

ALCOHOLIC BEVERAGES

CHAPTER 92

HOUSE BILL NO. 1466

(Representatives Dockter, Berg, O'Brien, Toman)
(Senators Larson, Mathern)

AN ACT to amend and reenact sections 5-01-01 and 5-01-19.1, and subsection 2 of section 5-01-19.2 of the North Dakota Century Code, relating to the definitions of a domestic and manufacturing distillery and satellite locations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 5-01-01 of the North Dakota Century Code is amended and reenacted as follows:

5-01-01. Definitions.

In this title:

1. "Alcohol" means neutral spirits distilled at or above one hundred ninety degrees proof, whether or not such product is subsequently reduced, for nonindustrial use.
2. "Alcoholic beverages" means any liquid suitable for drinking by human beings, which contains one-half of one percent or more of alcohol by volume.
3. "Beer" means any malt beverage containing one-half of one percent or more of alcohol by volume and includes an alcoholic beverage made by the fermentation of malt substitutes, including rice, grain of any kind, glucose, sugar, or molasses, which has not undergone distillation.
4. "Bottle or can" means any container, regardless of the material from which made, having a capacity less than a bulk container for use for the sale of malt beverages at retail.
5. "Direct shipper" means a person that is licensed by the commissioner and ships or causes to be shipped alcoholic beverages directly into this state to a consumer for the consumer's personal use and not for resale.
6. "Distilled spirits" means any alcoholic beverage that is not beer, wine, sparkling wine, or alcohol.
7. "Domestic distillery" means a distillery that produces twenty-five thousand gallons [94635 liters] or fewer of distilled spirits per year.
8. "In bulk" means in containers having a capacity not less than one-sixth barrel for use for the sale of malt beverages at retail.

- ~~8-9.~~ "Licensed alcohol carrier" means a person licensed to transport or deliver alcoholic beverages to a consumer without first having the alcoholic beverage delivered through a wholesaler licensed in this state.
- ~~9-10.~~ "Licensed logistics shipper" means a person that provides fulfillment house services, including warehousing, packaging, distribution, order processing, or shipment of alcoholic beverages on behalf of a licensed direct shipper and by way of a licensed alcohol carrier.
- ~~40-11.~~ "Licensed premises" means the premises on which beer, liquor, or alcoholic beverages are normally sold or dispensed and must be delineated by diagram or blueprint which must be included with the license application or the license renewal application.
- ~~44-12.~~ "Liquor" means any alcoholic beverage except beer.
- ~~42-13.~~ "Local governing body" means the governing entity of a city, county, or federally recognized Indian tribe in this state.
- ~~43-14.~~ "Local license" means a city, county, or tribal retail alcoholic beverage license issued by the appropriate local governing body.
15. "Manufacturing distillery" means a distillery that produces forty thousand gallons [151416 liters] or fewer of distilled spirits per year.
- ~~44-16.~~ "Microbrew pub" means a brewer that brews ten thousand or fewer barrels of beer per year and sells beer produced or manufactured on the premises for consumption on or off the premises or serves beer produced or manufactured on the premises for purposes of sampling the beer.
- ~~45-17.~~ "Organization" means a domestic or foreign corporation, general partnership, limited partnership, or limited liability company.
18. "Satellite location" means an offsite location owned or leased by a manufacturing distillery to conduct retail operations.
- ~~46-19.~~ "Sparkling wine" means wine made effervescent with carbon dioxide.
- ~~47-20.~~ "Supplier" means an alcoholic beverage manufacturer, importer, marketer, or wholesaler selling alcoholic beverages to a wholesaler licensed in this state for purposes of resale.
- ~~48-21.~~ "Tribal licensee" means a person issued a local license by the governing body of a federally recognized Indian tribe in this state for the retail sale of alcoholic beverages within the exterior tribal reservation boundaries.
- ~~49-22.~~ "Twenty-one years of age" means it is after eight a.m. on the date twenty-one years after a person's date of birth.
- ~~20-23.~~ "Wine" means the alcoholic beverage obtained by fermentation of agricultural products containing natural or added sugar or such beverage fortified with brandy and containing not more than twenty-four percent alcohol by volume.

SECTION 2. AMENDMENT. Section 5-01-19.1 of the North Dakota Century Code is amended and reenacted as follows:

5-01-19.1. Direct sale by domestic distilleries.

1. A domestic distillery that produces no more than twelve thousand proof gallons [~~42000~~45425 liters] of spirits per year may sell and deliver, onsite or offsite, the spirits produced by the distillery directly to licensed retailers. The distillery may sell and deliver spirits onsite to a licensed retailer that presents the retailer's license or a photocopy of the license. The distillery may deliver the spirits offsite if the distillery:
 - a. Uses the distillery's equipment, trucks, and employees to deliver the spirits;
 - b. Contracts with a licensed distributor to ship and deliver the spirits to the retailer; or
 - c. Contracts with a common carrier to ship and deliver the spirits to the retailer directly from the distillery or the distillery's warehouse.
2. The total amount of spirits each domestic distillery may sell or deliver directly to all licensed retailers may not exceed two hundred cases per year. Individual shipments delivered by common carrier may not exceed three cases a day for each licensed retailer. A case may not exceed two and thirty-eight hundredths gallons [9 liters].
3. As used in this section, "proof gallon" means a gallon [~~3.783.79~~ liters] of liquid at sixty degrees Fahrenheit [15.5 degrees Celsius] which contains fifty percent ethyl alcohol by volume or its equivalent.

SECTION 3. AMENDMENT. Subsection 2 of section 5-01-19.2 of the North Dakota Century Code is amended and reenacted as follows:

2. A manufacturing distillery may sell spirits produced by that distillery at off sale, in retail lots, and not for resale, and may sell or direct ship its spirits to persons inside or outside the state in a manner consistent with the laws of the place of the sale or delivery in total quantities not in excess of ~~twenty-five thousand~~forty thousand gallons [~~94635~~151416 liters] in a calendar year.
 - a. Direct sales within this state are limited to two and thirty-eight hundredths gallons [9 liters] or less per month per person for personal use and not for resale. The packaging must conform with the labeling requirements in section 5-01-16. A licensee may dispense free samples of the spirits offered for sale. Subject to local ordinance, sales at off sale may be made on Sundays between twelve noon and twelve midnight.
 - b. A manufacturing distillery may hold events inside its premises and at its satellite location. The tax commissioner may issue event permits for not more than forty event days per calendar year to a manufacturing distillery to allow the manufacturing distillery, subject to local ordinance, to give free samples of its product and to sell its product by the glass or in closed containers at ~~on-premises events~~ on the premises, off the premises, and at its satellite location.
 - c. A manufacturing distillery may not engage in any wholesaling activities. Except as provided by section 5-01-19.1, all sales and deliveries of spirits to any other retail licensed premises in this state may be made only through a licensed North Dakota liquor wholesaler. However, a

manufacturing distillery may sell distilled spirits to a domestic winery if the distilled spirits were produced from products provided to the manufacturing distillery by the domestic winery.

Approved April 23, 2025

Filed April 23, 2025

CHAPTER 93

HOUSE BILL NO. 1375

(Representatives Koppelman, D. Ruby, Grueneich, Headland, Kasper, Schatz,
Steiner, Vetter)
(Senators Magrum, Paulson)

AN ACT to create and enact a new section to chapter 5-02 of the North Dakota Century Code, relating to a licensed premises serving alcohol and refusal to furnish a photo identification; to amend and reenact section 5-02-10 of the North Dakota Century Code, relating to the time frame to file a complaint against a licensed retailer of alcoholic beverages; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 5-02 of the North Dakota Century Code is created and enacted as follows:

Evidence of an individual under twenty-one years of age in a licensed premises - Proof of identification - Refusal - Penalty.

1. If a peace officer has reasonable and articulable suspicion that an individual under the age of twenty-one is in a licensed premises for a purpose prohibited under section 5-02-06, the peace officer may request the individual to furnish a nondriver photo identification card or an operator's license to verify the individual's age.
2. An individual who refuses to provide proof of identification upon request is guilty of an infraction.
3. If an individual charged with an infraction under this section produces a nondriver photo identification card or an operator's license before the final disposition of the infraction establishing the individual was twenty-one years of age or older at the time of the peace officer's request to furnish identification, the prosecuting attorney shall dismiss the infraction against the individual.

SECTION 2. AMENDMENT. Section 5-02-10 of the North Dakota Century Code is amended and reenacted as follows:

5-02-10. Hearing on alleged violations.

Any

1. If a person havinghas information that a licensed retailer of alcoholic beverages has violated any provisionsprovision of this title, the person may file with the attorney general, city attorney, or state's attorney an affidavit specifically setting forth suchexplaining the violation within fourteen days of the date of the alleged violation. Upon receipt of such
2. If a person timely files an affidavit under subsection 1, the city attorney or state's attorney shall set the matter for hearing not later than the next regular meeting of the local governing body or forward suchthe affidavit to the attorney general. Upon receipt of any such

3. If a person timely files an affidavit under subsection 1, the attorney general shall set the matter for hearing in the local county courthouse not less than ten days after copies of the affidavit and notice of hearing have been mailed to the licensee by registered mail.
4. If the hearing is held by the local governing body, a copy of ~~this~~the affidavit and notice of hearing must be mailed to the licensee by registered mail not less than five days before ~~such~~the hearing.
5. ~~A record of such hearings will be made~~hearing conducted under this section must be recorded by stenographic notes or the use of an electronic recording device.

Approved April 16, 2025

Filed April 16, 2025

CHAPTER 94

SENATE BILL NO. 2136

(Senators Klein, Barta, Kessel)
(Representatives Hagert, Warrey)

AN ACT to amend and reenact sections 5-04-02 and 5-04-14 of the North Dakota Century Code, relating to wholesaler and brewer relations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 5-04-02 of the North Dakota Century Code is amended and reenacted as follows:

5-04-02. Inducement or coercion prohibited.

~~No~~A brewer may not:

1. Induce or coerce, or attempt to induce or coerce, ~~any~~any beer wholesaler to accept delivery of ~~any~~any alcoholic beverage or ~~any~~ other commodity which has not been ordered by the beer wholesaler.
2. Induce or coerce, or attempt to induce or coerce, ~~any~~any beer wholesaler to enter ~~any~~any agreement or take ~~any~~any action that would violate ~~any~~any law or rule of this state by threatening to amend, cancel, terminate, or refuse to renew ~~any~~any agreement existing between a brewer and a beer wholesaler.
3. Require a wholesaler to assent to ~~any~~any condition, stipulation, or provision limiting the wholesaler's right to sell any other brewer's product anywhere in this state, provided the sale of another brewer's product does not materially impair the quality of service or quantity of sales of the existing brand or brands of the brewer seeking to impose the condition, stipulation, or provision.
4. Require a wholesaler to submit specific, confidential information regarding competitive brands, as a condition of renewal or continuation of an agreement.
5. Fail to provide each wholesaler of its brands with a written contract ~~which that~~ conforms to this chapter and embodies the brewer's agreement with each wholesaler.
6. Require a wholesaler to use or prohibit a wholesaler from using a business-to-business electronic commerce platform.

SECTION 2. AMENDMENT. Section 5-04-14 of the North Dakota Century Code is amended and reenacted as follows:

5-04-14. Sale of brewer.

Except for good cause, as defined by section 5-04-04, the purchase of a brewer as defined in section 5-04-01, ~~when the purchaser continues in business as a brewer,~~ shall obligate the ~~new brewer~~purchaser to all terms and conditions of the agreement

in effect on the date of purchase. "Purchase", for the purposes of this chapter, includes the sale of stock, sale of assets, merger, lease, transfer, or consolidation.

Approved March 25, 2025

Filed March 26, 2025