

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 775

Short Title: Allow Wineries to Sell Malt Beverages. (Public)

Sponsors: Representative (Primary Sponsor).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development.

April 7, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW WINERIES TO SELL MALT BEVERAGES AT RETAIL ON THE
3 PREMISES OF THE WINERY.

4 The General Assembly of North Carolina enacts:

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

6 "(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit
7 authorizes the retail sale of malt beverages for consumption on the premises
8 and the retail sale of malt beverages in the manufacturer's original container
9 for consumption off the premises. It also authorizes the holder of the permit
10 to ship malt beverages in closed containers to individual purchasers inside
11 and outside the State. The permit may be issued for any of the following:

- 12 a. Restaurants;
13 b. Hotels;
14 c. Eating establishments;
15 d. Food businesses;
16 e. Retail businesses;
17 f. Private clubs;
18 g. Convention centers;
19 h. Community theatres.

20 The permit may also be issued to certain breweries as authorized by
21 G.S. 18B-1104(7). This permit may also be issued to certain wineries as
22 authorized by G.S. 18B-1101 or G.S. 18B-1102."

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

24 "§ 18B-1101. **Authorization of unfortified winery permit.**

25 The holder of an unfortified winery permit may:

- 26 (1) Manufacture unfortified ~~wine;~~ wine.
27 (2) Sell, deliver and ship unfortified wine in closed containers to wholesalers
28 licensed under this Chapter as authorized by the ABC laws, except that wine
29 may be sold to exporters and nonresident wholesalers only when the
30 purchase is not for resale in this ~~State;~~ State.
31 (2a) Receive, in closed containers, unfortified wine produced inside or outside
32 North Carolina under the winery's label from grapes, berries, or other fruits
33 owned by the winery, and sell, deliver, and ship that wine to wholesalers,
34 exporters, and nonresident wholesalers in the same manner as its wine
35 manufactured in North Carolina. This provision may be used only by a



1 winery during its first three years of operation or when there is substantial
 2 damage to its grapes, berries, or other fruits from catastrophic crop loss. This
 3 provision may be used only three years out of every 10 years and notice
 4 must be given to the Commission each time this provision is ~~used~~used.

5 (3) Ship its wine in closed containers to individual purchasers inside and outside
 6 this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1,
 7 and 18B-1001.2, and other applicable provisions of this ~~Chapter~~Chapter.

8 (4) Furnish or sell "short-filled" packages, on which State taxes have been or
 9 will be paid, to its employees for the use of the employees or their families
 10 and guests in this ~~State~~State.

11 (5) Regardless of the results of any local wine election, sell the wine owned by
 12 the winery at the winery for on- or off-premise consumption upon obtaining
 13 the appropriate permit under ~~G.S. 18B-1001~~G.S. 18B-1001.

14 (6) Sell the wine manufactured by the winery or produced under the winery's
 15 label under subdivision (2a) of this section for on- or off-premise
 16 consumption at no more than three other locations in the State, upon
 17 obtaining the appropriate permit under ~~G.S. 18B-1001~~G.S. 18B-1001.

18 (6a) Receive, in closed containers, and sell at the winery, unfortified wine
 19 produced inside or outside North Carolina under contract with the winery.
 20 Such contract wine must have the winery's name clearly displayed on each
 21 bottle. The contract wine may be sold also at affiliated retail outlets of the
 22 winery physically located on or adjacent to the winery. Any wine received
 23 by a winery under this provision must be made available for sale by the
 24 winery to wholesalers for distribution to retailers, without discrimination, in
 25 the same manner as if the wine were being imported by the ~~winery~~winery.

26 (7) Obtain a wine wholesaler permit to sell, deliver, and ship at wholesale
 27 unfortified wine manufactured at the winery. The authorization of this
 28 subdivision applies only to a winery that annually sells, to persons other than
 29 exporters and nonresident wholesalers when the purchase is not for resale in
 30 this State, no more than 100,000 gallons of unfortified wine manufactured
 31 by it at the ~~winery~~winery.

32 (8) Allow winemaking on premises as allowed by a permit issued pursuant to
 33 G.S. 18B-1001(17).

34 (9) Sell malt beverages at the winery for on- or off-premises consumption upon
 35 obtaining the appropriate permit under G.S. 18B-1001.

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

38 **SECTION 3.** G.S. 18B-1102 reads as rewritten:

39 **"§ 18B-1102. Authorization of fortified winery permit.**

40 The holder of a fortified winery permit may:

41 (1) Manufacture, purchase, import and transport brandy and other ingredients
 42 and equipment used in the manufacture of fortified ~~wine~~wine.

43 (2) Sell, deliver and ship fortified wine in closed containers to wholesalers
 44 licensed under this Chapter as authorized by the ABC laws, except that wine
 45 may be sold to exporters and nonresident wholesalers only when the
 46 purchase is not for resale in this ~~State~~State.

47 (3) Ship its wine in closed containers to individual purchasers inside and outside
 48 this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1,
 49 and 18B-1001.2, and other applicable provisions of this ~~Chapter~~Chapter.

- 1 (4) Furnish or sell "short-filled" packages, on which State taxes have been or
- 2 will be paid, to its employees for the use of the employees or their families
- 3 and guests in this ~~State~~; State.
- 4 (5) Regardless of the results of any local wine election, sell the winery's wine
- 5 for on-or off-premise consumption upon obtaining the appropriate permit
- 6 under G.S. 18B-1001.
- 7 (6) Sell malt beverages at the winery for on- or off-premises consumption upon
- 8 obtaining the appropriate permit under G.S. 18B-1001.
- 9 A sale under subdivision (4) shall not be considered a retail or wholesale sale under the
- 10 ABC laws."
- 11 **SECTION 4.** This act is effective when it becomes law.