

**REVENUE: Revenue statement issued**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Baertschiger, Burdick, Close, Prozanski, Roblan
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Racquel Rancier, Administrator
<b>Meeting Dates:</b>	4/11, 4/16, 4/18

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**WHAT THE MEASURE DOES:** Authorizes winery meeting acreage and annual production requirements to be established as permitted use on land zoned for mixed farm and forest use in addition to exclusive farm use land under winery statute (ORS 215.452 ) or large winery statute (ORS 215.453). Allows winery meeting acreage and production requirements under winery statute to, in conjunction with wine produced, market and sell wine, and conduct operations related to sale or marketing of wine including: tastings, wine club activities, winemaker luncheons and dinners, tours, certain meetings or business activities, staff activities, and open house promotions. Allows winery, subject to limitation that such activity not exceed 25 percent of gross income from onsite-retail sale of wine produced in conjunction with winery to: market and sell items directly related to the sale or promotion of wine that are incidental to on-site retail sale of wine such as food or beverages; carry out agri-tourism or other commercial events; and host charitable activities wherein winery does not charge facility rental fee. Allows food and beverages when required in accordance with Liquor Control Act or rules or served as part of certain other authorized activities but prohibits menu options or meal services that cause kitchen to function as dining establishment. Allows winery to carry out up to 18 days of agri-tourism or commercial events annually. Requires winery in Willamette Valley to obtain local government authorization to determine necessary conditions to ensure event does not create adverse impacts: authorizes first six days of such events through renewable five-year license and days seven to 18 through five-year renewable permit. Specifies that decisions on first six days of events are not land use decisions subject to review by Land Use Board of Appeals and license is not permit. Prohibits winery conducting agri-tourism or other commercial events under this provision from conducting such activities permitted under other statutory agri-tourism or commercial event statutes (ORS 215.213 (11) or 215.283 (4)). Authorizes siting of winery on exclusive farm use land as conditional use if winery, use, or activity does not qualify under winery statute (ORS 215.452 ) or large winery statute (ORS 215.453) and limits such activity other than production or sale of wine to no more than 25 percent of gross income from onsite retail sale of wine in conjunction with winery. Provides for lawful uses or structures existing on effective date of Act to be continued, altered, restored or replaced. Authorizes wineries meeting production and acreage requirements of large winery statute to, in conjunction with wine produced, market and sell wine, and conduct operations related to sale or marketing of wine including: tastings, wine club activities, winemaker luncheons and dinners, tours, certain meetings or business activities, staff activities, and open house promotions. Allows such winery to host charitable events without a facility rental fee and replaces private events with agri-tourism and commercial activities. Clarifies food and beverage from limited service restaurant allowed when required in accordance with Liquor Control Act or rules, or served as part of certain other authorized activities. Allows bed and breakfast facility on same tract as winery or large winery to prepare and serve meals for maximum of 18 patrons as part of cost of room. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Growth of wine industry and contribution to economy
- Provisions of bill
- Geographic distribution of wineries in Oregon
- Winery experience and tourism
- Lack of clarity surrounding what wineries can do
- Events on farmland and neighbors

**EFFECT OF COMMITTEE AMENDMENT:** Modifies certain provisions for winery meeting specified acreage and production requirements under large winery statute including: (1) replacing “private events” with “agri-tourism and other commercial events,” and (2) clarifying food and beverage from limited service restaurant allowed when required in accordance with Liquor Control Act or rules, or served as part of certain other authorized activities. Clarifies siting of winery on exclusive farm use land may be authorized as conditional use if winery, use, or activity does not qualify under winery statute (ORS 215.452 ) or large winery statute (ORS 215.453). Allows bed and breakfast facility on same tract as winery or large winery to prepare and serve meals for maximum of 18 patrons as part of cost of room.

**BACKGROUND:** House Bill 3280 (2011) clarified activities and events that a winery may conduct when established as a permitted use on EFU lands. Under the current winery statute (ORS 215.452 ), a winery producing less than 50,000 gallons from a vineyard of at least 15 acres or a winery producing 50,000 gallons or more from a vineyard of at least 40 acres may conduct activities to market and sell wine produced in conjunction with the winery and provide services related to the sale and promotion of wine including private events, limited to 25 days or fewer in a calendar year. The provisions that allow for private events for wineries meeting these acreage and production requirements sunset on January 1, 2014. The large winery statute (ORS 215.453) allows a winery of at least 80 acres with at least 50 acres of vineyard that owns an 80 additional acres in Oregon of planted vineyards and produces no less than 150,000 gallons of wine per year, to conduct 25 days of events; however, this provision of the law does not sunset and is unchanged by Senate Bill 841 A.

Senate Bill 841 A allows wineries meeting one of the three production and acreage thresholds specified in the winery and large winery statutes to be established as a permitted use on mixed farm and forest land and clarifies authorized activities related to the sale or marketing of wine produced in conjunction with such wineries. In addition, Senate Bill 841 A allows wineries meeting the production and acreage requirements of the winery statute to conduct up to 18 agri-tourism or other commercial events.