

Senate Bill 831

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, BOSHART 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 and to exempt American viticultural areas from requirement. Applies to wine labeled on or after January 1, 2023.

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

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) Except as provided in subsection (3) of this section, if a wine label uses an American**
8 **viticultural area located in this state as an appellation of origin or implies that the wine is**
9 **from a particular American viticultural area located in this state, the wine must be produced**
10 **entirely from grapes grown within that American viticultural area.**

11 **(3) The Oregon Liquor Control Commission may, by rule:**

12 **(a) Allow a variance or temporary exemption from subsection (2) of this section to allow**
13 **the using up of existing label stocks or to address inadvertent noncompliance.**

14 **(b) Identify American viticultural areas that may be used or implied on a wine label**
15 **without the wine being subject to subsection (2) of this section. However, if an American**
16 **viticultural area is within a larger American viticultural area, the commission may not ex-**
17 **empt the smaller American viticultural area from being subject to subsection (2) of this**
18 **section unless the commission grants the same exemption for the larger American**
19 **viticultural area.**

20 **(4) Prior to determining whether to allow an exemption for the use or implication of an**
21 **American viticultural area under subsection (3) of this section, the commission shall solicit**

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 recommendations from wine industry associations and other organizations related to the
2 wine making industry that are associated with that American viticultural area and shall give
3 consideration to any such recommendations.

4 (5) The commission may not amend or withdraw an exemption granted for an American
5 viticultural area under subsection (3) of this section unless the commission first solicits
6 recommendations from wine industry associations and other organizations related to the
7 wine making industry that are associated with that American viticultural area and gives
8 consideration to any such recommendations.

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

11 **SECTION 4.** (1) The Oregon Liquor Control Commission shall appoint an advisory com-
12 mittee to assist the commission in developing rules to carry out section 2 of this 2019 Act.
13 The commission shall ensure that members of the advisory committee are persons having
14 expertise in the production and labeling of Oregon wines. To the extent practicable, the
15 commission shall appoint advisory committee members from the various wine growing areas
16 of this state in proportion to the relative acreage in those areas used for wine grape pro-
17 duction. In making appointments to the advisory committee the commission shall consider
18 nominees of wine industry associations or other organizations related to the winemaking
19 industry.

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

22 (a) Standards for a winery to request, and for the commission to approve, variances or
23 the using up of existing stocks of labels to resolve situations involving inadvertent noncom-
24 pliance;

25 (b) Whether an American viticultural area should be granted an exemption under section
26 2 (3)(b) of this 2019 Act, including but not limited to recommendations regarding any Amer-
27 ican viticultural area in this state that extends across state lines; and

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

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

33 **SECTION 6.** The Oregon Liquor Control Commission shall report to an interim commit-
34 tee of the Legislative Assembly relating to business in the manner provided under ORS
35 192.245 no later than September 15, 2020, regarding the recommendations made by the advi-
36 sory committee described in section 4 of this 2019 Act and the status of commission rule
37 adoption proceedings under sections 2 and 5 of this 2019 Act.

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

39 **SECTION 8.** Section 5 of this 2019 Act is repealed on January 2, 2023. The repeal of sec-
40 tion 5 of this 2019 Act by this section does not affect the validity of any rules adopted under
41 section 5 of this 2019 Act.

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