

1 SB315
2 215660-1
3 By Senator Jones
4 RFD: Tourism
5 First Read: 17-MAR-22

8 SYNOPSIS: Under existing law, certain entities may
9 apply for and be issued a license to host a wine
10 festival at which wine festival participant
11 licensees may dispense tastings and sell at retail
12 to individuals physically present at the festival
13 for on-premises or off-premises consumption and for
14 personal use and not for resale.

15 This bill would allow a nonprofit
16 organization to apply for a license to host a wine
17 festival.

18 This bill would revise the criteria for an
19 application to host a wine festival or participate
20 in a wine festival for any applicant that is
21 already a licensee of the board at the time of that
22 application.

23 This bill would exempt applicants for a wine
24 festival license or wine festival participant
25 license from charges and fees for that licensure.

26 This bill would provide that any wine
27 festival or wine festival participant licensee

1 shall collect and remit taxes due on retail sales
2 at a wine festival in the same method and manner as
3 other retail sales by that licensee, and that
4 county and local taxes shall be collected and
5 remitted to the appropriate local body by the wine
6 festival licensee.

7 This bill would also provide for an
8 exemption from application fees, filing fees, and
9 any other administrative fees for applicant for a
10 wine festival or wine festival participant license.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT
15

16 Relating to alcoholic beverages; to amend Section
17 28-3A-20.4, Code of Alabama 1975, to provide that a nonprofit
18 organization may apply for and be issued a license to host a
19 wine festival; to further provide for the application process
20 and conditions of licensure for a license to host or
21 participate in a wine festival; and to further provide for the
22 collection and remittance of taxes due on sale of wine at a
23 wine festival.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 28-3A-20.4, Code of Alabama 1975,
26 is amended to read as follows:

27 "§28-3A-20.4.

1 "(a) The Legislature finds and declares that this
2 section has been enacted pursuant to the authority granted to
3 the state under the Twenty-first Amendment to the United
4 States Constitution and the powers reserved to the state under
5 the Tenth Amendment to the United States Constitution and the
6 inherent powers of the state under the Constitution of Alabama
7 of 1901. It is the intent of the Legislature that this section
8 maintains the current three-tier system of control over the
9 sale, distribution, purchase, transportation, manufacture,
10 consumption, and possession of alcoholic beverages in the
11 state and promotes the health, safety, and welfare of
12 residents of this state.

13 "(b) (1) Notwithstanding any other section of this
14 title, including, but not limited to, Sections 28-3A-6,
15 28-3A-25, and 28-7-4, upon application made on a form provided
16 by the board at least 25 days in advance of the event for
17 which a license is sought ~~and accompanied by a fee not to~~
18 ~~exceed fifty dollars (\$50)~~, the board shall issue a license
19 for a wine festival to a manufacturer of wine licensed by the
20 board manufacturing at least 500 gallons of table wine in this
21 state annually; a retailer; an organization comprised entirely
22 of grape growers, wineries, or grape growers and wineries; a
23 municipality; a county; or an incorporated arts council, main
24 street program, 501(c) organization, other nonprofit
25 organization as that term is defined by rule of the board, or
26 downtown development entity upon such terms and conditions as
27 the board may prescribe by rule.

1 "(2) The wine festival license shall authorize the
2 licensee to host a festival at which wine festival participant
3 licensees may dispense tastings and sell at retail to
4 individuals physically present at the festival for on-premises
5 or off-premises consumption and for personal use and not for
6 resale, subject to subsection (e).

7 "(3) If the applicant for a wine festival license is
8 already a licensee of the board at the time of application,
9 the board may not require any additional bond for the wine
10 festival licensure and may not require an in-person
11 appointment as part of the application process, and the
12 application shall only require submission of all of the
13 following information:

14 "a. The name and address of the applicant, and photo
15 identification.

16 "b. The start and end date of the festival.

17 "c. A description of the wine festival location. If
18 the applicant does not own or control the wine festival
19 location, then the applicant shall include written permission
20 by the person with ownership or control over the property for
21 the wine festival licensee and any wine festival participant
22 licensees to use the property for that wine festival.

23 "(4) If, at the time of application for a wine
24 festival license, the applicant possesses a liquor liability
25 insurance policy that would cover the activities to be
26 performed by that applicant and wine festival participant
27 licensees at that wine festival, then the applicant and any

1 applicants for a wine festival participant license who would
2 be covered by the insurance policy shall not be required to
3 purchase any additional liquor liability insurance for the
4 festival licensure.

5 "(c) A wine festival licensed under this section may
6 not operate for more than five consecutive days.

7 "(d) (1) Upon application made on a form provided by
8 the board at least 15 days in advance of the event for which a
9 license is sought ~~and accompanied by a fee not to exceed~~
10 ~~fifteen dollars (\$15)~~, the board shall issue a wine festival
11 participant license to any retailer or any manufacturer of
12 table wine licensed by the board that manufactures at least
13 500 gallons of table wine in this state annually.

14 "(2) A wine festival participant license shall
15 authorize the licensee to dispense tastings and sell at retail
16 to individuals physically present at the festival for
17 on-premises consumption or off-premises consumption and for
18 personal use and not for resale, subject to subsection (e).

19 "(3) If the applicant for a wine festival
20 participant license is already a licensee of the board at the
21 time of application, the board may not require any additional
22 bond for the wine festival participant licensure and may not
23 require an in-person appointment as part of the application
24 process, and the application shall only require submission of
25 all of the following information:

26 "a. The name and address of the applicant, and photo
27 identification.

1 "b. The start and end date of the festival.

2 "c. A description of the wine festival location.

3 "(4) If, at the time of application for a wine
4 festival participant license, the applicant possesses a liquor
5 liability insurance policy that would cover the activities to
6 be performed by that applicant at that wine festival, then the
7 applicant shall not be required to purchase any additional
8 liquor liability insurance for the festival licensure.

9 "(e) (1) Wine sold at a wine festival for
10 off-premises consumption shall only be sold by a wine festival
11 participant licensee and shall be sealed, labeled, and
12 packaged in accordance with local, state, and federal laws and
13 regulations.

14 "(2) A wine festival participant licensee may not
15 sell more than one case of wine to any individual per
16 festival.

17 "(3) For purposes of this section, one case of wine
18 means the equivalent of 12 750-milliliter bottles of wine.

19 "(f) The sale of wine at any wine festival may not
20 be permitted on any Sunday in a county or municipality that
21 has not authorized alcoholic beverages to be sold on Sunday.

22 "(g) ~~If~~ Regardless of whether a wine festival is to
23 take place entirely on the premises of the winery that was
24 granted the license to host the wine festival or a winery that
25 is a member of the organization granted the license to host
26 the festival, ~~the board may not require any fee for the~~ an
27 applicant for a wine festival license or any wine festival

1 participant license ~~relating to that festival~~ shall not be
2 required to pay any fee for that licensure, including, but not
3 limited to, any filing fee or other administrative fee, or any
4 fee levied or imposed pursuant to Section 28-3A-4.

5 "(h) (1) Each wine festival participant licensee
6 participating in a wine festival shall collect and remit all
7 state ~~and local~~ sales and use taxes and all state excise and
8 other taxes due on the sale of wine by the licensee to
9 customers at retail.

10 "(2) Notwithstanding subdivision (1), a wine
11 festival participant licensee that already is a licensee of
12 the board at the time of application for the wine festival
13 participant license, in a method and manner established by the
14 Department of Revenue, shall include the collection and
15 remittance of all state taxes due on the sale of wine at the
16 festival in the same method and manner as other sale of wine
17 at retail.

18 "(3) Each wine festival participant licensee shall
19 collect all the county and local sales and use taxes and
20 excise and other taxes due on the sale of wine at the festival
21 and shall remit those taxes to the wine festival licensee, in
22 a manner and method established by the wine festival licensee.
23 The wine festival licensee shall then remit the county and
24 local sales and use taxes and excise and other taxes to the
25 appropriate local body.

26 "(i) The board may not limit or prohibit the serving
27 or featuring of food at a licensed wine festival, provided

1 that the person serving or featuring food complies with all
2 applicable laws and rules.

3 "(j) A wine festival participant licensee shall not
4 be required to apply for and purchase any county or municipal
5 business license or alcoholic beverage licensure fee in order
6 to participate in a wine festival pursuant to this section.

7 ~~"(j)~~ (k) For purposes of this section, "retailer"
8 means a retailer licensed for off-premises consumption of
9 table wine.

10 ~~"(k)~~ (l) The board may adopt rules to implement this
11 section, including, but not limited to, rules regarding the
12 liability of a wine festival participant licensee.

13 ~~"(l)~~ (m) If any provision of this section 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 2. 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.