

1 HB568
2 212341-1
3 By Representatives Nordgren, Brown (K) and Collins
4 RFD: Economic Development and Tourism
5 First Read: 30-MAR-21

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8 SYNOPSIS: Under existing law, a winery may not sell
9 its own beverages for on-premises or off-premises
10 consumption at a special event, but rather, must go
11 through a distributor in order for its beverages to
12 be sold at the special event.

13 This bill would authorize certain wineries,
14 an organization comprised entirely of grape growers
15 or wineries or both, certain retailers, a
16 municipality, a county, or an incorporated arts
17 council or main street program or downtown
18 development entity to obtain a license from the
19 Alcoholic Beverage Control Board to hold a wine
20 festival where wine festival participant licensees
21 may provide tastings and sell their wine for
22 on-premises or off-premises consumption, under
23 certain conditions.

24 This bill would require the board to adopt
25 rules and issue licenses for wine festivals.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 Relating to wine; to add Section 28-3A-20.4 to the
5 Code of Alabama 1975; to provide for licensure for wine
6 festivals and wine festival participants; to authorize a
7 winery to provide tastings and sell its wine for on-premises
8 or off-premises consumption at a wine festival; and to require
9 the Alcoholic Beverage Control Board to adopt rules and issue
10 licenses.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. The Legislature hereby finds and declares
13 that this act has been enacted pursuant to the authority
14 granted to the state under the Twenty-first Amendment to the
15 United States Constitution and the powers reserved to the
16 state under the Tenth Amendment to the United States
17 Constitution and the inherent powers of the state under the
18 Constitution of Alabama of 1901. It is the intent of the
19 Legislature that this act maintains the current three-tier
20 system of control over the sale, distribution, purchase,
21 transportation, manufacture, consumption, and possession of
22 alcoholic beverages in the state and promotes the health,
23 safety, and welfare of residents of this state.

24 Section 2. Section 28-3A-20.4 is added to the Code
25 of Alabama 1975, to read as follows:

26 §28-3A-20.4.

1 (a) (1) Notwithstanding any other section of this
2 title, including, but not limited to, Sections 28-3A-6,
3 28-3A-25, and 28-7-4, the board, upon application made on a
4 form provided by the board at least 25 days in advance of the
5 event for which a license is sought and accompanied by a fee
6 not to exceed fifty dollars (\$50), shall issue a license for a
7 wine festival to a manufacturer of wine licensed by the board
8 manufacturing at least 500 gallons of table wine in this state
9 annually; a retailer; an organization comprised entirely of
10 grape growers, wineries, or grape growers and wineries; a
11 municipality; a county; or an incorporated arts council, main
12 street program, or downtown development entity upon such terms
13 and conditions as the board may prescribe by rule.

14 (2) The wine festival license shall authorize the
15 licensee to host a festival at which wine festival participant
16 licensees may dispense tastings and sell at retail to
17 individuals physically present at the festival for on-premises
18 or off-premises consumption and for personal use and not for
19 resale, subject to subsection (d).

20 (b) A wine festival licensed under this section may
21 not operate for more than five consecutive days.

22 (c) (1) Upon application made on a form provided by
23 the board at least 15 days in advance of the event for which a
24 license is sought and accompanied by a fee not to exceed
25 fifteen dollars (\$15), the board shall issue a wine festival
26 participant license to any retailer or any manufacturer of

1 table wine licensed by the board that manufactures at least
2 500 gallons of table wine in this state annually.

3 (2) A wine festival participant license shall
4 authorize the licensee to dispense tastings and sell at retail
5 to individuals physically present at the festival for
6 on-premises consumption or off-premises consumption and for
7 personal use and not for resale, subject to subsection (d).

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

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

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

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

21 (f) If a wine festival is to take place entirely on
22 the premises of the winery that was granted the license to
23 host the wine festival or a winery that is a member of the
24 organization granted the license to host the festival, then
25 the board may not require any fee for the wine festival
26 license or any wine festival participant license relating to
27 that festival.

1 (g) Each wine festival participant licensee
2 participating in a wine festival shall collect and remit all
3 state and local sales and use taxes and all excise and other
4 taxes due on the sale of wine by the licensee to customers at
5 retail.

6 (h) The board may not limit or prohibit the serving
7 or featuring of food at a licensed wine festival, provided
8 that the person serving or featuring food complies with all
9 applicable laws and rules.

10 (i) For purposes of this section, "retailer" means a
11 retailer licensed for off-premises consumption of table wine.

12 (j) The board may adopt rules to implement this
13 section, including, but not limited to, rules regarding the
14 liability of a wine festival participant licensee.

15 Section 3. If any provision of this act or its
16 application to any person or circumstance is determined by a
17 court to be invalid or unconstitutional, that provision shall
18 be stricken and the remaining provisions shall be construed in
19 accordance with the intent of the Legislature to further
20 limit, rather than expand, commerce in alcoholic beverages,
21 including by prohibiting any commerce in alcoholic beverages
22 not expressly authorized, and to enhance strict regulatory
23 control over taxation, distribution, and sale of alcoholic
24 beverages through the existing uniform system of regulation of
25 alcoholic beverages.

1 Section 4. 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.