

Senate Bill 111

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business and Transportation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that wine meeting certain criteria is deceptively labeled or branded.

Requires manufacturers of certain wines to provide Oregon Liquor Control Commission with annual statement of compliance with certain laws regarding wine. Makes violation subject to civil penalty, not to exceed \$25,000, and unlawful trade practice.

Requires commission to evaluate manufacturer compliance, as of December 31, 2025, with rules regarding certain wines. Requires commission to report results of evaluation to interim committee of Legislative Assembly on or before September 15, 2026.

A BILL FOR AN ACT

1 Relating to wine; creating new provisions; and amending ORS 471.446.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** ORS 471.446 is amended to read:

4 471.446. (1) No retail licensee shall purchase any wine or cider for resale except in sealed con-
5 tainers, the seals of which shall remain unbroken when it is sold for consumption off the premises.

6 (2) The Oregon Liquor Control Commission may refuse to sell, or may prohibit any licensee from
7 selling, any brand of alcoholic liquor which in its judgment is deceptively labeled or branded as to
8 content, or contains injurious or adulterated ingredients.

9 (3) **Except as provided in subsection (4) of this section, a wine that states or implies a
10 federally approved American Viticultural Area located wholly or partially within this state,
11 or a derivative name, on its label or packaging or in its advertising is deceptively labeled or
12 branded if:**

13 (a) **More than one American Viticultural Area name is stated or implied, unless resulting
14 from the stated or implied areas overlapping or from a smaller area being nested within a
15 larger area;**

16 (b) **The American Viticultural Area name is stated or implied in a manner resembling
17 all or part of a brand name;**

18 (c) **Use of the stated or implied area or name conflicts with Oregon Liquor Control
19 Commission standards for the American Viticultural Area or for varietal content; or**

20 (d) **The crushing and pressing stage of the winemaking process is not performed within
21 Oregon or within an adjacent state into which the American Viticultural Area stated on the
22 label extends.**

23 (4) **Subsection (3) of this section does not apply if:**

24 (a) **The brand name that states or implies an American Viticultural Area is federally
25 trademarked;**

26 (b) **The wine is sold in interstate commerce;**

27

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) The wine has continuously used the brand name since December 31, 2017; and

2 (d) The wine is in conformance with commission standards established for wines in the
3 designated or implied American Viticultural Area.

4 **SECTION 2.** (1) Each manufacturer of wine that is packaged outside of this state must
5 provide an annual statement under subsection (2) of this section if the label or other pack-
6 aging for the wine states or implies an American Viticultural Area located wholly or partially
7 within this state or a designation of this state or part of this state.

8 (2) A manufacturer of a wine described in subsection (1) of this section shall annually
9 provide the Oregon Liquor Control Commission with a notarized statement, made under
10 penalty of perjury, affirming that the wine conforms to the labeling and packaging laws and
11 rules of this state and that the manufacturer is in compliance with any applicable laws and
12 rules of this state related to the taxation of wine.

13 (3) A manufacturer that fails to file a statement required under subsection (2) of this
14 section:

15 (a) Is subject to commission assessment of a civil penalty, not to exceed \$25,000; and

16 (b) Commits an unlawful practice for purposes of ORS 646.608.

17 **SECTION 3.** The Oregon Liquor Control Commission shall evaluate the level of man-
18 ufacturer compliance with commission rules regarding American Viticultural Areas in this
19 state as of December 31, 2025. The commission shall report its findings to an interim com-
20 mittee of the Legislative Assembly related to business in the manner provided by ORS 192.245
21 no later than September 15, 2026. The report may include any recommendations by the
22 commission for legislation to improve manufacturer compliance with commission rules for
23 wine that states or implies a federally approved American Viticultural Area name, or a de-
24 rivative name, on its label or packaging or in its advertising, including but not limited to any
25 recommendation to require that the wine be packaged in this state.

26 **SECTION 4.** The amendments to ORS 471.446 by section 1 of this 2019 Act apply to wine
27 labeled on or after the effective date of this 2019 Act.

28