

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

Bill Number: HB 3280 - B*
Revenue Area: General Taxation
Economist: Christine Broniak
Date: 6/23/11

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 would allow activities for wineries of various sizes that meet production and acreage requirements. Those wineries that produce at least 50,000 gallons, 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 kitchen to serve foods required by law to be served with wine, and host special private activities related to the sale and promotion of wine. For wineries producing at least 150,000 gallons of wine with a site at least 80 acres and vineyard of at least 50 acres and additional vineyards totaling 80 or more 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. New winery business activity or construction of property would result in additional property tax, excise tax and corporate income tax revenues. Increased events associated with wine production and restaurants 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