

REVENUE: Revenue statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action: Concur in Senate Amendments dated 6/6 and Further Amend and Repass the Bill

Vote: 6 - 1 - 0

Yeas: Cameron, Dingfelder, Holvey, Johnson, Prozanski, Thomsen

Nays: Nolan

Exc.: 0

Prepared By: Beth Herzog, Administrator

Meeting Dates: 6/23

WHAT THE MEASURE DOES: Repeals Section 3, chapter 97, Oregon Laws 2010. Deletes maximum annual production for winery established as permitted use on exclusive farm use (EFU) land. Authorizes winery to market and sell wine produced in conjunction with winery, including wine tours, wine tasting in a tasting room or other location at the winery, wine clubs, and similar activities conducted for primary purpose of promoting wine produced in conjunction with the winery. Authorizes winery to market and sell items directly related to sale and promotion of wine produced in conjunction with winery, including food and beverage prepared by limited service restaurant; and to provide services related to sale and promotion of wine including private events, limited to 25 days or fewer in a calendar year. Limits gross income from sale of items and services to 25 percent of gross income from on-site retail sale of wine produced in conjunction with the winery. Effective January 1, 2013 stipulates at request of local government winery shall submit written statement, prepared by a certified public accountant, that certifies compliance with the 25 percent of gross income requirement for the previous tax year. Authorizes local government that has issued permits to wineries for hosting outdoor concerts, for which admission is charged, facility rentals or celebratory events to continue to issue permits. Requires winery to provide parking. Defines “private events” to include but not be limited to facility rentals and celebratory events. Sunsets provisions that allow for private events and 25 percent income requirement on January 1, 2014. Authorizes winery to be established as permitted use on EFU land if at least 80 acres with at least 50 acres of vineyard; winery owns at least 80 additional acres in Oregon of additional planted vineyards; and winery has produced at least 150,000 gallons of wine in at least three of last five years. Authorizes winery to market and sell wine produced in conjunction with the winery, including wine tours, wine tasting in a tasting room or other location at the winery, wine clubs, and similar activities conducted for primary purpose of promoting wine produced in conjunction with the winery. Authorizes winery to market and sell items directly related to sale and promotion of wine produced in conjunction with the winery, including food and beverage prepared by limited service restaurant, wine not produced in conjunction with the winery and gifts; and to provide services related to sale and promotion of wine including private events, limited to 25 days or fewer in a calendar year. Limits gross income from sale of items and services to 25 percent of gross income from on-site sale of wine produced in conjunction with the winery. Effective January 1, 2013 stipulates at request of local government winery shall submit written statement, prepared by a certified public accountant, that certifies compliance with the 25 percent of gross income requirement for the previous tax year. Authorizes local government that has issued permits to wineries for hosting outdoor concerts, for which admission is charged, facility rentals or celebratory events to continue to issue permits. Defines “private events” to include but not be limited to facility rentals and celebratory events. Authorizes winery to operate restaurant in which food is prepared for consumption on premises of winery. Requires winery to obtain permit from local government if winery operates restaurant that is open to public more than 25 days in calendar year or provides for private events on more than 25 days in a calendar year. Authorizes local government to approve permit application if activity complies with ORS 215.296, is incidental and subordinate to retail sale of wine produced in conjunction with the winery, and does not materially alter stability of land use pattern in area. Requires permit review at least once every five years. Directs local government to require winery to establish setback of at least 100 feet from all property lines for winery and all public gathering places and direct road access and internal circulation. Requires winery to provide parking. Authorizes local government to approve the sale or delivery of other items or services under criteria for commercial activity in conjunction with farm use. Establishes that lawfully established use or structure that exists on effective date of Act at winery sited on EFU lands including events and activities that exceed income limit imposed by ORS 215.452 may be continued, altered, restored or replaced. Clarifies Act does not affect

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This summary has not been adopted or officially endorsed by action of the committee.

lawful continuation, alteration, restoration or replacement of winery sited on same tract. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of measure
- Number of calendar days when events can take place

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: A winery may be established as an outright permitted use on EFU lands if specific thresholds are met for vineyard acreage and gallons of wine produced. Under current law, a winery producing less than 50,000 gallons from a vineyard of at least 15 acres or a winery producing less than 100,000 gallons from a vineyard of at least 40 acres is an outright permitted use on EFU lands. These wineries are currently authorized to sell items directly related to the sale and promotion of wine including food from a limited service restaurant.

House Bill 3280 B* would modify these provisions by creating a new category of winery and allowable uses and activities.