

1 SB89  
2 204072-1  
3 By Senators Jones and Price  
4 RFD: Agriculture, Conservation and Forestry  
5 First Read: 04-FEB-20  
6 PFD: 02/03/2020

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

This bill would allow licensed wineries that produce locally sourced wines or are below a certain size, known as "farm wineries," to self-distribute their table wines to licensed retailers or to sell directly to consumers.

This bill would require farm wineries to collect and remit certain taxes in certain circumstances.

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

A BILL  
TO BE ENTITLED  
AN ACT

1           Relating to wine; to allow certain licensed wineries  
2   to self-distribute their table wines to licensed retailers and  
3   to sell directly to consumers; to require these wineries to  
4   collect and remit certain taxes; and to authorize the  
5   Alcoholic Beverage Control Board to adopt rules to implement  
6   this act.

7   BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8           Section 1. Farm wineries.

9           (a)(1) This section shall apply to any winery  
10   located in the state that is licensed to manufacture table  
11   wine and conforms with either of the following:

12           a. At least 50 percent of the table wine produced by  
13   the winery is derived from produce that is grown in this  
14   state.

15           b. The winery produces fewer than twenty-five  
16   thousand gallons of wine per year.

17           (2) A winery conforming with this subsection shall  
18   be known as a "farm winery."

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

24           (c) Notwithstanding any provision of Title 28, Code  
25   of Alabama 1975, to the contrary, a farm winery may do all of  
26   the following:

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

7           (2) Sell up to ten thousand gallons of its table  
8 wine directly to retailers licensed to sell alcoholic  
9 beverages. For purposes of this subsection, retailers include  
10 those that are licensed for on-premises consumption, for  
11 off-premises consumption, or for both.

12           (3) Transport, deliver, or contract with a third  
13 party common carrier to deliver its table wine to licensed  
14 retailers to whom the winery has directly sold its wine under  
15 subdivision (2).

16           (d) A farm winery shall not be subject to Article  
17 10, commencing with Section 40-23-260, of Chapter 23 of Title  
18 40, Code of Alabama 1975.

19           (e) The Alcoholic Beverage Control Board, a county,  
20 or a municipality shall not require a farm winery to pay any  
21 fees, including business licensure fees, to make sales or  
22 deliveries under this section. This subsection shall not apply  
23 to sales or use taxes or excise taxes.

24           (f) The Alcoholic Beverage Control Board shall adopt  
25 rules to implement this section, which may include, but not be  
26 limited to, a requirement that a farm winery maintain records

1       that verify that the winery meets the qualifications under  
2       this section.

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