

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, LIVELY, MCLAIN, MEEK, NEARMAN, NOSSE, PILUSO, POST, POWER, REARDON, SALINAS, SCHOUTEN, SOLLMAN, SPRENGER, WILDE, WITT

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 that if appellation of origin on wine label is American viticultural area in Oregon that is in larger American viticultural area, label must also identify larger American viticultural area. Authorizes Oregon Liquor Control Commission to exempt American viticultural areas from requirement. Authorizes commission to adopt label rules for wine produced in some or all of American viticultural areas in state. Applies to wine labeled on or after January 1, 2023.

Requires commission to appoint advisory committee. Sunsets advisory committee January 2, 2023.

Requires commission to adopt rules establishing penalty schedule for labeling requirement. Requires adoption of initial rules in time to take effect January 1, 2023. Repeals rule adoption requirement January 2, 2023.

Requires commission to report to interim committee of Legislative Assembly no later than September 15, 2020, regarding advisory committee recommendations and status of commission rule adoption proceedings.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to wine labeling; and prescribing an effective date.

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

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

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

7 **(2) Except as provided in subsection (4) of this section, if the appellation of origin on a**
8 **wine label is an American viticultural area in this state that is wholly or partially within the**
9 **boundaries of a larger American viticultural area, the wine label must also identify the larger**
10 **American viticultural area. The larger American viticultural area must be identified in let-**
11 **ters:**

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

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

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

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

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

19 **(4) The Oregon Liquor Control Commission, by rule, may identify American viticultural**
20 **areas that may be used on a wine label without subjecting the label to the requirements of**
21 **subsection (2) of this section. The commission shall solicit and consider recommendations**

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 by Oregon winemaking associations associated with an American viticultural area before
2 determining whether the area should be exempted under this subsection.

3 (5) The commission, by rule, may impose label requirements for wine produced in this
4 state as the commission deems appropriate. The commission may make a wine label re-
5 quirement applicable to wines produced in some or all of the American viticultural areas in
6 this state.

7 **SECTION 3.** (1) The Oregon Liquor Control Commission shall appoint an advisory com-
8 mittee to assist the commission in developing rules to carry out section 2 of this 2019 Act.
9 The commission shall ensure that members of the advisory committee are persons having
10 expertise in the production and labeling of Oregon wines. To the extent practicable, the
11 commission shall appoint advisory committee members from the various wine growing areas
12 of this state in proportion to the relative acreage in those areas used for wine grape pro-
13 duction. In making appointments to the advisory committee the commission shall consider
14 nominees of wine industry associations or other organizations related to the winemaking
15 industry.

16 (2) The duties of the advisory committee shall include, at a minimum, developing rec-
17 ommendations to the commission regarding:

18 (a) Standards for a winery to request, and for the commission to approve, variances or
19 the use of existing stocks of labels to resolve situations involving inadvertent noncompliance;

20 (b) American viticultural areas that should be exempted from the label requirements of
21 section 2 (2) of this 2019 Act, including but not limited to recommendations regarding any
22 American viticultural areas in this state that extend across state lines; and

23 (c) A penalty schedule for violations of section 2 of this 2019 Act.

24 (3) The advisory committee shall solicit and consider recommendations by Oregon
25 winemaking associations associated with an American viticultural area before the advisory
26 committee may recommend to the commission that an area be exempted under section 2 (4)
27 of this 2019 Act.

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

32 **SECTION 5.** The Oregon Liquor Control Commission shall report to an interim commit-
33 tee of the Legislative Assembly relating to business in the manner provided under ORS
34 192.245 no later than September 15, 2020, regarding the recommendations made by the advi-
35 sory committee described in section 3 of this 2019 Act and the status of commission rule
36 adoption proceedings under sections 2 and 4 of this 2019 Act.

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

39 **SECTION 7.** Section 3 of this 2019 Act is repealed on January 2, 2023.

40 **SECTION 8.** Section 4 of this 2019 Act is repealed on January 2, 2023. The repeal of sec-
41 tion 4 of this 2019 Act by this section does not affect the validity of any rules adopted under
42 section 4 of this 2019 Act.

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