

SB 830 A -A6 STAFF MEASURE SUMMARY

House Committee On Economic Development

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Meeting Dates: 4/24, 5/15, 5/20

WHAT THE MEASURE DOES:

Authorizes Oregon Liquor Control Commission to adopt minimum content and label requirements for wine bottled on or after January 1, 2023, if wine label includes certain American Viticultural Area (AVA) in Oregon and designates a single grape variety type. Requires Commission to adopt rules identifying AVAs and grape varieties for which labeling requirements apply. Specifies that Willamette Valley AVA or AVAs within its boundaries are subject to requirements. Allows Commission to classify one or more grape varieties used as a type designation on a wine label as an exempt variety subject to different content standards. Establishes 18 grape varieties as exempt and prohibits classification of Pinot Noir as exempt variety. Revises content and label requirements for wine bottled on or after January 1, 2030 to require wine labeled with an Oregon AVA and a single grape variety to be made entirely from the grape variety used on the label with certain exceptions for exempt varieties and nonexclusive grape varieties. Allows Commission to classify one or more grape varieties as a nonexclusive grape variety, makes Pinot Gris a nonexclusive grape variety, and prohibits Pinot Noir from being nonexclusive grape variety. Requires Commission to appoint advisory committee with expertise in the production and labelling of Oregon wine to assist with rulemaking, including AVAs subject to wine labeling requirements, standards for requests to use existing label stocks, grape varieties to be classified as exempt or nonexclusive, and a penalty schedule for violations. Sunsets advisory committee January 2, 2023. Requires OLCC to adopt penalty schedule for violations of label requirements by January 1, 2023. Requires OLCC to report to Legislative Assembly regarding the recommendations made by the advisory committee no later than September 15, 2020. Takes effect on 91st day following adjournment sine die.

REVENUE: Has minimal revenue impact

FISCAL: Has minimal fiscal impact

ISSUES DISCUSSED:

- Traditions of single grape varieties, winemaking options, and history of blending exempt varieties
- Reasons for loosening content standard in 2007 and for going back to 100 percent grape variety for the Willamette Valley American Viticultural Area (AVA)
- Willamette Valley would join only two other places in world with 100 percent varietal and AVA requirements
- Exemption for brand name same as AVA and in continuous use since December 31, 1990
- Process to engage winemakers and winegrowers in developing proposed legislation
- Oregon Liquor Control Commission authorities to set higher standards

EFFECT OF AMENDMENT:

-A6 Requires Oregon Liquor Control Commission to appoint an odd number of members to advisory committee and to appoint at least one member from within and one from outside of the Willamette Valley viticultural area.

BACKGROUND:

An American Viticultural Area (AVA) is a designated grape-growing region defined by soil types, elevation, topography, and microclimate and approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB). AVAs allow vintners and consumers to attribute a given quality, reputation, or other characteristics of a wine to the grapes grown in a specific geographic region. Oregon contains 19 AVAs. Five more AVAs in the Willamette Valley are pending federal approval.

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Wine containers must have a certificate of label approval or an exemption certificate from the TTB before being sold in the United States. TTB standards require at least 75 percent of grapes used to make wine to be of the named variety. Oregon regulations require 95 percent or more of the wine to be from the named variety and identified AVA.

Senate Bill 830-A is one of three bills addressing wine labeling and content requirements and the Oregon Liquor Control Commission (OLCC) authorities. Under the measure and beginning with wine bottled as of January 1, 2023, the OLCC may require a wine label containing either the Willamette Valley AVA or another designated Oregon AVA and single grape variety to contain wine made from 95 percent or more of of the grape variety used on the label and to list the name of each grape variety used. Wines made from exempt varieties classified by the OLCC must be at least 75 percent by volume of the exempt variety. Wines from AVAs not designated by the OLCC and bearing the name of a single variety must be at least 90 percent from the grape variety listed. As of January 1, 2030, the OLCC may require a wine with a label containing the Willamette Valley AVA or other designated Oregon AVA and a single grape variety to be 100 percent of the grape variety used on the label. The content standards for exempt wines remain the same. The OLCC may also designate one or more grape varieties as a nonexclusive grape variety subject to a content standard of 95 percent of the wine from the nonexclusive grape variety with the percentage and name of each grape variety used listed on the label. The OLCC will establish an advisory committee and consult with Oregon winemaking industry associations in classifying AVAs, exempt varieties, and nonexclusive varieties.