

1 SB294
2 211249-2
3 By Senators Jones, Price, Beasley, Barfoot, Gudger, Whatley,
4 Livingston, Butler and Givhan
5 RFD: Agriculture, Conservation and Forestry
6 First Read: 02-MAR-21

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to wine; to allow certain licensed wineries
12 to sell and transport their table wines directly to licensed
13 retailers and to sell directly to consumers, under certain
14 conditions; to require these wineries to collect and remit
15 certain taxes; to require these wineries to make reports to
16 the Alcoholic Beverage Control Board; and to authorize the
17 Alcoholic Beverage Control Board to adopt rules to implement
18 this act.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. The Legislature hereby finds and declares
21 that this act has been enacted pursuant to the authority
22 granted to the state under the Twenty-first Amendment to the
23 United States Constitution and the powers reserved to the
24 state under the Tenth Amendment to the United States
25 Constitution and the inherent powers of the state under the
26 Constitution of Alabama of 1901. It is the intent of the
27 Legislature that this act maintains the current three-tier

1 system of control over the sale, distribution, purchase,
2 transportation, manufacture, consumption, and possession of
3 alcoholic beverages in the state and promotes the health,
4 safety, and welfare of residents of this state.

5 Section 2. (a) For purposes of this act, a "small
6 farm winery" means a manufacturer of table wine licensed by
7 the Alcoholic Beverage Control Board that does both of the
8 following:

9 (1) Produces fewer than 50,000 gallons of table wine
10 per year.

11 (2) Produces at least 50 percent of its total
12 production of table wine from fruit that is grown in this
13 state.

14 (b) A catastrophic loss to produce grown in this
15 state, including, but not limited to, one caused by drought or
16 frost, may not disqualify a small farm winery if the winery
17 qualified as a small farm winery prior to the catastrophic
18 loss.

19 (c) Notwithstanding any provision of Title 28, Code
20 of Alabama 1975, to the contrary, a small farm winery may do
21 all of the following:

22 (1) Sell its table wines produced on its licensed
23 premises directly from its licensed premises at retail to
24 consumers physically present at the licensed premises, either
25 for on-premises or off-premises consumption, for personal use
26 and not for resale; provided, the winery collects and remits
27 all state and local sales or use taxes and excise taxes due on

1 the sale of table wine to consumers, packages and labels the
2 wine in accordance with state and federal law, and reports its
3 annual production of table wine to the board.

4 (2)a. Either of the following, provided that
5 transportation of wine under this subdivision is made by the
6 winery's employees in a vehicle owned or leased by the winery:

7 1. Sell and transport up to 10,000 gallons of its
8 table wine directly to licensed retailers each year.

9 2. Sell and transport up to 20,000 gallons of its
10 table wine directly to licensed retailers each year, if the
11 winery provides to the board proof that the winery's table
12 wine has been declined to be distributed by two separate
13 wholesalers of table wine. If the winery's table wine has been
14 accepted for distribution by any wholesaler of table wine,
15 then the winery may not sell its table wine directly to
16 retailers under this paragraph.

17 b. For purposes of this subdivision, retailers
18 include those that are licensed by the board for on-premises
19 consumption, for off-premises consumption, or for both.

20 c. If a winery sells and transports 20,000 total
21 gallons of table wine directly to retailers as provided in
22 this subdivision in any one year, that winery may not
23 subsequently sell and transport table wine directly to
24 retailers under this subdivision.

25 (d) A county or a municipality may not require a
26 small farm winery to pay any fees, including business
27 licensure fees, to make sales or deliveries under this

1 section, or any additional local tax other than the tax
2 described in subdivision (c) (1).

3 (e) (1) A small farm winery shall maintain records
4 verifying that the winery meets the qualifications under this
5 section, and shall provide those records to the Alcoholic
6 Beverage Control Board upon request.

7 (2) A small farm winery shall report to the
8 Alcoholic Beverage Control Board each month the amount of
9 table wine sold directly to each licensed retailer under this
10 section.

11 (f) The Alcoholic Beverage Control Board shall adopt
12 rules to implement this section.

13 Section 3. If any provision of this act or its
14 application to any person or circumstance is determined by a
15 court to be invalid or unconstitutional, that provision shall
16 be stricken and the remaining provisions shall be construed in
17 accordance with the intent of the Legislature to further
18 limit, rather than expand, commerce in alcoholic beverages,
19 including by prohibiting any commerce in alcoholic beverages
20 not expressly authorized, and to enhance strict regulatory
21 control over taxation, distribution, and sale of alcoholic
22 beverages through the existing uniform system of regulation of
23 alcoholic beverages.

24 Section 4. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Agriculture, Conservation and
Forestry..... 02-MAR-21

Read for the second time and placed on the calen-
dar..... 03-MAR-21

Read for the third time and passed as amended 06-APR-21

Yeas 30
Nays 0

Patrick Harris,
Secretary.