

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 823  
Finance Committee Substitute Adopted 4/19/01  
House Committee Substitute Favorable 6/4/01  
House Committee Substitute #2 Favorable 6/11/01  
Fifth Edition Engrossed 6/19/01

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors:

Referred to:

April 3, 2001

A BILL TO BE ENTITLED

AN ACT TO PROMOTE THE NORTH CAROLINA GRAPE AND WINE  
INDUSTRY.

The General Assembly of North Carolina enacts:

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

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

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

...

(15) Wine-Tasting Permit. – A wine-tasting permit authorizes wine tastings on the premises conducted and supervised by the permittee. A wine tasting consists of the offering of a sample of one or more unfortified wine products, in amounts of no more than one ounce for each sample, without charge, to customers of the business. Representatives of the winery, which produced the wine, or the grape grower may assist with the tastings in a manner consistent with existing law. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of wine, and that the tastings are not used by industry members for unlawful inducements to retail permit holders, and do not violate existing rules. Except for purposes of this subsection, the holder of a wine-tasting permit shall not be construed to hold a permit for the on-premises sale or consumption of alcoholic beverages. Any food business is eligible for a wine-tasting permit."

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

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

1 The holder of an unfortified winery permit may:

- 2 (1) Manufacture unfortified wine;
- 3 (2) Sell, deliver and ship unfortified wine in closed containers to  
4 wholesalers licensed under this Chapter as authorized by the ABC  
5 laws, except that wine may be sold to exporters and nonresident  
6 wholesalers only when the purchase is not for resale in this State;
- 7 (2a) Receive, in closed containers, unfortified wine produced outside North  
8 Carolina under the winery's label from grapes owned by the winery,  
9 and sell, deliver, and ship that wine to wholesalers, exporters, and  
10 nonresident wholesalers in the same manner as its wine manufactured  
11 in North Carolina. This provision may be used only by a winery during  
12 its first three years of operation or when there is substantial damage to  
13 its grapes from catastrophic grape crop loss. This provision may be  
14 used only three years out of every 10 years and notice must be given to  
15 the Commission each time this provision is used;
- 16 (3) Ship its wine in closed containers to individual purchasers inside and  
17 outside this State;
- 18 (4) Furnish or sell "short-filled" packages, on which State taxes have been  
19 or will be paid, to its employees for the use of the employees or their  
20 families and guests in this State;
- 21 (5) Regardless of the results of any local wine election, sell the winery's  
22 wine owned by the winery at the winery for on- or off-premise  
23 consumption upon obtaining the appropriate permit under ~~G.S. 18B-~~  
24 ~~1001~~, G.S. 18B-1001;
- 25 (6) Sell the wine owned by the winery for on- or off-premise consumption  
26 at no more than three other locations in the State, upon obtaining the  
27 appropriate permit under G.S. 18B-1001; and
- 28 (7) Obtain a wine wholesaler permit to sell, deliver, and ship at wholesale  
29 unfortified wine manufactured at the winery. The authorization of this  
30 subdivision applies only to a winery that annually sells, to persons  
31 other than exporters and nonresident wholesalers when the purchase is  
32 not for resale in this State, no more than 300,000 gallons of unfortified  
33 wine manufactured by it at the winery.

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

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

37 "(a) Authorization. – The holder of an unfortified winery, ~~or a limited winery~~  
38 ~~permit~~ permit, or a wine grower may obtain a winery special event ~~permit~~. ~~The holder~~  
39 ~~of a winery special event permit may:~~

- 40 ~~(1)~~ Give permit allowing the winery to give free tastings of its wine  
41 and to sell its wine by the glass or in closed containers, at trade shows,  
42 conventions, shopping malls, wine festivals, street festivals, holiday

1 festivals, agricultural festivals, balloon races, local fund-raisers, and  
2 other similar events approved by the Commission.

- 3 (2) ~~Sell its products in closed containers at trade shows, conventions,  
4 shopping malls, wine festivals, street festivals, holiday festivals,  
5 agricultural festivals, balloon races, local fund raisers, and other  
6 similar events approved by the Commission."~~

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

9 "**§ 18B-1114.3. Authorization of wine grower permit.**

10 (a) Authorization. – The holder of a wine grower permit may:

- 11 (1) Ship grapes grown on land owned by it in North Carolina to a winery,  
12 inside or outside the State, for the manufacture and bottling of  
13 unfortified wine from those grapes and may receive that wine back in  
14 closed containers.  
15 (2) Sell, deliver, and ship the unfortified wine manufactured from its  
16 grapes in closed containers to wholesalers and retailers licensed under  
17 this Chapter as authorized by the ABC laws and also sell to exporters  
18 and nonresident wholesalers when the purchase is not for resale in this  
19 State.  
20 (3) Regardless of the results of any local wine election, sell the wine  
21 manufactured from its grapes for on- or off-premise consumption upon  
22 obtaining the appropriate permit under G.S. 18B-1001.

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

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

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

- 28 (1) Not more than 80 liters of malt beverages, other than draft malt  
29 beverages in kegs;  
30 (2) Any amount of draft malt beverages in kegs;  
31 (3) Not more than ~~20~~50 liters of unfortified wine;  
32 (4) Not more than eight liters of either fortified wine or spirituous liquor,  
33 or eight liters of the two combined."

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

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

38 ...

39 (34) Wine grower permit – \$300.00.

40 (35) Wine tasting permit – \$100.00."

41 **SECTION 7.** G.S. 18B-1000 is amended by adding a new subdivision to  
42 read:

1 **"§ 18B-1000. Definitions concerning establishments.**

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

3 ...

4 (10) Wine grower. – A farming establishment of at least five acres  
5 committed to the production of grapes for the manufacture of  
6 unfortified wine."

7 **SECTION 8.** G.S. 18B-1100 is amended by adding a new subdivision to  
8 read:

9 "(19) Wine grower permit."

10 **SECTION 9.** G.S. 18B-1002(a)(5) reads as rewritten:

11 "(5) A permit may be issued to a unit of local government, or to a nonprofit  
12 organization or a political organization to serve wine, malt beverages,  
13 and spirituous liquor at a ticketed event held to allow the unit of local  
14 government or organization to raise funds. For purposes of this  
15 subdivision "nonprofit organization" means an organization that is  
16 exempt from taxation under Section 501(c)(3), 501(c)(4), 501(c)(6),  
17 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the Internal Revenue  
18 Code or is exempt under similar provisions of the General Statutes as a  
19 bona fide nonprofit charitable, civic, religious, fraternal, patriotic, or  
20 veterans' organization or as a nonprofit volunteer fire department, or as  
21 a nonprofit volunteer rescue squad or a bona fide homeowners' or  
22 property owners' association. For purposes of this subdivision  
23 "political organization" means an organization covered by the  
24 provisions of G.S. 163-96(a)(1) or (2) or a campaign organization  
25 established by or for a person who is a candidate who has filed a notice  
26 of candidacy, paid the filing fees or filed the required petition, and  
27 been certified as a candidate. The issuance of this permit will also  
28 allow the issuance of a purchase-transportation permit under G.S.  
29 18B-403 and 18B-404 and the use for culinary purposes of spirituous  
30 liquor lawfully purchased for use in mixed beverages."

31 **SECTION 10.** This act is effective when it becomes law.