

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1404

Introduced by

Representatives Pietsch, Brusegaard

Senator Lee

- 1 A BILL for an Act to create and enact a new section to chapter 5-01 of the North Dakota
2 Century Code, relating to farm winery licenses.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 5-01 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Farm winery license.**

- 7 1. The state treasurer may issue a farm winery license to the owner or operator of a
8 farm winery located within this state to produce table or sparkling wines. A farm
9 winery must be operated by the owner of a North Dakota farm and produce table
10 or sparkling wines from grapes, grape juice, other fruit bases, or honey with a
11 majority of the ingredients by volume, excluding water, grown and produced in this
12 state by the farm winery. Licenses may be issued and renewed for an annual fee
13 of fifty dollars, which is in lieu of all other license fees required by this title.
- 14 2. A license authorizes the sale, on the farm winery premises, of table or sparkling
15 wines produced by that farm winery at on-sale or off-sale, in retail lots, and not for
16 resale, in total quantities not in excess of one thousand gallons in a calendar year;
17 glassware; wine literature and accessories; cheese, cheese spreads, and other
18 snack food items; and the dispensing of free samples of the wines offered for sale.
19 Subject to local ordinance, sales at on-sale and off-sale may be made on Sundays
20 between twelve noon and twelve midnight. Labels for each type or brand
21 produced must be registered with the state treasurer, without fee before sale. A
22 farm winery may not engage in any wholesaling activities. All sales and delivery of
23 wines to any other retail licensed premises may be made only through a wholesale
24 liquor license.

- 1 3. The farm winery shall pay to the state the wholesaler taxes and the sales taxes on
- 2 all wines sold by the farm winery as set forth in sections 5-03-07 and 57-39.2-03.2.
- 3 4. The farm winery shall report quarterly to the state tax commissioner the total
- 4 quantity of wine sold by type and the amount of taxes due to the state in the
- 5 manner and on the forms prescribed by the state tax commissioner.
- 6 5. Except as otherwise specified in this section, all provisions of this title govern the
- 7 production, sale, possession, and consumption of table or sparkling wines
- 8 produced by a farm winery.