

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 823

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors: Senators Rand; and Carpenter.

Referred to: Finance.

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. 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. With the permission of the permit holder, the wine tasting may be conducted by representatives of the winery which produced the wine. 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. Any business that holds an off-premises unfortified wine permit is eligible for a wine-tasting permit."

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

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

The holder of an unfortified winery permit may:

- (1) Manufacture unfortified wine;
- (2) Sell, deliver and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State;

- 1           (2a) Receive, in closed containers, unfortified wine produced outside North  
2           Carolina under the winery's label from grapes grown by the winery,  
3           and sell, deliver, and ship that wine to wholesalers, exporters, and  
4           nonresident wholesalers in the same manner as its wine manufactured  
5           in North Carolina. This provision may be used only by a winery  
6           during its first three years of operation or when there is substantial  
7           damage to its grapes from catastrophic grape crop loss. This provision  
8           may be used during only three years out of every 10 and notice shall  
9           be given to the Commission each time it is used.
- 10          (3) Ship its wine in closed containers to individual purchasers inside and  
11          outside this State;
- 12          (4) Furnish or sell "short-filled" packages, on which State taxes have been  
13          or will be paid, to its employees for the use of the employees or their  
14          families and guests in this State;
- 15          (5) Regardless of the results of any local wine election, sell the winery's  
16          wine at the winery for on- or off-premise consumption upon obtaining  
17          the appropriate permit under G.S. 18B-1001. G.S. 18B-1001;
- 18          (6) Sell the winery's wine for on- or off-premise consumption at no more  
19          than two other locations in the State, upon obtaining the appropriate  
20          permit under G.S. 18B-1001; and
- 21          (7) Obtain an unfortified wine wholesale permit to sell, deliver, and ship at  
22          wholesale unfortified wine manufactured at the winery. The  
23          authorization of this subdivision applies only to a winery that annually  
24          sells, in total, no more than 350,000 gallons of unfortified wine  
25          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:

43           "**§ 18B-1114.3. Authorization of wine grower permit.**

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

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

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

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

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

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

24          **SECTION 6.** This act is effective when it becomes law.