

Enrolled
Senate Bill 829

Sponsored by Senator HASS, Representatives NOBLE, WILLIAMSON; Senators BEYER, BOQUIST, BURDICK, DEMBROW, FAGAN, FREDERICK, GIROD, MANNING JR, MONNES ANDERSON, OLSEN, PROZANSKI, RILEY, STEINER HAYWARD, THATCHER, WAGNER, Representatives BARKER, BOLES, BOSHART DAVIS, BYNUM, CLEM, DOHERTY, DRAZAN, EVANS, FAHEY, GOMBERG, GORSEK, HELM, HERNANDEZ, HOLVEY, KENY-GUYER, LIVELY, MCLAIN, MEEK, NEARMAN, NOSSE, PILUSO, POST, POWER, REARDON, SALINAS, SCHOUTEN, SOLLMAN, SPRENGER, WILDE, WITT

CHAPTER

AN ACT

Relating to wine labeling; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 471.

SECTION 2. (1) As used in this section, “American viticultural area” means a delimited grape growing region approved under 27 C.F.R. part 9.

(2) If the appellation of origin on a wine label is an American viticultural area that is wholly or partially within the boundaries of a larger American viticultural area, the Oregon Liquor Control Commission may require that the wine label also identify the larger American viticultural area. If the commission requires that the wine label identify the larger American viticultural area, the area must be identified in letters:

(a) At least two millimeters high if the wine container is more than 187 milliliters in volume; or

(b) At least one millimeter high if the wine container is 187 milliliters or less in volume.

(3) Subsection (2) of this section does not require that the name of the larger American viticultural area:

(a) Be included in or near the appellation of origin; or

(b) Be in the same size or font as the appellation of origin.

(4) The commission shall adopt rules specifying any American viticultural areas for which the wine labeling requirement in subsection (2) of this section is applicable. The commission shall, at a minimum, adopt rules to require American viticultural areas that are wholly or partially within the boundaries of the Willamette Valley viticultural area to identify the Willamette Valley viticultural area on the label. For all other areas, the commission shall solicit and consider recommendations by Oregon winemaking industry associations that are associated with an American viticultural area before determining whether the area should be included for purposes of the wine labeling requirement in subsection (2) of this section.

(5) Except as provided in this subsection, an American viticultural area may not appear on a wine label in a manner that resembles all or part of a brand name or appear in lettering that is larger or more prominent than the brand name. This subsection does not apply if the

brand name stating or implying an American viticultural area has been in continuous use as a brand name since December 31, 2017, and prior to December 31, 2017, was:

- (a) Used in conformance with commission standards;
- (b) Subject to a federal trademark registration for wine under United States Patent and Trademark Office Class 33; and
- (c) Sold in interstate commerce.

(6) The commission may adopt rules to impose additional wine labeling requirements that the commission deems appropriate. The commission may make a wine labeling requirement applicable to wines produced in some or all of the American viticultural areas in this state.

SECTION 3. (1) The Oregon Liquor Control Commission shall appoint an advisory committee to assist the commission in developing rules to carry out section 2 of this 2019 Act. The commission shall appoint an odd number of members to the advisory committee. The commission shall ensure that members of the advisory committee are persons having expertise in the production and labeling of Oregon wines. To the extent practicable, the commission shall appoint advisory committee members from the various wine grape growing areas of this state in proportion to the relative acreage in those areas used for wine grape production. However, the commission shall appoint at least one advisory committee member from within the Willamette Valley viticultural area and at least one member from outside of the Willamette Valley viticultural area. In making appointments to the advisory committee the commission shall consider nominees of winemaking industry associations or other organizations related to the winemaking industry.

(2) The duties of the advisory committee may include making recommendations regarding the labeling of wine and shall include, at a minimum, developing recommendations to the commission regarding:

- (a) Subject to subsection (3) of this section, American viticultural areas that should be included for purposes of the wine labeling requirement described in section 2 (2) of this 2019 Act, including but not limited to recommendations regarding any American viticultural areas in this state that extend across state lines;
- (b) Standards for a winery to request, and for the commission to approve, the use of existing stocks of labels; and
- (c) A penalty schedule for violations of section 2 of this 2019 Act.

(3) The advisory committee shall solicit and consider recommendations by Oregon winemaking industry associations associated with an American viticultural area before the advisory committee may recommend to the commission that an American viticultural area be included for purposes of the wine labeling requirement described in section 2 (2) of this 2019 Act.

SECTION 4. The Oregon Liquor Control Commission shall adopt rules establishing a penalty schedule for violations of section 2 of this 2019 Act. The commission shall complete the adoption of an initial penalty schedule under this section in time for the penalties to take effect on January 1, 2023.

SECTION 5. The Oregon Liquor Control Commission shall report to an interim committee of the Legislative Assembly relating to business, in the manner provided under ORS 192.245, no later than September 15, 2020, regarding the recommendations made by the advisory committee described in section 3 of this 2019 Act and the status of commission rule adoption proceedings under sections 2 and 4 of this 2019 Act.

SECTION 6. Section 2 of this 2019 Act becomes operative on January 1, 2023, and applies to wine labeled on or after January 1, 2023.

SECTION 7. Section 3 of this 2019 Act is repealed on January 2, 2024.

SECTION 8. Section 4 of this 2019 Act is repealed on January 2, 2024. The repeal of section 4 of this 2019 Act by this section does not affect the validity of any rules adopted under section 4 of this 2019 Act.

SECTION 9. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

Passed by Senate April 17, 2019

Received by Governor:

Repassed by Senate June 6, 2019

.....M,....., 2019

Approved:

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Lori L. Brocker, Secretary of Senate

.....M,....., 2019

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Peter Courtney, President of Senate

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Kate Brown, Governor

Passed by House May 30, 2019

Filed in Office of Secretary of State:

.....M,....., 2019

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Tina Kotek, Speaker of House

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Bev Clarno, Secretary of State