

Requested by SENATE COMMITTEE ON BUSINESS AND GENERAL GOVERNMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 831**

1 On page 1 of the printed bill, delete lines 4 through 21 and delete page
2 2 and insert:

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

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

8 **“(2) Except as provided in subsections (4) to (6) of this section, if a**
9 **wine label uses an American viticultural area located in this state as**
10 **an appellation of origin or implies that the wine is from a particular**
11 **American viticultural area located in this state, the Oregon Liquor**
12 **Control Commission may require that the wine be produced entirely**
13 **from grapes grown within that American viticultural area.**

14 **“(3) The commission shall adopt rules identifying American**
15 **viticultural areas for which the labeling requirement in subsection (2)**
16 **of this section apply. The commission shall, at a minimum, adopt rules**
17 **to make the labeling requirement in subsection (2) of this section ap-**
18 **plicable to the Willamette Valley American viticultural area and to**
19 **American viticultural areas within the boundaries of the Willamette**
20 **Valley American viticultural area. For all other American viticultural**
21 **areas, the commission shall solicit and consider recommendations by**

1 Oregon winemaking industry associations associated with an Ameri-
2 can viticultural area before determining whether to include the area
3 by rule under this subsection.

4 “(4) The commission may grant a variance from the labeling re-
5 quirement in subsection (2) of this section to a wine that uses an
6 American viticultural area identified by commission rules under sub-
7 section (3) of this section as an appellation of origin or implies that
8 the wine is from a particular American viticultural area located in this
9 state if:

10 “(a) At least 95 percent of the grapes used to produce the wine were
11 grown within the American viticultural area; and

12 “(b) All grapes used to produce the wine and not grown within the
13 American viticultural area were purchased from a vineyard that sup-
14 plies proof acceptable to the commission that:

15 “(A) Prior to December 31, 2018, the vineyard engaged in selling
16 grapes to the winery for use in producing the wine; and

17 “(B) The amount of grapes the vineyard is selling to the winery for
18 use in producing the wine does not exceed the average annual amount
19 sold to the winery during the three years ending December 31, 2018.

20 “(5) A wine label that bears all or part of the name of an American
21 viticultural area as a brand name is not subject to subsections (2) to
22 (4) of this section if the brand name has been in continuous use since
23 December 31, 1990.

24 “(6) The commission may adopt rules allowing a variance or ex-
25 emption from the labeling requirement in subsection (2) of this section
26 to allow a winemaker to make use of an existing stock of labels.

27 “SECTION 3. Section 2 of this 2019 Act applies to labels on wine
28 bottled on or after January 1, 2030.

29 “SECTION 4. Section 2 of this 2019 Act is amended to read:

30 “Sec. 2. (1) As used in this section, ‘American viticultural area’ means

1 a delimited grape growing region approved under 27 C.F.R. part 9.

2 “(2) Except as provided in subsections (4) [to (6)] **and (5)** of this section,
3 if a wine label uses an American viticultural area located in this state as
4 an appellation of origin or implies that the wine is from a particular Amer-
5 ican viticultural area located in this state, the Oregon Liquor Control Com-
6 mission may require that the wine be produced entirely from grapes grown
7 within that American viticultural area.

8 “(3) The commission shall adopt rules identifying American viticultural
9 areas for which the labeling requirement in subsection (2) of this section
10 apply. The commission shall, at a minimum, adopt rules to make the labeling
11 requirement in subsection (2) of this section applicable to the Willamette
12 Valley American viticultural area and to American viticultural areas within
13 the boundaries of the Willamette Valley American viticultural area. For all
14 other American viticultural areas, the commission shall solicit and consider
15 recommendations by Oregon winemaking industry associations associated
16 with an American viticultural area before determining whether to include
17 the area by rule under this subsection.

18 “[4] *The commission may grant a variance from the labeling requirement*
19 *in subsection (2) of this section to a wine that uses an American viticultural*
20 *area identified by commission rules under subsection (3) of this section as an*
21 *appellation of origin or implies that the wine is from a particular American*
22 *viticultural area located in this state if:]*

23 “[a] *At least 95 percent of the grapes used to produce the wine were grown*
24 *within the American viticultural area; and]*

25 “[b] *All grapes used to produce the wine and not grown within the*
26 *American viticultural area were purchased from a vineyard that supplies proof*
27 *acceptable to the commission that:]*

28 “[A] *Prior to December 31, 2018, the vineyard engaged in selling grapes*
29 *to the winery for use in producing the wine; and]*

30 “[B] *The amount of grapes the vineyard is selling to the winery for use in*

1 *producing the wine does not exceed the average annual amount sold to the*
2 *winery during the three years ending December 31, 2018.]*

3 “[5] (4) A wine label that bears all or part of the name of an American
4 viticultural area as a brand name is not subject to subsections (2) [to (4)]
5 **and (3)** of this section if the brand name has been in continuous use since
6 December 31, 1990.

7 “[6] (5) The commission may adopt rules allowing a variance or ex-
8 emption from the labeling requirement in subsection (2) of this section to
9 allow a winemaker to make use of an existing stock of labels.

10 **“SECTION 5. The amendments to section 2 of this 2019 Act by sec-**
11 **tion 4 of this 2019 Act become operative January 1, 2035, and apply to**
12 **labels on wine bottled on or after January 1, 2035.**

13 **“SECTION 6. (1) The Oregon Liquor Control Commission shall ap-**
14 **point an advisory committee to assist the commission in developing**
15 **rules to carry out section 2 of this 2019 Act. The commission shall**
16 **ensure that members of the advisory committee are persons having**
17 **expertise in the production and labeling of Oregon wines. To the ex-**
18 **tent practicable, the commission shall appoint advisory committee**
19 **members from the various wine growing areas of this state in pro-**
20 **portion to the relative acreage in those areas used for wine grape**
21 **production. In making appointments to the advisory committee the**
22 **commission shall consider nominees of wine industry associations or**
23 **other organizations related to the winemaking industry.**

24 **“(2) The duties of the advisory committee may include making**
25 **recommendations regarding the labeling of wine and shall include, at**
26 **a minimum, developing recommendations to the commission regard-**
27 **ing:**

28 **“(a) Subject to subsection (3) of this section, American viticultural**
29 **areas for which the labeling requirement in section 2 (2) of this 2019**
30 **Act should apply, including but not limited to recommendations re-**

1 **garding any American viticultural area in this state that extends**
2 **across state lines;**

3 **“(b) Standards for a winery to request, and for the commission to**
4 **approve, variances under section 2 (4) of this 2019 Act;**

5 **“(c) Standards for allowing the use of existing stocks of labels; and**

6 **“(d) A penalty schedule for violations of section 2 of this 2019 Act.**

7 **“(3) The advisory committee shall solicit and consider recommen-**
8 **dations by Oregon winemaking industry associations associated with**
9 **an American viticultural area before the advisory committee may re-**
10 **commend to the commission that the area be subject to the labeling**
11 **requirement in section 2 (2) of this 2019 Act.**

12 **“SECTION 7. The Oregon Liquor Control Commission shall adopt**
13 **rules establishing a penalty schedule for violations of section 2 of this**
14 **2019 Act. The commission shall complete the adoption of an initial**
15 **penalty schedule under this section in time for the penalties to take**
16 **effect January 1, 2030.**

17 **“SECTION 8. The Oregon Liquor Control Commission shall report**
18 **to an interim committee of the Legislative Assembly relating to busi-**
19 **ness in the manner provided under ORS 192.245 no later than Septem-**
20 **ber 15, 2020, regarding the recommendations made by the advisory**
21 **committee described in section 6 of this 2019 Act and the status of**
22 **commission rule adoption proceedings under sections 2 and 7 of this**
23 **2019 Act.**

24 **“SECTION 9. Section 6 of this 2019 Act is repealed on January 2,**
25 **2030.**

26 **“SECTION 10. Section 7 of this 2019 Act is repealed on January 2,**
27 **2030. The repeal of section 7 of this 2019 Act by this section does not**
28 **affect the validity of any rules adopted under section 7 of this 2019 Act.**

29 **“SECTION 11. This 2019 Act takes effect on the 91st day after the**
30 **date on which the 2019 regular session of the Eightieth Legislative**

1 **Assembly adjourns sine die.”.**

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