



OREGON
WINEGROWERS
ASSOCIATION

Testimony on SB 1543A
House Transportation & Economic Development Committee
Submitted by Oregon Winegrowers Association
February 22, 2016

Chair McKeown, and members of the committee, the Oregon Winegrowers Association (OWA) thanks you for hearing SB 1543A, and allowing us to submit testimony. We also thank Senator Jackie Winters for sponsoring this important legislation for the Oregon wine industry.

SB 1543A passed the Oregon Senate 28-0. The bill makes two changes to the Oregon Wine Country license plate statute to ensure wine and culinary tourism programs statewide are coordinated and leveraged to have the greatest impact on Oregon wine tourism.

The two changes do the following:

- Clarifies that Destination Marketing Agencies (DMOs) should spend programmed monies on “promoting wine & culinary tourism”; and,
- Asks DMOs to collaborate with local winery associations and the Oregon Wine Board when putting together plans for spending programmed monies. This collaboration would be spelled out by Travel Oregon through rulemaking.

As background, in 2011 the legislature created the Oregon Wine Country license plate. Vehicle owners wishing to have Oregon Wine Country license plates pay a \$30 surcharge at the time of issuance and renewal, in addition to regular DMV vehicle registration fees.

Surcharge proceeds go to Travel Oregon, which disperses the surcharge proceeds through two programs:

- 50% for general tourism that goes to local tourism agencies (DMOs) representing wine regions; and,
- 50% for wine and culinary tourism competitive matching grants.

Data from three years of plate sales are now available. Around \$240,000 has been divvied up amongst DMOs, while an additional \$240,000 has been available for grants.



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We hope these two changes to the current law will clarify that the intent of the program is to see wine country plate surcharge revenues go directly to promoting the Oregon wine industry through wine and culinary tourism programs, and that greater collaboration with the DMOs will be encouraged during this process.

Since the Oregon Wine Country license plate was created in 2011, the number of Oregon wineries has increased from around 460 wineries to nearly 700. As the industry has grown, so have direct to consumer sales from winery tasting rooms. Increasing wine tourism is critical to the Oregon wine industry's future success.

With greater collaboration with the wine industry, DMOs will have a partner in identifying the most effective use of limited dollars and in marketing the Oregon Wine Country plate to bring in even more revenues.

The OWA anticipates this modified program will ensure that these limited dollars are best utilized to promote effective and collaborative wine and culinary tourism initiatives.

SB 1543A also includes one minor, but important provision. The bill allows a state motor pool vehicle assigned to the Oregon Wine Board – a semi-independent state agency – to have an Oregon Wine Country license plate. The Board would pay the cost of the surcharge.

One job of the Wine Board staff is to travel the state to meet with wineries and vineyard owners, and to attend other functions that promote and market the industry. Wine Board staff would like to show support for the industry by driving a vehicle that shows off the Oregon Wine Country license plate. ODOT/DWV has said that a change of statute is required to allow this to occur.

We ask your committee to support SB 1543A. The bill is OWA's top legislative priority, and we appreciate your support of the Oregon wine industry. The bill has broad support from wine industry associations throughout of the state.

Thank you on behalf of the Oregon Winegrowers Association.