

1 SB381  
2 167115-1  
3 By Senators Albritton, Waggoner, Ward, Stutts and McClendon  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 14-APR-15

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would establish a farm winery  
9 license for the manufacture and sale of farm wine  
10 produced in Alabama.

11 This bill would provide that farm wine may  
12 be sold for export and sold at wholesale under  
13 certain circumstances.

14 This bill would require the Alcoholic  
15 Beverage Control Board to promulgate rules  
16 regarding the collection of revenue from the excise  
17 tax on farm wine.

18  
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22  
23 To establish a farm winery license for the  
24 manufacture and sale of farm wine produced in Alabama; to  
25 provide that the farm wine be sold for export and sold at  
26 wholesale under certain circumstances; and to require the

1 Alcoholic Beverage Control Board to promulgate rules regarding  
2 the collection of revenue from the excise tax on farm wine.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) As used in this act, the following  
5 words shall have the following meanings:

6 (1) BOARD. The Alabama Alcoholic Beverage Control  
7 Board.

8 (2) FARM WINE. Any wine product which is produced by  
9 a farm winery, and made in accordance with the revenue laws of  
10 the United States, which is produced on a farm winery and so  
11 labeled as "Produced and Bottled by" the farm winery.

12 (3) FARM WINERY. A wine manufacturer licensed under  
13 Title 28 of the Code of Alabama 1975, with the total annual  
14 production of 50,000 gallons or less, and is principally a  
15 wine producer, with facilities and equipment for conversion of  
16 grapes, fruit, or fruit equivalents into wine, and further  
17 ferments at least 50 percent of all wine sold from all the  
18 licensed locations.

19 (4) PERSON. One or more natural persons, or a  
20 corporation, partnership, or association.

21 Section 2. (a) It shall be lawful to produce farm  
22 wine in the State of Alabama and to sell farm wine within or  
23 without the state. Every farm winery in the State of Alabama  
24 shall first be a holder of a wine manufacturer's license and  
25 be in operation for a full calendar year, and further have  
26 annual production of less than 50,000 gallons the previous  
27 year.

1           (b) The holder of a farm winery license exceeding  
2 50,000 gallons in the previous year shall be allowed to renew  
3 the farm winery license one additional year.

4           Section 3. (a) Every farm winery may make sales to  
5 the board, directly to consumers for off-premises and  
6 on-premises consumption, to alcoholic beverage permit holders  
7 of the board, including, but not limited to, wholesale dealers  
8 and distributors, stores, hotels, restaurants, clubs, dining  
9 cars, and to any producer, manufacturer, wholesaler, retailer,  
10 or consumer located outside of the state.

11           (b) The holder of a farm winery license may obtain  
12 licenses for two additional retail premise locations apart  
13 from the location where wine is produced. The additional  
14 premise locations are limited to sales of farm wine produced  
15 by a farm winery. The holder of the licenses may conduct all  
16 activities allowed at the manufacturing location, other than  
17 the manufacturing or bottling of wine.

18           (c) The holder of a farm winery license may obtain a  
19 special event license to be used for wine festival events.  
20 Approval of the local governing body and participation of a  
21 minimum of two farm winery licensees is required to obtain a  
22 special event license for a festival. A participating farm  
23 winery is allowed to provide free tastings of farm wine and  
24 off-premise sales of farm wine at a licensed wine festival.

25           Section 4. (a) The board shall impose no additional  
26 privilege tax or fee for the issuance of a farm winery  
27 license.

1 (b) Holders of a farm winery license shall be  
2 considered as engaging in the production of farm products as  
3 described in Section 11-51-105 of the Code of Alabama 1975.

4 (c) The excise tax collected by a farm winery shall  
5 be reported monthly by the farm winery to the board on all  
6 sales made in Alabama to the board, retailers, consumers, or  
7 any alcoholic beverage permit holder of the board, and the  
8 farm winery shall remit the tax due and owing with each  
9 report. The excise tax rate shall be that prevailing for the  
10 appropriate class of table wine.

11 (d) All table wine excise taxes collected under this  
12 section shall be deposited in the same manner as are other  
13 taxes collected by the board.

14 (e) All state table wine excise taxes collected and  
15 deposited under this section shall be directed to viticulture  
16 research specific to increasing and expanding wine grape  
17 cultivation in Alabama. The Department of Agriculture and  
18 Industries shall gather input from winery and vineyard  
19 associations of this state, prioritize project funding, and  
20 direct these activities through the agriculture research  
21 university system of this state.

22 Section 5. The Alcoholic Beverage Control Board  
23 shall promulgate rules as needed to protect the revenue of  
24 Alabama derived from the excise tax on farm wine from  
25 licensees who sell small farm wine or to consumers who  
26 purchased small farm wine.

1                   Section 6. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.