

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 823
Finance Committee Substitute Adopted 4/19/01

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors:

Referred to:

April 3, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO PROMOTE THE NORTH CAROLINA GRAPE AND WINE
3 INDUSTRY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 18B-1001 reads as rewritten:

6 "§ 18B-1001. Kinds of ABC permits; places eligible.

7 When the issuance of the permit is lawful in the jurisdiction in which the premises is
8 are located, the Commission may issue the following kinds of permits:

9

...

10 (15) Wine-Tasting Permit. — A wine-tasting permit authorizes wine
11 tastings on the premises. A wine tasting consists of the offering of a
12 sample of one or more unfortified wine products, in amounts of no
13 more than one ounce for each sample, without charge, to customers of
14 the business. With the permission of the permit holder, the wine tasting
15 may be conducted by representatives of the winery which produced the
16 wine. The Commission shall adopt rules to assure that the tastings are
17 limited to samplings and not a subterfuge for the unlawful sale or
18 distribution of wine. Any business that holds an off-premises
19 unfortified wine permit is eligible for a wine-tasting permit."

20 SECTION 2. G.S. 18B-1101 reads as rewritten:

21 "§ 18B-1101. Authorization of unfortified winery permit.

22 The holder of an unfortified winery permit may:

- 23 (1) Manufacture unfortified wine;
- 24 (2) Sell, deliver and ship unfortified wine in closed containers to
- 25 wholesalers licensed under this Chapter as authorized by the ABC
- 26 laws, except that wine may be sold to exporters and nonresident
- 27 wholesalers only when the purchase is not for resale in this State;
- 28 (2a) Receive, in closed containers, unfortified wine produced outside North
- 29 Carolina under the winery's label from grapes owned by the winery,

1 and sell, deliver, and ship that wine to wholesalers, exporters, and
 2 nonresident wholesalers in the same manner as its wine manufactured
 3 in North Carolina. This provision may be used only by a winery during
 4 its first three years of operation or when there is substantial damage to
 5 its grapes from catastrophic grape crop loss. This provision may be
 6 used only three years out of every 10 years and notice must be given to
 7 the Commission each time this provision is used.

- 8 (3) Ship its wine in closed containers to individual purchasers inside and
 9 outside this State;
- 10 (4) Furnish or sell "short-filled" packages, on which State taxes have been
 11 or will be paid, to its employees for the use of the employees or their
 12 families and guests in this State;
- 13 (5) Regardless of the results of any local wine election, sell the winery's
 14 wine owned by the winery at the winery for on- or off-premise
 15 consumption upon obtaining the appropriate permit under ~~G.S. 18B-~~
 16 ~~1001~~, G.S. 18B-1001;
- 17 (6) Sell the wine owned by the winery for on- or off-premise consumption
 18 at no more than three other locations in the State, upon obtaining the
 19 appropriate permit under G.S. 18B-1001; and
- 20 (7) Obtain an unfortified wine wholesale permit to sell, deliver, and ship at
 21 wholesale unfortified wine manufactured at the winery. The
 22 authorization of this subdivision applies only to a winery that annually
 23 sells, to persons other than exporters and nonresident wholesalers
 24 when the purchase is not for resale in this State, no more than 300,000
 25 gallons of unfortified wine manufactured by it at the winery.

26 A sale under subdivision (4) shall not be considered a retail or wholesale sale under
 27 the ABC laws."

28 **SECTION 3.** G.S. 18B-1114.1(a) reads as rewritten:

29 "(a) Authorization. – The holder of an unfortified winery, or limited winery
 30 permit may obtain a winery special event permit. ~~The holder of a winery special event~~
 31 ~~permit may:~~

- 32 (1) ~~Give Permit allowing the winery to give free tastings of its wine-wine,~~
 33 ~~and to sell its wine by the glass or in closed containers, at trade shows,~~
 34 ~~conventions, shopping malls, wine festivals, street festivals, holiday~~
 35 ~~festivals, agricultural festivals, balloon races, local fund-raisers, and~~
 36 ~~other similar events approved by the Commission.~~
- 37 (2) ~~Sell its products in closed containers at trade shows, conventions,~~
 38 ~~shopping malls, wine festivals, street festivals, holiday festivals,~~
 39 ~~agricultural festivals, balloon races, local fund-raisers, and other~~
 40 ~~similar events approved by the Commission."~~

41 **SECTION 4.** Chapter 18B of the General Statutes is amended by adding a
 42 new section to read:

1 **"§ 18B-1114.3. Authorization of wine grower permit.**

2 (a) Authorization. — The holder of a wine grower permit may:

3 (1) Ship grapes grown on land owned by it in North Carolina to a winery,
4 inside or outside the State, for the manufacture and bottling of
5 unfortified wine from those grapes, and may receive that wine back in
6 closed containers.

7 (2) Sell, deliver, and ship the unfortified wine manufactured from its
8 grapes in closed containers to wholesalers licensed under this Chapter
9 as authorized by the ABC laws, and also sell to exporters and
10 nonresident wholesalers when the purchase is not for resale in this
11 State.

12 (3) Regardless of the results of any local wine election, sell the wine
13 manufactured from its grapes for on- or off-premise consumption upon
14 obtaining the appropriate permit under G.S. 18B-1001.

15 (b) Limitation on Sales. — The holder of a wine grower permit may not sell, in
16 total, annually, more than 20,000 gallons of wine manufactured off its premises from
17 grapes it has grown."

18 **SECTION 5.** G.S. 18B-303(a) reads as rewritten:

19 "(a) Purchases Allowed. – Without a permit, a person may purchase at one time:

- 20 (1) Not more than 80 liters of malt beverages, other than draft malt
21 beverages in kegs;
22 (2) Any amount of draft malt beverages in kegs;
23 (3) Not more than ~~20~~50 liters of unfortified wine;
24 (4) Not more than eight liters of either fortified wine or spirituous liquor,
25 or eight liters of the two combined."

26 **SECTION 6.** G.S. 18B-902(d) is amended by adding a new subdivision to

27 read:

28 "(d) Fees. – An application for an ABC permit shall be accompanied by payment
29 of the following application fee:

30 ...

31 (34) Wine grower permit – \$300.00."

32 **SECTION 7.** G.S. 18B-1000 is amended by adding a new subdivision to

33 read:

34 **"§ 18B-1000. Definitions concerning establishments.**

35 The following requirements and definitions shall apply to this Chapter:

36 ...

37 (10) Wine grower. – A farming establishment of at least 10 acres
38 committed to the production of grapes for the manufacture of
39 unfortified wine."

40 **SECTION 8.** This act is effective when it becomes law.