



OREGON  
WINEGROWERS  
ASSOCIATION

# Senate Bill 841 Webinar



# Presenters



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# Today's Presentation

1. What led to SB 841
2. Key provisions
3. What this means to your winery
4. Next steps
5. Questions

# Senate Bill 841

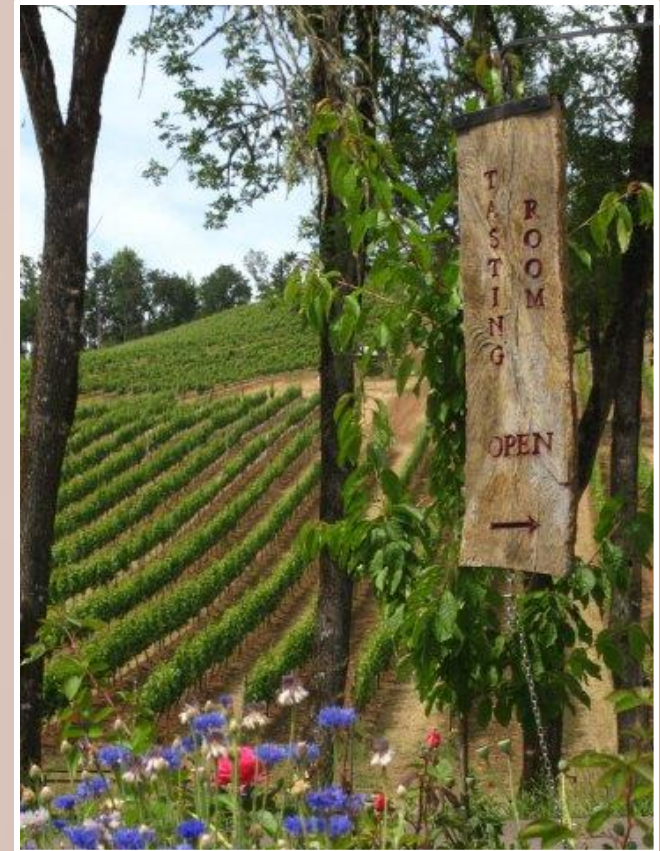
- SB 841 is the culmination of four years of legislative changes to rules governing winery activities on farmland



- Rules apply mostly to permitted use wineries in Exclusive Farm Use (EFU) zones

# Temporary Legislation 2010-2012

- 2010 and 2011 temporary legislation
- 2010 SB 1055 allowed wineries to sell “services... including private events” subject to a 25% income limitation
- SB 1055 was scheduled to sunset Jan 1, 2013



# Road To Passage

- HB 3280 passed in 2011
- A long and winding road to passage
- Allowed unlimited marketing activities and 25 days of special events
- Special events and 25% rule were scheduled to sunset Jan. 1, 2014
- Silent on food service & kitchen facilities



# Prelude to Senate Bill 841

- Oregon Wine Industry surveys
- Member listening sessions
- OWA committee deliberations
- Discussions with AVA groups
- OWA Board approval of legislative concepts
- Governor's winery workgroup produces consensus bill

# Senate Bill 841 Key Provisions

- ✓ Clarifies marketing activities v. special events
- ✓ Allows 18 days of special events
- ✓ Permits food pairing & kitchen facilities
- ✓ Keeps 25% income limitation
- ✓ Establishes winery siting on mixed farm-forest land
- ✓ Addresses conditional use permits



# Marketing and Business Activities

- Affirms right to have tasting rooms
- Better defines “marketing” events and activities (unlimited)
- Marketing and event distinctions developed by Yamhill County workgroup



# Marketing Activities: The Complete List

- Wine club activities
- Winemaker luncheons and dinners
- Winery and vineyard tours
- Meetings or business activities with winery suppliers, distributors, wholesale customers and wine-industry members
- Winery staff activities
- Open house promotions of wine produced in conjunction with the winery
- Similar activities conducted for the primary purpose of promoting wine produced in conjunction with the winery
- Also, hosting charitable events where no rental fee is charged

# Special Events

- Defined as: *“Outdoor concerts for which admission is charged, educational, cultural, health or lifestyle events, facility rentals, celebratory gatherings and other events at which the promotion of wine produced in conjunction with the winery is a secondary purpose of the event”*
- Allows up to 18 special event days per year, with county oversight for Willamette Valley wineries
- No county oversight for 18 special events outside the Willamette Valley

# Special Events in the Willamette Valley

- 1-6 events: 5-year “license” issued by county; conditions on events can be required
- 7-18 events: 5-year “permit” to ensure events don’t conflict with neighboring agriculture; permit is land use decision with appeal process allowed
- WV Counties: Yamhill, Washington, Multnomah, Clackamas, Marion, Polk Linn, Benton & Lane



# Food & Kitchens

- Food service with wine at all allowed marketing activities and special events
- No menu options (can't operate as café / restaurant)
- Kitchen facilities on-site permitted
- Restaurants still allowed at large wineries



# 25% Income Limitation

- Calculated as a ratio of incidental sales to on-site retail wine sales
- Incidental sales include: special events, food service and souvenirs - third-party income is excluded
- On-site retail sales include internet, phone & wine club sales in addition to sales in tasting room
- County may ask for CPA letter verifying compliance

# Grandfather Clause

- Affirms that new regulations do not apply to legally established, ongoing activities at existing wineries

# Winery Siting

- New provision allowing permitted use winery siting on mixed farm-forest land, not just EFU
- New permitted use category for wineries with:
  - On-site vineyard of at least 15 acres
  - On a tract of at least 40 acres
  - Owns at least 40 additional acres of vineyards in Oregon located within 15 miles of winery



# Additional Provisions

- Conditional use permit remains an alternative permitting pathway
- CUP wineries subject to 25% income rule
- Winery B&B's allowed to serve second meal



# What This Means For You

- Unlimited marketing events & activities
- 18 days of special events, but license/permitted needed if in WV
- Recordkeeping important
- Law effective immediately; no sunset clauses



# Next Steps

- Work with WV counties on license/permit development and grandfathering
- Educate wineries on food rules
- Continue good relationships with county and state leaders

# Questions?



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