

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1429
Committee Substitute Favorable 5/18/05

Short Title: Wine Shipper Fee/Wine Primary Source.

(Public)

Sponsors:

Referred to:

April 21, 2005

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR RECIPROCITY BY ELIMINATING THE
3 APPLICATION FEE FOR A WINE SHIPPER PERMIT AND TO REQUIRE THE
4 DESIGNATION OF A PRIMARY SOURCE FOR THE IMPORTATION OF
5 WINE INTO THE STATE.
6 The General Assembly of North Carolina enacts:
7 **SECTION 1.** G.S. 18B-902(d) reads as rewritten:
8 "(d) Fees. – An application for an ABC permit shall be accompanied by payment
9 of the following application fee:
10 (1) On-premises malt beverage permit – \$400.00.
11 (2) Off-premises malt beverage permit – \$400.00.
12 (3) On-premises unfortified wine permit – \$400.00.
13 (4) Off-premises unfortified wine permit – \$400.00.
14 (5) On-premises fortified wine permit – \$400.00.
15 (6) Off-premises fortified wine permit – \$400.00.
16 (7) Brown-bagging permit – \$400.00, unless the application is for a
17 restaurant seating less than 50, in which case the fee shall be \$200.00.
18 (8) Special occasion permit – \$400.00.
19 (9) Limited special occasion permit – \$50.00.
20 (10) Mixed beverages permit – \$1,000.
21 (11) Culinary permit – \$200.00.
22 (12) Unfortified winery permit – \$300.00.
23 (13) Fortified winery permit – \$300.00.
24 (14) Limited winery permit – \$300.00.
25 (15) Brewery permit – \$300.00.
26 (16) Distillery permit – \$300.00.
27 (17) Fuel alcohol permit – \$100.00.
28 (18) Wine importer permit – \$300.00.
29 (19) Wine wholesaler permit – \$300.00.

- 1 (20) Malt beverage importer permit – \$300.00.
2 (21) Malt beverage wholesaler permit – \$300.00.
3 (22) Bottler permit – \$300.00.
4 (23) Salesman permit – \$100.00.
5 (24) Vendor representative permit – \$50.00.
6 (25) Nonresident malt beverage vendor permit – \$100.00.
7 (26) Nonresident wine vendor permit – \$100.00.
8 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
9 (28) Winery special event permit – \$200.00.
10 (29) Mixed beverages catering permit – \$200.00.
11 (30) Guest room cabinet permit – \$1,000.
12 (31) Liquor importer/bottler permit – \$500.00.
13 (32) Cider and vinegar manufacturer permit – \$200.00.
14 (33) Brew on premises permit – \$400.00.
15 (34) Wine producer permit – \$300.00.
16 (35) Wine tasting permit – \$100.00.
17 ~~(36) Wine shipper permit – \$100.00."~~

18 **SECTION 2.** G.S. 18B-1001.1(a) reads as rewritten:

19 "(a) A winery holding a federal basic wine manufacturing permit located within or
20 outside of the State may apply to the Commission for issuance of a wine shipper permit
21 that shall authorize the shipment of brands of fortified and unfortified wines identified
22 in the application. The applicant shall not be required to pay an application fee for the
23 wine shipper permit. A wine shipper permittee may amend the brands of wines
24 identified in the permit application but shall file any amendment with the Commission.
25 Any winery that applies for a wine shipper permit shall notify in writing any
26 wholesalers that have been authorized to distribute the winery's brands within the State
27 that an application has been filed for a wine shipper permit. A wine shipper permittee
28 may sell and ship not more than two cases of wine per month to any person in North
29 Carolina to whom alcoholic beverages may be lawfully sold. All sales and shipments
30 shall be for personal use only and not for resale. A case of wine shall mean any
31 combination of packages containing not more than nine liters of wine."

32 **SECTION 3.** G.S. 18B-203(a) reads as rewritten:

33 "(a) Powers. – The Commission shall have authority to:

34 ...

35 (19) Recognize the wine importer permittee that is the primary American
36 source of supply for the wine of a winery. The primary American
37 source of supply is the source closest to the manufacturer in the
38 channel of commerce from whom the product can be secured by
39 American wholesalers."

40 **SECTION 4.** G.S. 18B-1106 reads as rewritten:

41 **"§ 18B-1106. Authorization of wine importer permit.**

42 (a) Authorization. – The holder of a wine importer permit may:

43 (1) Import fortified and unfortified wines from outside the United States in
44 closed containers;

1 (2) Store those wines;
2 (3) Sell those wines to wine wholesalers for purposes of resale.
3 (b) Distribution Agreements. – Wine distribution agreements are governed by
4 Article 12 of this Chapter.

5 (c) Primary Source of Supply. – The holder of a wine importer permit may
6 import and sell to wholesalers only wine for which it is the primary American source of
7 supply as recognized by the Commission."

8 **SECTION 5.** G.S. 18B-1107 reads as rewritten:

9 **"§ 18B-1107. Authorization of wine wholesaler permit.**

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

11 (1) Receive, possess and transport shipments of fortified and unfortified
12 ~~wine;~~wine. The wine must be received from one of the following:

13 a. The primary American source of supply for that wine as
14 recognized by the Commission.

15 b. A licensed North Carolina wholesaler who received the wine
16 from the primary American source of supply and with whom
17 the wholesaler has a subcontracting agreement for the
18 distribution of the wine.

19 (2) Sell, deliver and ship wine in closed containers for purposes of resale
20 to wholesalers or retailers licensed under this Chapter as authorized by
21 the ABC ~~laws;~~laws.

22 (3) Furnish and sell wine to its employees, subject to the rules of the
23 Commission and the Department of ~~Revenue;~~Revenue.

24 (4) In locations where the sale is legal, furnish wine to guests and any
25 other person who does not hold an ABC permit, for promotional
26 purposes, subject to rules of the ~~Commission;~~Commission.

27 (5) Sell out-of-date unfortified and fortified wines to holders of cider and
28 vinegar manufacturer permits, provided that each bottle is marked
29 "out-of-date" by the wholesaler.

30 (b) Distribution Agreements. – Wine distribution agreements are governed by
31 Article 12 of this Chapter."

32 **SECTION 6.** G.S. 18B-1114 reads as rewritten:

33 **"§ 18B-1114. Authorization of nonresident wine vendor permit.**

34 The holder of a nonresident wine vendor permit may sell, deliver, and ship
35 unfortified and fortified wine in this State only to wholesalers, importers, and bottlers
36 licensed under this Chapter, as authorized by the ABC laws. The unfortified and
37 fortified wine must come to rest at the licensed premises of a wine wholesaler in this
38 State before being resold to a retailer. A nonresident wine vendor permit may be issued
39 to a winery, a wholesaler, an importer, or a bottler outside North Carolina who desires
40 to sell, deliver, and ship unfortified and fortified wine into this State. The holder of a
41 nonresident wine vendor permit may sell, deliver, and ship into this State only wine for
42 which it is the primary American source of supply as recognized by the Commission."

43 **SECTION 7.** G.S. 18B-1201(4) reads as rewritten:

44 **"§ 18B-1201. Definitions.**

1 As used in this Article, unless the context requires otherwise:

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...

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(4) "Winery" means any holder of an unfortified winery permit, fortified winery permit, limited winery permit, wine importer permit, or nonresident wine vendor permit issued under the authority of this Chapter who sells at least 1,000 cases of wine in North Carolina per year."

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SECTION 8. This act is effective when it becomes law and applies to wine shipper permit applications submitted on or after that date.