

A-Engrossed
Senate Bill 316

Ordered by the Senate March 6
Including Senate Amendments dated March 6

Sponsored by Senator WINTERS, Representative RAYFIELD, Senators ROBLAN, BEYER; Senators BOQUIST, GIROD, PROZANSKI, Representatives EVANS, GOMBERG, HACK, LININGER (at the request of Oregon Winegrowers Association) (Pre-session 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.

Requires Oregon Wine Board to establish and operate program for wine market access and wine promotion. Provides for Oregon Liquor Control Commission to pay \$1.5 million of wine production and distribution tax revenue to board account each year for board use to carry out program.

A BILL FOR AN ACT

1
2 Relating to the Oregon Wine Board; creating new provisions; and amending ORS 473.030 and
3 576.775.

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

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS 576.750 to**
6 **576.775.**

7 **SECTION 2. (1) The Oregon Wine Board shall establish and operate a program designed**
8 **to enhance and extend the reach, frequency and impact of wine industry distribution and**
9 **promotional programs. The program must be designed to:**

- 10 (a) **Focus on the development of new market expansion, especially for smaller wineries;**
11 (b) **Increase awareness of Oregon wines by domestic and foreign customers;**
12 (c) **Leverage increased research investments; and**
13 (d) **Enhance existing local promotional events throughout this state.**

14 (2) **The program must include, but need not be limited to, efforts to target prospective**
15 **consumers of Oregon wines, encouraging tourism in wine-producing areas of this state and**
16 **promoting ongoing purchases of Oregon wine by visitors to Oregon who have returned home.**

17 (3) **The board shall consult and work cooperatively with industry stakeholders, including**
18 **but not limited to stakeholders involved in tourism promotion, economic development, agri-**
19 **culture, education, marketing and promotion of wine trades.**

20 (4) **Board reports submitted under ORS 182.472 shall include information regarding the**
21 **program required by this section, including but not limited to the receipt and use of moneys**
22 **described in ORS 473.030 (2)(b), as part of the long term strategic plan and progress de-**
23 **scription required by ORS 576.768.**

24 **SECTION 3. ORS 473.030 is amended to read:**

25 473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
26 as an importing distributor of malt beverages at the rate of \$2.60 per barrel of 31 gallons on all such

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 beverages.

2 (2)(a) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an
3 importing distributor of wines at the rate of 65 cents per gallon on all such beverages.

4 (b) **Notwithstanding ORS 471.810, \$1.5 million of the moneys collected by the Oregon Li-**
5 **quor Control Commission under this subsection shall be paid each year into the account es-**
6 **tablished by the Oregon Wine Board under ORS 182.470. A transfer under this paragraph**
7 **does not:**

8 (A) **Reduce the amount of moneys available for distribution in the Oregon Liquor Control**
9 **Commission Account for purposes of calculating amounts to be distributed under ORS 471.810**
10 **(1)(b) to (d); or**

11 (B) **Reduce revenue from taxes under this subsection for purposes of calculating a**
12 **transfer under ORS 471.810 (2).**

13 (3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an im-
14 porting distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the
15 rate of 10 cents per gallon.

16 (4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer
17 or an importing distributor of wines shall be taxed at the rate of two cents per gallon.
18 Notwithstanding any other provision of law, all moneys collected by the [*Oregon Liquor Control*]
19 commission pursuant to this subsection shall be paid into the account established by the [*Oregon*
20 *Wine*] board under ORS 182.470.

21 (5) The rates of tax imposed by this section upon malt beverages apply proportionately to
22 quantities in containers of less capacity than those quantities specified in this section.

23 (6) The taxes imposed by this section shall be measured by the volume of wine or malt beverages
24 produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold
25 and in the possession of the producer at the plant where it was produced, no tax imposed or levied
26 by this section is required to be paid until the wine or malt beverage has become sufficiently aged
27 for marketing at retail, but this subsection shall not be construed so as to alter or affect any pro-
28 vision of this chapter relating to tax liens or the filing of statements.

29 **SECTION 4.** ORS 576.775 is amended to read:

30 **576.775. (1) Notwithstanding subsection (3) of this section, the Oregon Wine Board may**
31 **expend moneys deposited under ORS 473.030 (2)(b) into the account created by the board**
32 **under ORS 182.470 only for the purpose of carrying out the program described in section 2**
33 **of this 2017 Act.**

34 (2) Moneys received on behalf of the [*Oregon Wine*] board pursuant to ORS 473.030 (4) and
35 473.045 shall be deposited into the account created by the board under ORS 182.470 and are con-
36 tinuously appropriated to the board as provided in ORS 182.470, exclusively for use by the board in
37 carrying out the provisions of ORS 576.750 to 576.775.

38 (3) The board shall allocate a portion of the moneys received from sources other than fees to-
39 ward research in enology and viticulture and toward promotion of the Oregon wine grape growing
40 and wine making industries, including administrative costs associated with either category.