

1 SB294
2 211249-4
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

1 SB294

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4 ENROLLED, An Act,

5 Relating to wine; to allow certain licensed wineries
6 to sell and transport their table wines directly to licensed
7 retailers and to sell directly to consumers, under certain
8 conditions; to require these wineries to collect and remit
9 certain taxes; to require these wineries to make reports to
10 the Alcoholic Beverage Control Board; and to authorize the
11 Alcoholic Beverage Control Board to adopt rules to implement
12 this act.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. The Legislature hereby finds and declares
15 that this act has been enacted pursuant to the authority
16 granted to the state under the Twenty-first Amendment to the
17 United States Constitution and the powers reserved to the
18 state under the Tenth Amendment to the United States
19 Constitution and the inherent powers of the state under the
20 Constitution of Alabama of 1901. It is the intent of the
21 Legislature that this act maintains the current three-tier
22 system of control over the sale, distribution, purchase,
23 transportation, manufacture, consumption, and possession of
24 alcoholic beverages in the state and promotes the health,
25 safety, and welfare of residents of this state.

1 Section 2. (a) (1) For the purposes of this section,
2 a "small farm winery" means a manufacturer of table wine
3 licensed by the Alcoholic Beverage Control Board, which
4 produces fewer than fifty thousand (50,000) gallons of table
5 wine per year, and meets one of the following criteria:

6 a. Produces at least 50 percent of its total
7 production of table wine from fruit that is grown in this
8 state; or

9 b. Produces all of its total production of table
10 wine within this state and owns not less than eight acres of
11 vineyards in this state.

12 (2) For the purposes of this section, table wine
13 that has been produced by a manufacturer, or a subsidiary or
14 affiliate or other related entity of the manufacturer, and
15 table wine produced exclusively for the winery by another
16 manufacturer shall be considered to be produced by the winery
17 and shall be included in the fifty thousand (50,000) gallon
18 limit provided in subdivision (1).

19 (b) A catastrophic loss to produce grown in this
20 state, including, but not limited to, one caused by drought or
21 frost, may not disqualify a small farm winery if the winery
22 qualified as a small farm winery prior to the catastrophic
23 loss.

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

4 (1) Sell its table wines produced on its licensed
5 premises directly from its licensed premises at retail to
6 consumers physically present at the licensed premises, either
7 for on-premises or off-premises consumption, for personal use
8 and not for resale; provided, the winery collects and remits
9 all state and local sales or use taxes and excise taxes due on
10 the sale of table wine to consumers, packages and labels the
11 wine in accordance with state and federal law, and reports its
12 annual production of table wine to the board.

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

16 1. Sell and transport up to 10,000 gallons of its
17 table wine produced on its licensed premises directly to
18 licensed retailers each year.

19 2. Sell and transport up to 20,000 gallons of its
20 table wine produced on its licensed premises directly to
21 licensed retailers each year, if the winery provides to the
22 board proof that the winery's table wine has been declined to
23 be distributed by two separate wholesalers of table wine. If
24 the winery's table wine has been accepted for distribution by

1 any wholesaler of table wine, then the winery may not sell its
2 table wine directly to retailers under this paragraph.

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

6 c. If a winery sells and transports 20,000 total
7 gallons of table wine directly to retailers as provided in
8 this subdivision in any one year, that winery may not
9 subsequently sell and transport table wine directly to
10 retailers under this subdivision.

11 d. Notwithstanding any other provision of this
12 section to the contrary, a small farm winery may only sell and
13 transport table wine that has been approved by the board for
14 sale within the state and for which the small farm winery owns
15 the Certificate of Label Approval issued by the Alcohol and
16 Tobacco Tax and Trade Bureau.

17 (d) A county or a municipality may not require a
18 small farm winery to pay any fees, including business
19 licensure fees, to make sales or deliveries under this
20 section, or any additional local tax other than the tax
21 described in subdivision (c)(1).

22 (e)(1) A small farm winery shall maintain records
23 verifying that the winery meets the qualifications under this
24 section, and shall provide those records to the Alcoholic
25 Beverage Control Board upon request.

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

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

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

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

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB294

Senate 06-APR-21

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed 29-APR-21

Senate concurred in House amendment 04-MAY-21

By: Senator Jones