

SB 677 A STAFF MEASURE SUMMARY
House Committee On Economic Development and Trade

Carrier: Rep. Post

Action Date: 05/03/17
Action: Do Pass the A-Eng bill.
Vote: 8-0-1-0
Yeas: 8 - Clem, Gomberg, Lewis, Lininger, Marsh, Post, Reschke, Smith DB
Exc: 1 - Helm
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Adam Crawford, LPRO Analyst

WHAT THE MEASURE DOES:

Establishes a cider business as a permitted use on land zoned for exclusive farm use or mixed farm and forest use provided cider business meets specified criteria related to cider production and source of apples and pears.

Lists authorized cider business activities, including marketing cider; conducting operations directly related to sale or marketing of cider, such as cider tastings, cidemaker business and orchard tours; marketing and selling items directly related to the sale or promotion of cider; holding agritourism and other commercial events; and establishing a bed and breakfast. Authorizes cider business to include on-site kitchen facilities licensed by Oregon Health Authority to prepare food and beverages required by Oregon Liquor Control Commission to be made available in conjunction with consumption of cider or served in conjunction with authorized cider business activity.

Restricts gross income of cider business from sale of incidental items or services to no more than 25 percent of gross income from on-site sale of cider produced by cider business. Requires cider business to submit to local government a written statement prepared by certified public accountant that certifies compliance with income limitations for previous tax year upon request.

Allows a cider business to hold agritourism or other commercial events for up to 18 days per calendar year. Specifies that the first six days of the 18 must be authorized by a local government by the issuance of a renewable multi-year license with a term of five years that is subject to administrative review to determine necessary conditions. Stipulates that local government decision on license is not a land use decision or permit. Establishes that events on days seven through 18 in a calendar year may be authorized by local government by issuance of a multi-year permit subject to both administrative review to determine necessary conditions and notice requirements. Establishes that local government decision on permit is a land use decision and is subject to review by the Land Use Board of Appeals. Directs local government with land use jurisdiction to ensure agritourism and other commercial events on cider business site are subordinate to the sale of cider and do not create significant adverse impacts on surrounding land. Authorizes a local government to impose license or permit conditions related to number of event attendees, operation hours, access and parking, traffic management, noise management, sanitation and solid waste. Allows local government to charge a fee for permit or license not to exceed actual or average cost of providing the licensing or permitting service. Establishes limits on meal preparation and serving by bed and breakfast facility sited on same tract as cider business. Requires local government to ensure adequate parking, direct road access, and that cider business complies with other local criteria and regulations.

ISSUES DISCUSSED:

- Bill is modeled on the winery statutes
- Minimum acreage requirements
- Local land use conditions

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EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

House Bill 3280 (2011) clarified the activities and events that a winery could hold when established as a permitted use on lands zoned for exclusive farm use (EFU); the provisions allowing for private events at wineries that met the specified acreage and production requirements were scheduled to sunset on January 1, 2014. Senate Bill 841 (2013) allowed wineries meeting one of the three production and acreage thresholds to be established as a permitted use on both EFU and on mixed farm and forest land, and clarified allowable activities at such wineries. The measure allowed these wineries to hold up to 18 agritourism or other commercial events each year.

Senate Bill 677 A would establish a cider business as a permitted use on EFU and mixed farm and forest use lands. The measure, modeled on the winery statute, also specifies the related uses allowed at such businesses and authorize up to 18 agritourism or other commercial events at these locations each calendar year.