

REVENUE: Revenue statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Cameron, Davis, Frederick, Holvey, Thatcher, Unger, Clem
Nays:	0
Exc.:	0
Prepared By:	Lynn Beaton, Administrator
Meeting Dates:	5/21, 5/23, 5/28

WHAT THE MEASURE DOES: Authorizes winery that meets 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 statutes. Allows winery 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 income limitation, to: market and sell items directly related to sale or promotion of wine that are incidental to on-site retail sale of wine; carry out agri-tourism or other commercial events; and host charitable activities for which winery does not charge facility rental fee. Allows bed and breakfast facility sited on same tract as any winery to prepare and serve two meals a day to registered guests. Allows food and beverages when required in accordance with Liquor Control Act or served as part of certain other authorized activities but prohibits menu options or meal services that cause kitchen to function as dining establishment for wineries other than large wineries. Allows winery other than large winery up to 18 days of agri-tourism or commercial events annually. Requires winery in Willamette Valley other than large winery to obtain local government approval and authorizes first six days of such events through renewable five-year license and days seven to 18 through renewable five-year 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. Requires large winery to obtain permit from local government for agri-tourism or other commercial events occurring on more than 25 days in calendar year. 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 specific winery to qualify for permitted use on land zoned for exclusive farm use (EFU) or mixed farm and forest use if winery produces at least 50,000 gallons and winery owns on-site vineyard of at least 15 acres on tract of at least 40 acres, and owns at least 40 additional acres of vineyards in Oregon located within 15 miles of winery site. Authorizes siting of winery on EFU land as conditional use if winery, use, or activity does not qualify under winery statutes 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. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- History of land use regulations concerning wineries
- Differences between issues affecting wineries in different areas of Willamette Valley
- Example of winery with noise issues in north Willamette Valley
- Bed and breakfast establishments on wineries

EFFECT OF COMMITTEE AMENDMENT: Removes limit on number of guests which may be served meals at on-site bed and breakfast facility; limits number of meals served to two per guest per day. Applies meal limitation to wineries regardless of acreage. Allows specific winery to qualify for permitted use on land zoned for exclusive farm use (EFU) or mixed farm and forest use if winery produces at least 50,000 gallons a year and winery owns on-site vineyard of at least 15 acres on tract of at least 40 acres, and owns at least 40 additional acres of vineyards in Oregon located within 15 miles of winery site.

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

BACKGROUND: House Bill 3280 (2011) clarified activities and events that may be conducted at a winery that is established as a permitted use on exclusive farm use (EFU) lands. Under the current winery statutes, a winery producing at least 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 at wineries meeting these acreage and production requirements sunset on January 1, 2014. Large wineries of at least 80 acres with at least 50 acres of vineyard that own an 80 additional acres in Oregon of planted vineyards and produce no less than 150,000 gallons of wine per year, are allowed to conduct 25 days of events per year; this provision of the law does not sunset and is unchanged by Senate Bill 841 B.

Senate Bill 841 B 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. Senate Bill 841 B allows wineries other than large wineries to conduct up to 18 agri-tourism or other commercial events a year. For such wineries in the Willamette Valley, events on the first six days must be authorized by a renewable multi-year permit issued by the local government, while events on days seven through 18 require a more rigorous permit that is subject to administrative review by the local government.