

1 SB234
2 198072-2
3 By Senators Whatley and Jones
4 RFD: Agriculture, Conservation and Forestry
5 First Read: 04-APR-19

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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 certain small farm
13 wineries that are licensed by the Alcoholic
14 Beverage Control Board to self-distribute their
15 table wines to licensed retailers or to sell
16 directly to consumers.

17 This bill would define small farm winery.

18 This bill would authorize small farm
19 wineries to deliver, or contract with a third party
20 common carrier to deliver, its table wine to
21 Alabama residents who are at least 21 years of age.

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

25 This bill would authorize the Alcoholic
26 Beverage Control Board to adopt rules.

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 Relating to wineries; to allow certain small farm
6 wineries that are licensed by the Alcoholic Beverage Control
7 Board to self-distribute their table wines to licensed
8 retailers or to sell directly to consumers and to deliver, or
9 contract with a third party common carrier to deliver, its
10 table wine to residents who are at least 21 years of age; to
11 require small farm wineries to collect and remit certain
12 taxes; and to authorize the board to adopt rules.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. (a) As used in this section, small farm
15 winery means a manufacturer of table wine licensed by the
16 Alcoholic Beverage Control Board that meets all of the
17 following qualifications:

18 (1) The winery produces no more than 100,000 gallons
19 of table wine per year.

20 (2) No less than 50 percent of the winery's total
21 production of table wine is produced at the winery.

22 (3) No less than 50 percent of the total fruit used
23 in producing the winery's table wine is fruit that is grown in
24 this state, or the winery owns or leases at least five acres
25 of vineyards in this state to grow fruit used in producing the
26 winery's table wine.

1 (b) Notwithstanding subsection (a), a catastrophic
2 loss to fruit produced in this state may not disqualify a
3 small farm winery if the winery has previously qualified as a
4 small farm winery prior to the catastrophic loss.

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

8 (1) Sell its table wines directly to consumers,
9 provided the winery collects and remits all state and local
10 sales or use taxes and excise taxes due on the sale of table
11 wine to consumers, and packages and labels the wine in
12 accordance with state and federal law.

13 (2) Deliver, or contract with a third party common
14 carrier to deliver, its table wine directly to residents in
15 the state who are at least 21 years of age, provided the
16 shipping container shall be labelled with the words: "Contains
17 Alcohol: Must be delivered to a person 21 years of age or
18 older" and the winery or common carrier shall confirm, at the
19 time of delivery, that the recipient is at least 21 years of
20 age.

21 (3) Sell its table wine to retailers licensed by the
22 Alcoholic Beverage Control Board. For purposes of this
23 subsection, retailers include those that are licensed for
24 on-premises consumption, for off-premises consumption, or for
25 both.

26 (4) Deliver, or contract with a third party common
27 carrier to deliver, its table wine to licensed retailers.

1 (d) Small farm wineries shall not be subject to
2 Article 10, commencing with Section 40-23-260, of Chapter 23
3 of Title 40, Code of Alabama 1975.

4 (e) The Alcoholic Beverage Control Board shall adopt
5 rules to implement this section, which may include, but not be
6 limited to, a requirement that a small farm winery maintain
7 records that verify that the winery meets the qualifications
8 under this section.

9 Section 2. This act shall become effective on the
10 first day of the third month following its passage and
11 approval by the Governor, or its otherwise becoming law.