

Senate Bill 412

Sponsored by Senator BEYER (Presession filed.)

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**.

Requires Oregon Liquor Control Commission to establish advisory committee to assist commission in determining requirements for wine labeled as single-variety wine grown within American Viticultural Area located in Oregon. Requires commission to consider advisory committee recommendations and to adopt rules establishing requirements for wine labeled as single-variety wine grown within American Viticultural Area located in Oregon.

Requires commission, after opportunity for advisory committee comment, to identify mechanisms to educate in-state and out-of-state wine producers about rules and to enforce rules.

Sunsets advisory committee January 2, 2023.

Requires commission to report to Legislative Assembly no later than February 28, 2020, regarding progress toward development of advisory committee recommendations, adoption of rules and development of education and enforcement mechanisms.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to wine; and declaring an emergency.

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

4 **SECTION 1. (1) The Oregon Liquor Control Commission shall establish an advisory com-**
5 **mittee to assist the commission in determining requirements for wine that is labeled as**
6 **single-variety wine grown within an American Viticultural Area located in Oregon. The**
7 **commission shall ensure that members of the advisory committee are persons knowledgeable**
8 **in the wine production or wine marketing industries. To the extent practicable, the com-**
9 **mission shall ensure that the advisory committee members who are knowledgeable concern-**
10 **ing wine production represent geographically diverse American Viticultural Areas in Oregon.**
11 **In making appointments to the advisory committee, the commission shall consider any**
12 **nominations made by a wine industry association that represents a majority of the Oregon**
13 **wine producers within an American Viticultural Area.**

14 **(2) The advisory committee shall develop recommendations for content requirements for**
15 **wines labeled as being single-varietal wine from an American Viticultural Area in Oregon.**
16 **The recommendations shall include requirements for the varietal type and geographic origin**
17 **of grapes used in the wine and the minimum percentage of grapes used in the wine that must**
18 **meet the varietal and geographic origin requirements. The advisory committee recommen-**
19 **dations shall include, at a minimum:**

20 **(a) Conditions for allowing the continued use, for a limited period following rule adoption,**
21 **of a product that does not meet the labeling requirements;**

22 **(b) Standards for the granting of limited duration, limited volume exceptions if grapes**
23 **meeting the varietal and geographic origin requirements are not available due to unripe fruit,**
24 **natural disaster or economic hardship resulting from reduced market access;**

25 **(c) Standards for the commission, upon request of a manufacturer, to allow variances**

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 from the labeling requirements or allow the continued use of existing label stocks, to resolve
 2 noncompliance resulting from good faith errors, such as mistakes in topping, blending, re-
 3 cord keeping or the identification of rogue grape varieties, that result in the wine failing to
 4 meet the labeling requirements established in commission rules;

5 (d) Standards that allow sparkling wine that is fermented in the bottle, and produced
 6 from still wine that meets single-varietal standards and a dosage that contains a limited
 7 amount of other grapes from the same American Viticultural Area, to be labeled in a manner
 8 that implies the sparkling wine is single-varietal wine;

9 (e) Uniform standards at baseline, priority and exclusive content levels for use through-
 10 out this state for all wine varieties; and

11 (f) A listing of American Viticultural Areas that encompass all or part of smaller
 12 American Viticultural Areas of this state, and recommendations for ensuring that wines
 13 produced in the smaller areas are consistent with the labeling requirements for the encom-
 14 passing American Viticultural Area.

15 **SECTION 2.** (1) The Oregon Liquor Control Commission shall adopt rules establishing
 16 requirements for wine that is labeled as single-variety wine grown within an American
 17 Viticultural Area located in Oregon.

18 (2) The commission shall identify mechanisms for use by the commission to:

19 (a) Educate wineries within and without this state regarding the rules adopted under this
 20 section; and

21 (b) Enforce the rules adopted under this section.

22 **SECTION 3.** (1) When adopting rules under section 2 (1) of this 2019 Act, the Oregon Li-
 23 quor Control Commission shall give consideration to the recommendations developed by the
 24 advisory committee established by the commission under section 1 of this 2019 Act.

25 (2) When identifying education and enforcement mechanisms under section 2 (2) of this
 26 2019 Act, the commission shall allow the advisory committee established under section 1 of
 27 this 2019 Act an opportunity for comment.

28 **SECTION 4.** The Oregon Liquor Control Commission shall report regarding progress in
 29 the development of advisory committee recommendations under section 1 of this 2019 Act,
 30 and the adoption of rules and identification of education and enforcement mechanisms under
 31 section 2 of this 2019 Act, to the Eightieth Legislative Assembly in the manner provided by
 32 ORS 192.245 no later than February 28, 2020.

33 **SECTION 5.** Sections 1, 3 and 4 of this 2019 Act are repealed on January 2, 2023.

34 **SECTION 6.** This 2019 Act being necessary for the immediate preservation of the public
 35 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
 36 on its passage.

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