

HOUSE BILL 2679

By Casada

AN ACT to amend Tennessee Code Annotated, Section 57-3-201 and Section 57-3-207, relative to farm wine permits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-3-207, is hereby amended by adding the following language as new, appropriately designated subsections:

(o)

(1) As used in this subsection:

(A) "Farm" means a commercial farming operation located in Tennessee consisting of commercial vineyards, fruit orchards or fruit gardens or any combination of such farming operations;

(B) "Farm wine producer" means a farm which produces its own locally grown product from a vineyard, fruit orchard or fruit garden or any combination of such farming operations to be used in the making of wine; and

(C) "Wine" means an alcoholic beverage containing a minimum of ninety-five percent (95%) of the product of vineyards, fruit orchards or fruit gardens grown and harvested at a farm as the wine being sold by the farm wine producer.

(2) A farm wine permit may be issued as provided in this subsection (o) to a farm wine producer, upon verified, written application to the commission on the proper form authorized to be prescribed and furnished by the commission, and the application may be granted by the commission, subject to the further restrictions of this chapter, other than § 57-3-106.

(3) Each applicant for a farm wine permit shall pay to the commission a one-time, nonrefundable fee in the amount of three hundred dollars (\$300) when the application is submitted for review. The permit shall not be issued until a permit fee of one hundred and fifty dollars (\$150) is paid to the commission by the farm wine producer, but issuance of the permit is exempt from the requirements of § 57-3-106. The commission shall deposit collections with the state treasurer to be earmarked for and allocated to the commission for the purpose of the administration and enforcement of the duties, powers and functions of the commission.

(4) The holder of a farm wine permit may:

(A) Transport or have transported produce grown on the farm to a winery licensed pursuant to subsection (b), for the manufacture, bottling and labeling of unfortified wine from such produce;

(B) Receive such wine back from the winery manufacturing, bottling and labeling the wine for the farm wine producer;

(C) Offer on the premises of the farm, single servings of its wine without charge as a complimentary tasting; and

(D) Sell at retail on the premises of the farm sealed containers of wine made from the produce of its vineyard, orchard or fruit garden in a designated building or area where no wine is consumed.

(5) Wine sold in sealed containers on the premises of the farm may not be consumed within the building where such wine is sold.

(6) The provisions of subsections (d), (h), (i), (j), (m) and (n) which apply to wineries shall also apply to farm wine permittees.

(p)

(1) A winery licensed under this section is authorized to receive produce from a farm wine producer grown on the farm for the purpose of manufacturing, bottling and labeling of wine for such producer. The wine label shall indicate the name of the farm where the fruit was grown and harvested and the name of the winery manufacturing, bottling and labeling such wine.

(2) Such winery shall be responsible for the payment of the state gallonage tax imposed pursuant to § 57-3-302 and the federal alcoholic beverage excise taxes due and owing on the wine bottled by the winery prior to the bottled wine leaving the winery's bonded premises.

(3) The winery is authorized to transport the wine from the winery back to the farm wine permit holder, notwithstanding § 57-3-107(b) or any other law to the contrary. It is lawful for common carriers to transport from the winery which manufactured, bottled and labeled such wine to the farm permit holder pursuant to an agreement or contract with a licensed winery.

SECTION 2. Tennessee Code Annotated, Section 57-3-201, is amended by adding the following language as a new subdivision (8):

(8) Farm wine permit.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.