

1 SB294
2 204072-4
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

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8 SYNOPSIS: Under existing law, a producer of alcoholic
9 beverages may only sell its product to distributors
10 or wholesalers, or directly to consumers in limited
11 quantities at its licensed premises.

12 This bill would allow licensed wineries that
13 produce locally sourced wines and are below a
14 certain size, known as "small farm wineries," to
15 sell and transport their table wines directly to
16 licensed retailers or to sell directly to
17 consumers, under certain conditions. Transportation
18 of the table wine must be made by the winery's
19 employees in a vehicle owned or leased by the
20 winery.

21 This bill would require small farm wineries
22 to collect and remit certain taxes in certain
23 circumstances.

24 This bill would authorize the Alcoholic
25 Beverage Control Board to adopt rules to implement
26 this act.

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

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.

26 Section 2. (a) For purposes of this act, a "small
27 farm winery" means a manufacturer of table wine licensed by

1 the board that produces fewer than 50,000 gallons of wine per
2 year, 50 percent of which is derived from fruit that is grown
3 in this state.

4 (b) A catastrophic loss to produce grown in this
5 state, including, but not limited to, one caused by drought or
6 frost, may not disqualify a small farm winery if the winery
7 qualified as a small farm winery prior to the catastrophic
8 loss.

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

12 (1) Sell its table wines directly at retail to
13 consumers, either for on-premises or off-premises consumption,
14 provided the winery collects and remits all state and local
15 sales or use taxes and excise taxes due on the sale of table
16 wine to consumers, and packages and labels the wine in
17 accordance with state and federal law.

18 (2)a.1. For a winery that began operations prior to
19 January 1, 2021, either of the following, provided that
20 transportation of wine under this subdivision is made by the
21 winery's employees in a vehicle owned or leased by the winery:

22 (i) Sell and transport up to 10,000 gallons of its
23 table wine directly to licensed retailers.

24 (ii) Sell and transport up to 20,000 gallons of its
25 table wine directly to licensed retailers, if the winery
26 provides to the board proof that the winery's table wine has
27 been declined to be distributed by two separate wholesalers of

1 table wine. If the winery's table wine has been accepted for
2 distribution by any wholesaler of table wine, then the winery
3 may not sell its table wine directly to retailers under this
4 paragraph.

5 2. For a winery that began operations on or after
6 January 1, 2021, either of the following, provided that
7 transportation of wine under this subdivision is made by the
8 winery's employees in a vehicle owned or leased by the winery:

9 (i) Sell and transport up to 10,000 gallons of its
10 table wine directly to licensed retailers located in the same
11 county as the winery or, a wet county directly adjacent to the
12 county where the winery is located, or a wet municipality in a
13 county directly adjacent to the county where the winery is
14 located.

15 (ii) Sell and transport up to 20,000 gallons of its
16 table wine directly to licensed retailers located in the same
17 county as the winery, a wet county directly adjacent to the
18 county where the winery is located, or a wet municipality in a
19 county directly adjacent to the county where the winery is
20 located, if the winery provides to the board proof that the
21 winery's table wine has been declined to be distributed by two
22 separate wholesalers of table wine. If the winery's table wine
23 has been accepted for distribution by any wholesaler of table
24 wine, then the winery may not sell its table wine directly to
25 retailers under this paragraph.

1 b. For purposes of this subdivision, retailers
2 include those that are licensed for on-premises consumption,
3 for off-premises consumption, or for both.

4 (d) A county or a municipality shall not require a
5 small farm winery to pay any fees, including business
6 licensure fees, to make sales or deliveries under this
7 section, or any additional local tax other than the tax
8 described in subdivision (c) (1).

9 (e) (1) A small farm winery shall maintain records
10 verifying that the winery meets the qualifications under this
11 section, and shall provide those records to the Alcoholic
12 Beverage Control Board upon request.

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

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

19 Section 3. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.