

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Sixth Oregon Legislative
Assembly
2011 Regular Session
Legislative Revenue Office**

**Bill Number: HB 3280 - B
Revenue Area: Property Tax
Economist: Christine Broniak
Date: 6/6/2011**

Measure Description:

Modifies authority for establishment of winery and for winery sales and services in exclusive farm use zone.

Revenue Impact (in \$Millions):

Indeterminate, see below.

Impact Explanation: The measure, as amended, would allow activities for wineries of various sizes that meet production and acreage requirements. Those wineries that make greater than 1,000 gallons of wine and that have at least 20 acres of land would be allowed to operate as outright permitted uses in areas zoned for exclusive farm use and to sell wine produced in conjunction with the winery, operate a restaurant to serve foods required by law to be served with wine, and host special activities related to the sale and promotion of wine. Wineries producing at least 10,000 gallons of wine during a calendar year with a lease or contract for 15 acres of grapes would have the additional ability to keep kitchen facilities to serve the food and beverage required with wine, as well as to cater winery events. The measure limits the food service provided by the winery so it is not operating as a restaurant or off-site catering service. For wineries producing at least 250,000 gallons of wine with a vineyard of at least 50 acres, restaurants are allowed. The measure limits the income from the new activities and uses to less than 25 percent of the annual gross income from on-site retail sale of wine. The measure allows wineries not meeting the production or land criteria to operate as a conditional use in the area zoned for exclusive farm use. New winery business activity or construction of property would result in additional property tax, excise tax and corporate income tax revenues. Increased wine production 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