

REVENUE: Revenue statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass with amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Hass, Olsen, Prozanski, Thomsen, Dingfelder

Nays: 0

Exc.: 0

Prepared By: Beth Patrino, Administrator

Meeting Dates: 5/24, 6/1

WHAT THE MEASURE DOES: Authorizes “small” winery to operate as permitted use in area zoned for exclusive farm use (EFU) if winery is located on at least 20 acres of land, at least 10 of which is planted in vineyards, and produces at least 1,000 gallons of wine from the vineyard during a calendar year. Authorizes following uses and activities at small winery: production of wine; wholesale or retail sale of wine produced in conjunction with winery, including wine tastings; when by appointment, activities directly related to sale or promotion of winery, including wine tours, consumer education, private events or activities at which wine produced in conjunction with winery is featured; and food service required by state law. Small winery may not include kitchen facilities. Authorizes “large” winery to operate as permitted use in area zoned for EFU if winery is located on at least 20 acres of land, produces at least 10,000 gallons of wine during a calendar year, and owner owns or holds under long term lease or contract the right to purchase all grapes from vineyards of at least 25 acres, 15 of which are contiguous. Authorizes following uses and activities at large winery: production of wine; wholesale or retail sale of wine produced in conjunction with winery; activities directly related to sale or promotion of wine produced in conjunction with winery, including but not limited to tours, tastings and consumer education; sale of items that support sale and promotion of wine produced in conjunction with the winery, including gifts and merchandise and wine produced by other wineries; preparation and sale of food and beverages in kitchen facilities licensed by state when food is required to be served by state law or is served in conjunction with consumption of wine at events or activities permitted under this section; public and private events or activities, the primary purpose of which is to promote winery or wine industry; and outdoor concerts for which admission is charged, facility rentals or celebratory events approved by issuance of multi-year temporary permit reviewed at least once every five years for compliance with standards. Authorizes winery producing at least 250,000 gallons of wine in previous calendar year that is located on vineyard of at least 50 acres, to operate restaurant or other food service facility for sale of food if complies with standards. Stipulates annual gross income from activities and uses at winery may not exceed 25 percent of annual gross income from on-site sale of wine produced in conjunction with winery. Requires winery to submit annual report to local government and Department of Land Conservation and Development documenting compliance with income standard. Establishes income standard does not apply to restaurant or other facility at winery producing 250,000 gallons or more of wine. Authorizes winery not meeting requirements for permitted use to be operated as conditional use in EFU. Applies use limitations applicable to small winery to conditional use winery. Authorizes uses or structures lawfully established at winery before effective date of Act to continue, including events and activities that exceed income standard. Authorizes such uses or structures to be altered, restored or expanded as provided in ORS 215.130.

ISSUES DISCUSSED:

- Uses and activities on farmland
- Income standard
- Growth of Oregon wine industry
- Local permitting standards

EFFECT OF COMMITTEE AMENDMENT: Modifies size and production requirements, and allowable uses and activities at wineries on EFU lands.

6/7/2011 9:17:00 AM

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

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 two categories of wineries: smaller wineries producing a minimum of 1,000 gallons of wine each year and larger wineries producing a minimum of 10,000 gallons each year. The measure also establishes allowable uses and activities at the wineries and standards for such uses and activities. The Act would require all wineries to provide a setback of at least 100 feet and on-site parking. Wineries producing 250,000 gallons in a calendar year would be authorized to operate a restaurant.