

Senate Bill 830

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, GOMBERG, GORSEK, HELM, HERNANDEZ, HOLVEY, LIVELY, MCLAIN, MEEK, NEARMAN, NOSSE, PILUSO, POWER, PRUSAK, 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 wine labeled with American viticultural area in Oregon is labeled with single grape variety as type designation, wine must meet specified content requirements. Authorizes Oregon Liquor Control Commission to exempt wine varieties or American viticultural areas from requirement. Applies to wine labeled on or after January 1, 2023. Imposes revised content requirements for wine bottled on or after January 1, 2030.

Requires commission to appoint advisory committee. Sunsets advisory committee January 2, 2030.

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 subsections (3) and (4) of this section, if a wine label bears the**
8 **name of an American viticultural area that is located in this state and uses a single grape**
9 **variety as a type designation:**

10 **(a) At least 95 percent of the wine, by volume, must be derived from the grape variety**
11 **used as the type designation; and**

12 **(b) The percentage and name of each grape variety used must be listed on the label as**
13 **provided under 27 C.F.R. part 4.**

14 **(3) The Oregon Liquor Control Commission, by rule, may identify American viticultural**
15 **areas that may be used on a wine label without subjecting the label to the requirements of**
16 **subsection (2) of this section. The commission shall solicit and consider recommendations**
17 **by Oregon winemaking associations associated with an American viticultural area before**
18 **determining whether the commission should identify the area in rules adopted under this**
19 **subsection.**

20 **(4)(a) The commission, by rule, may classify a grape variety as an exempt variety. A wine**
21 **that uses an exempt variety of grape as a type designation is not subject to the content re-**

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 **quirement in subsection (2)(a) of this section. However, at least 75 percent of the wine, by**
 2 **volume, must be derived from the exempt variety of grape as provided under 27 C.F.R. part**
 3 **4.**

4 **(b) The commission, by rule, may establish standards for wine labels that bear the name**
 5 **of an American viticultural area the commission has identified as exempt under subsection**
 6 **(3) of this section and that uses a single grape variety as a type designation.**

7 **(c) The commission shall solicit and consider recommendations by Oregon winemaking**
 8 **associations regarding:**

9 **(A) Whether a grape variety should be classified as an exempt variety under paragraph**
 10 **(a) of this subsection; and**

11 **(B) Appropriate standards for wine labels described in paragraph (b) of this subsection.**

12 **(5) The commission may not assess a penalty for a violation of subsection (2) of this**
 13 **section if the violation is the inadvertent result of a production error.**

14 **(6) The commission may not impose a civil penalty for failure to list a grape variety as**
 15 **required under subsection (2)(b) of this section if the unlisted grape variety is less than one**
 16 **percent of the wine.**

17 **SECTION 3. Section 2 of this 2019 Act applies to labels on wine bottled on or after Jan-**
 18 **uary 1, 2023.**

19 **SECTION 4. Section 2 of this 2019 Act is amended to read:**

20 **Sec. 2.** (1) As used in this section, “American viticultural area” means a delimited grape grow-
 21 **ing region approved under 27 C.F.R. part 9.**

22 (2) Except as provided in subsections (3) and (4) of this section, if a wine label bears the name
 23 of an American viticultural area that is located in this state and uses a single grape variety as a
 24 type designation, **the wine must be produced entirely from the grape variety used as the type**
 25 **designation.[.]**

26 *[(a) At least 95 percent of the wine, by volume, must be derived from the grape variety used as the*
 27 *type designation; and]*

28 *[(b) The percentage and name of each grape variety used must be listed on the label as provided*
 29 *under 27 C.F.R. part 4.]*

30 *[(3)]* **(3)(a) Except as provided in paragraph (b) of this subsection,** the Oregon Liquor Con-
 31 **trol Commission, by rule, may identify American viticultural areas that may be used on a wine label**
 32 **without subjecting the label to the [requirements of] requirement in subsection (2) of this section.**
 33 **The commission shall solicit and consider recommendations by Oregon winemaking associations as-**
 34 **sociated with an American viticultural area before determining whether the commission should**
 35 **identify the area in rules adopted under this [subsection] paragraph.**

36 **(b) A wine label that bears the name of an American viticultural area identified by the**
 37 **commission under paragraph (a) of this subsection and uses Pinot Noir as the type desig-**
 38 **nation is subject to the requirement in subsection (2) of this section.**

39 (4)(a) The commission, by rule, may classify a grape variety as an exempt variety. A wine that
 40 uses an exempt variety of grape as a type designation is not subject to the content requirement in
 41 subsection [(2)(a)] **(2) of this section. However, at least 75 percent of the wine, by volume, must be**
 42 **derived from the exempt variety of grape as provided under 27 C.F.R. part 4. The percentage and**
 43 **name of each grape variety used must be listed on the label as provided under 27 C.F.R. part**
 44 **4.**

45 **(b) The commission, by rule, may classify a grape variety as a nonexclusive variety. A**

1 wine that uses a nonexclusive variety of grape as a type designation is not subject to the
 2 content requirement in subsection (2) of this section. However, at least 95 percent of the
 3 wine, by volume, must be derived from the nonexclusive variety of grape as provided under
 4 27 C.F.R. part 4. The percentage and name of each grape variety used must be listed on the
 5 label as provided under 27 C.F.R. part 4.

6 [(b)] (c) The commission, by rule, may establish standards for wine labels that bear the name
 7 of an American viticultural area the commission has identified as exempt under subsection (3) of this
 8 section and that uses a single grape variety as a type designation.

9 [(c)] (d) The commission shall solicit and consider recommendations by Oregon winemaking as-
 10 sociations regarding:

11 (A) Whether a grape variety should be classified as an exempt variety under paragraph (a) of
 12 this subsection; [and]

13 (B) Whether a grape variety should be classified as a nonexclusive variety under para-
 14 graph (b) of this subsection; and

15 [(B)] (C) Appropriate standards for wine labels described in paragraph [(b)] (c) of this sub-
 16 section.

17 (5) The commission may not assess a penalty for a violation of subsection (2) of this section if
 18 the violation is the inadvertent result of a production error.

19 (6) The commission may not impose a civil penalty for failure to list a grape variety as required
 20 under subsection [(2)(b)] (4)(a) and (b) of this section if the unlisted grape variety is less than one
 21 percent of the wine.

22 **SECTION 5. The amendments to section 2 of this 2019 Act by section 4 of this 2019 Act**
 23 **become operative January 1, 2030, and apply to labels on wine bottled on or after that date.**

24 **SECTION 6. (1) The Oregon Liquor Control Commission shall appoint an advisory com-**
 25 **mittee to assist the commission in developing rules to carry out section 2 of this 2019 Act.**
 26 **The commission shall ensure that members of the advisory committee are persons having**
 27 **expertise in the production and labeling of Oregon wines. To the extent practicable, the**
 28 **commission shall appoint advisory committee members from the various wine growing areas**
 29 **of this state in proportion to the relative acreage in those areas used for wine grape pro-**
 30 **duction. In making appointments to the advisory committee, the commission shall consider**
 31 **nominees of wine industry associations or other organizations related to the winemaking**
 32 **industry.**

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

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

37 (b) American viticultural areas for which the label requirements of section 2 (2) of this
 38 2019 Act should not apply, including but not limited to recommendations regarding any
 39 American viticultural areas that extend across state lines;

40 (c) Appropriate standards for labels of single-variety wines that are exempt from section
 41 2 (2) of this 2019 Act;

42 (d) Which grape varieties should receive classification as exempt varieties;

43 (e) Which grape varieties should, when the classification becomes available, receive
 44 classification as nonexclusive varieties; and

45 (f) A penalty schedule for violations of section 2 of this 2019 Act.

1 **SECTION 7.** The Oregon Liquor Control Commission shall adopt rules establishing a
2 penalty schedule for violations of section 2 of this 2019 Act. The commission shall complete
3 the adoption of an initial penalty schedule under this section in time for the penalties to take
4 effect January 1, 2023.

5 **SECTION 8.** The Oregon Liquor Control Commission shall report to an interim commit-
6 tee of the Legislative Assembly relating to business in the manner provided under ORS
7 192.245 no later than September 15, 2020, regarding the recommendations made by the advi-
8 sory committee described in section 6 of this 2019 Act and the status of commission rule
9 adoption proceedings under sections 2 and 7 of this 2019 Act.

10 **SECTION 9.** Section 6 of this 2019 Act is repealed on January 2, 2030.

11 **SECTION 10.** Section 7 of this 2019 Act is repealed on January 2, 2023. The repeal of
12 section 7 of this 2019 Act by this section does not affect the validity of any rules adopted
13 under section 7 of this 2019 Act.

14 **SECTION 11.** This 2019 Act takes effect on the 91st day after the date on which the 2019
15 regular session of the Eightieth Legislative Assembly adjourns sine die.
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