019
39 Act, including but not limited to recommendations regarding any American viticultural areas
40 in this state that extend across state lines;

41 (b) Standards for a winery to request, and for the commission to approve, the use of
42 existing stocks of labels; and

43 (c) A penalty schedule for violations of section 2 of this 2019 Act.

44 (3) The advisory committee shall solicit and consider recommendations by Oregon
45 winemaking industry associations associated with an American viticultural area before the

1 advisory committee may recommend to the commission that an American viticultural area
2 be included for purposes of the wine labeling requirement described in section 2 (2) of this
3 2019 Act.

4 **SECTION 4.** The Oregon Liquor Control Commission shall adopt rules establishing a
5 penalty schedule for violations of section 2 of this 2019 Act. The commission shall complete
6 the adoption of an initial penalty schedule under this section in time for the penalties to take
7 effect on January 1, 2023.

8 **SECTION 5.** The Oregon Liquor Control Commission shall report to an interim commit-
9 tee of the Legislative Assembly relating to business, in the manner provided under ORS
10 192.245, no later than September 15, 2020, regarding the recommendations made by the advi-
11 sory committee described in section 3 of this 2019 Act and the status of commission rule
12 adoption proceedings under sections 2 and 4 of this 2019 Act.

13 **SECTION 6.** Section 2 of this 2019 Act becomes operative on January 1, 2023, and applies
14 to wine labeled on or after January 1, 2023.

15 **SECTION 7.** Section 3 of this 2019 Act is repealed on January 2, 2024.

16 **SECTION 8.** Section 4 of this 2019 Act is repealed on January 2, 2024. The repeal of sec-
17 tion 4 of this 2019 Act by this section does not affect the validity of any rules adopted under
18 section 4 of this 2019 Act.

19 **SECTION 9.** This 2019 Act takes effect on the 91st day after the date on which the 2019
20 regular session of the Eightieth Legislative Assembly adjourns sine die.

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