SB 830-2 (LC 1691) 3/18/19 (CDT/ps)

Requested by SENATE COMMITTEE ON BUSINESS AND GENERAL GOVERNMENT

PROPOSED AMENDMENTS TO SENATE BILL 830

1 On page 1 of the printed bill, line 7, delete "and (4)" and insert "to (5)".

2 On page 2, after line 11, insert:

"(5) Subsections (2) to (4) of this section do not apply to a wine label that bears all or part of the name of an American viticultural area located in this state as a brand name, if the brand name was established on or before December 31, 2017.".

7 In line 12, delete "(5)" and insert "(6)".

8 In line 14, delete "(6)" and insert "(7)".

9 Delete lines 19 through 45.

10 On page 3, delete lines 1 through 21 and insert:

11 "SECTION 4. Section 2 of this 2019 Act is amended to read:

"Sec. 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) Except as provided in subsections (3) to (5) of this section, if a wine label bears the name of an American viticultural area that is located in this state and uses a single grape variety as a type designation, the wine must be produced entirely from the grape variety used as the type designation.[:]

19 "[(a) At least 95 percent of the wine, by volume, must be derived from the 20 grape variety used as the type designation; and]

21 "[(b) The percentage and name of each grape variety used must be listed

1 on the label as provided under 27 C.F.R. part 4.]

"(3)(a) Except as provided in paragraph (b) of this subsection, the $\mathbf{2}$ Oregon Liquor Control Commission, by rule, may identify American 3 viticultural areas that may be used on a wine label without subjecting the 4 label to the *[requirements of]* requirement in subsection (2) of this section. $\mathbf{5}$ The commission shall solicit and consider recommendations by Oregon 6 winemaking associations associated with an American viticultural area be-7 fore determining whether the commission should identify the area in rules 8 adopted under this [subsection] paragraph. 9

"(b) A wine label that bears the name of an American viticultural
 area identified by the commission under paragraph (a) of this sub section and uses Pinot Noir as the type designation is subject to the
 requirement in subsection (2) of this section.

"(4)(a) The commission, by rule, may classify a grape variety as an exempt variety. A wine that uses an exempt variety of grape as a type designation is not subject to the content requirement in subsection (2)[(a)] of this section. However, at least 75 percent of the wine, by volume, must be derived from the exempt variety of grape as provided under 27 C.F.R. part 4. The percentage and name of each grape variety used must be listed on the label as provided under 27 C.F.R. part 4.

"(b) The commission, by rule, may classify a grape variety as a 21nonexclusive variety. A wine that uses a nonexclusive variety of grape 22as a type designation is not subject to the content requirement in 23subsection (2) of this section. However, at least 95 percent of the wine, 24by volume, must be derived from the nonexclusive variety of grape as 25provided under 27 C.F.R. part 4. The percentage and name of each 26grape variety used must be listed on the label as provided under 27 27C.F.R. part 4. 28

²⁹ "[(b)] (c) The commission, by rule, may establish standards for wine labels ³⁰ that bear the name of an American viticultural area the commission has identified as exempt under subsection (3) of this section and that uses asingle grape variety as a type designation.

"[(c)] (d) The commission shall solicit and consider recommendations by
Oregon winemaking associations regarding:

5 "(A) Whether a grape variety should be classified as an exempt variety 6 under paragraph (a) of this subsection; [and]

"(B) Whether a grape variety should be classified as a nonexclusive
variety under paragraph (b) of this subsection; and

9 "[(B)] (C) Appropriate standards for wine labels described in paragraph
10 [(b)] (c) of this subsection.

"(5) Subsections (2) to (4) of this section do not apply to a wine label that bears all or part of the name of an American viticultural area located in this state as a brand name, if the brand name was established on or before December 31, 2017.

"(6) The commission may not assess a penalty for a violation of subsection
(2) of this section if the violation is the inadvertent result of a production
error.

"(7) The commission may not impose a civil penalty for failure to list a grape variety as required under subsection [(2)(b)] (4)(a) and (b) of this section if the unlisted grape variety is less than one percent of the wine.".

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