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CATAGE WEST VIRGINIA SECRETARY OF STATE

## **WEST VIRGINIA LEGISLATURE**

**FIRST REGULAR SESSION, 2005** 

# ENROLLED

# FOR House Bill No. 2266

(By Delegates Doyle, Hatfield and Amores)

Passed April 9, 2005

In Effect Ninety Days from Passage

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UTTICE WEST VIRGINIA SECRETARY OF STATE

#### ENROLLED

**COMMITTEE SUBSTITUTE** 

**FOR** 

### H. B. 2266

(BY DELEGATES DOYLE, HATFIELD AND AMORES)

[Passed April 9, 2005; in effect ninety days from passage]

AN ACT to amend and reenact §60-8-3 of the Code of West Virginia, 1931, as amended, relating to imposing a one hundred dollar per year fee for licenses allowing wine sampling events by wine retailers; restrictions on wine sampling events; allowing licensed restaurants to offer sealed bottles of wine produced by a West Virginia farm winery for sale off the premises; authorizing a special license to allow the sale and serving of wine by nonprofit charitable organizations and associations for certain purposes during one-day events; and authorizing special licenses for heritage fairs and festivals allowing the sale, serving and sampling of wine from a West Virginia farm winery.

Be it enacted by the Legislature of West Virginia:

That §60-8-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

#### ARTICLE 8. SALE OF WINES.

#### §60-8-3. Licenses; fees; general restrictions.

- 1 (a) Except as to farm wineries as defined by section five-a, 2 article one of this chapter, no person may engage in business in
- 3 the capacity of a distributor, retailer or private wine restaurant
- 4 without first obtaining a license from the Commissioner, nor
- 5 shall a person continue to engage in any such activity after his
- 6 or her license has expired, been suspended or revoked. No
- 7 person may be licensed simultaneously as a distributor and a
- 8 retailer, as a distributor and a private wine restaurant, or as a
- 9 retailer and a private wine restaurant.
- 10 (b) The Commissioner shall collect an annual fee for licenses issued under this article, as follows:
- 12 (1) Twenty-five hundred dollars per year for a distributor's
- 13 license and each separate warehouse or other facility from
- 14 which a distributor sells, transfers or delivers wine shall be
- 15 separately licensed and there shall be collected with respect to
- 16 each such location the annual license fee of twenty-five
- 17 hundred dollars as herein provided;
- 18 (2) One hundred fifty dollars per year for a retailer's 19 license;
- 20 (3) Fifty dollars per year for a wine tasting license;
- 21 (4) Fifty dollars for each sales representative of or employed by a licensed distributor;
- 23 (5) Two hundred fifty dollars per year for a private wine
- 24 restaurant license, and each separate restaurant from which a
- 25 licensee sells wine shall be separately licensed and there shall
- 26 be collected with respect to each such location the annual
- 27 license fee of two hundred fifty dollars as herein provided;

- 28 (6) Twenty-five dollars per year for a West Virginia wine 29 retailer license, and each separate retail outlet from which a West Virginia wine retailer sells West Virginia wine shall be 30 31 separately licensed and there shall be collected with respect to 32 each such location the annual license fee of twenty-five dollars 33 as herein provided. The holder of such a license may sell no 34 wines except those produced by West Virginia farm wineries as 35 defined by section five-a, article one of this chapter. Except for the amount of the license fee and the restriction to sales of West 36 37 Virginia wines, a West Virginia wine retailer is subject to all 38 other provisions of this article which are applicable to a retailer 39 as defined in section two of this article:
- 40 (7) One hundred dollars per year for a wine sampling 41 license issued for a retailer under subsection (n) of this section; 42 and
- 43 (8) No fee shall be charged for a special one-day license 44 under subsection (o) of this section or for a heritage fair and 45 festival license under subsection (p) of this section.
- (c) The license period shall begin on the first day of July of each year and end on the thirtieth day of June of the following year, and if granted for a less period, the same shall be computed semiannually in proportion to the remainder of the fiscal year.
- (d) No retailer may be licensed as a private club as provided
   by article seven of this chapter.
- (e) No retailer may be licensed as a Class A retail dealer in nonintoxicating beer as provided by article sixteen, chapter eleven of this code: *Provided*, That a delicatessen, a caterer or party supply store which is a grocery store as defined in section two of this article and which is licensed as a Class A retail dealer in nonintoxicating beer may be a retailer under this article: *Provided*, *however*, That any delicatessen, caterer or

- 60 party supply store licensed in both such capacities must
- 61 maintain average monthly sales exclusive of sales of wine and
- 62 nonintoxicating beer which exceed the average monthly sales
- 63 of nonintoxicating beer.

- (f) A retailer under this article may also hold a wine tasting license authorizing such retailer to serve complimentary samples of wine in moderate quantities for tasting. Such retailer shall organize a winetaster's club, which has at least fifty duly elected or approved dues paying members in good standing. Such club shall meet on the retailer premises not more than one time per week and shall either meet at a time when the premises are closed to the general public, or shall meet in a separate segregated facility on the premises to which the general public is not admitted. Attendance at tastings shall be limited to duly elected or approved dues paying members and their guests.
- (g) A retailer who has more than one place of retail business shall obtain a license for each separate retail establishment. A retailer license may be issued only to the proprietor or owner of a bona fide grocery store or wine specialty shop.
- (h) The Commissioner may issue a special license for the retail sale of wine at any festival or fair which is endorsed or sponsored by the governing body of a municipality or a county commission. Such special license shall be issued for a term of no longer than ten consecutive days and the fee therefor shall be two hundred fifty dollars regardless of the term of the license unless the applicant is the manufacturer of said wine on a farm winery as defined in section five-a, article one of this chapter, in which event the fee shall be twenty-five dollars. The application for such license shall contain such information as the Commissioner may reasonably require and shall be submitted to the Commissioner at least thirty days prior to the first day when wine is to be sold at such festival or fair. A farm winery

93 licensed under this subsection may exhibit, conduct tastings, not 94 to exceed a reasonable serving, and may sell wine only for 95 consumption off the premises of such festival or fair. A special 96 license issued other than to a farm winery may be issued to a 97 "wine club" as defined hereinbelow. The festival or fair 98 committee or the governing body shall designate a person to 99 organize a club under a name which includes the name of the 100 festival or fair and the words "wine club." The license shall be issued in the name of the wine club. A licensee may not 101 102 commence the sale of wine as provided in this subsection until 103 the wine club has at least fifty dues paying members who have 104 been enrolled and to whom membership cards have been issued. 105 Thereafter, new members may be enrolled and issued member-106 ship cards at any time during the period for which the license is 107 issued. A wine club licensed under the provisions of this 108 subsection may sell wine only to its members, and in portions 109 not to exceed eight ounces per serving. Such sales shall take 110 place on premises or in an area cordoned or segregated so as to 111 be closed to the general public, and the general public shall not 112 be admitted to such premises or area. A wine club licensee 113 under the provisions of this subsection shall be authorized to 114 serve complimentary samples of wine in moderate quantities 115 for tasting.

116 A license issued under the provisions of this subsection and 117 the licensee holding such license shall be subject to all other provisions of this article and the rules and orders of the Com-118 119 missioner relating to such special license: *Provided*, That the Commissioner may by rule, regulation, or order provide for 120 121 certain waivers or exceptions with respect to such provisions, 122 rules, regulations, or orders as the circumstances of each such 123 festival or fair may require, including, without limitation, the 124 right to revoke or suspend any license issued pursuant to this 125 section prior to any notice or hearing notwithstanding the 126 provisions of section twelve of this article: *Provided, however,* That under no circumstances shall the provisions of subsection 127

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- 128 (c) or (d), section twenty of this article be waived nor shall any 129 exception be granted with respect thereto.
- 130 A license issued under the provisions of this subsection and 131 the licensee holding such license shall not be subject to the 132 provisions of subsection (g) of this section.
- 133 (i) A license to sell wine granted to a private wine restau-134 rant under the provisions of this article entitles the operator to 135 sell and serve wine, for consumption on the premises of the 136 licensee, when such sale accompanies the serving of food or a 137 meal to its members and their guests in accordance with the provisions of this article: *Provided*, That a licensed private wine 138 139 restaurant may offer for sale for consumption off the premises, 140 sealed bottles of wine produced by West Virginia farm winery. 141 Such licensees are authorized to keep and maintain on their 142 premises a supply of wine in such quantities as may be appro-143 priate for the conduct of operations thereof. Any sale of wine so 144 made shall be subject to all restrictions set forth in section 145 twenty of this article. A private wine restaurant may also be 146 licensed as a Class A retail dealer in nonintoxicating beer as 147 provided by article sixteen, chapter eleven of this code.
  - (j) With respect to subsections (h), (i), (n) and (o) of this section, the Commissioner shall promulgate legislative rules in accordance with the provisions of chapter twenty-nine-a of this code with regard to the form of the applications, the suitability of both the applicant and location of the licensed premises and such other legislative rules deemed necessary to carry the provisions of such subsections into effect.
- 155 (k) The Commissioner shall promulgate legislative rules in 156 accordance with the provisions of chapter twenty-nine-a of this 157 code to allow restaurants to serve West Virginia wine with 158 meals, but not to sell the wine by the bottle. Each restaurant so 159 licensed shall be charged a fee less than that charged for a wine

- license to a retail outlet, such fees to be set forth in the aforementioned rules promulgated pursuant to this subsection.
- (1) The Commissioner shall establish guidelines to permitWest Virginia wines to be sold in State stores.
- 164 (m) Farm wineries as defined in section one-a of this article
  165 may advertise off premises as provided in section seven, article
  166 twenty-two, chapter seventeen and in any other media, includ167 ing, but not limited to, newspaper, radio, television, magazines
  168 and direct mail solicitation.
- 169 (n) A retailer under this article may also hold a wine 170 sampling license authorizing the retailer to conduct special 171 wine sampling events at a licensed retail location during regular 172 hours of business. The retailer may serve up to three compli-173 mentary samples of wine, consisting of no more than one ounce 174 each, to any one consumer in one day. Persons serving the 175 complimentary samples must be twenty-one years of age and 176 duly employed by the licensed retailer, farm winery, or a 177 representative of a distributor or registered supplier. Distributor 178 and supplier representatives attending wine sampling events 179 must be duly licensed by the Commissioner. No licensee, 180 employee, or representative may furnish, give or serve compli-181 mentary samples of wine to any person less than twenty—one 182 years of age or to a person who is physically incapacitated due 183 to the consumption of alcoholic liquor or the use of drugs. The 184 retailer shall notify and secure permission from the Commissioner for all wine sampling events one month prior to the 185 186 event. Wine sampling events may not exceed six hours per calendar day. Licensees must purchase all wines used during 187 188 these events from a West Virginia farm winery or a licensed 189 West Virginia distributor.
- 190 (o) The Commissioner may issue special one-day licenses 191 to duly organized, nonprofit corporations and associations 192 allowing the sale and serving of wine when raising money for

193 athletic, charitable, educational or religious purposes. The 194 license application shall contain information as the Commis-195 sioner may reasonably require and shall be submitted to the 196 Commissioner at least thirty days prior to the event. Wines used during these events may be donated by or purchased from a 197 198 licensed retailer, distributor or West Virginia farm winery. 199 Under no circumstances may the provision of subsection (c), 200 section twenty of this article be waived nor may any exception 201 be granted with respect thereto.

202 (p) The Commissioner may issue special licenses to 203 heritage fairs and festivals allowing the sale, serving and 204 sampling of wine from a West Virginia farm winery. The 205 license application shall contain information required by the 206 Commissioner and shall be submitted to the Commissioner at 207 least thirty days prior to the event. Wines used during these 208 events may be donated by or purchased from a West Virginia 209 farm winery. Under no circumstances may the provision of 210 subsection (c), section twenty of this article be waived nor may 211 any exception be granted with respect thereto. The Commis-212 sioner shall propose rules for legislative approval in accordance 213 with article three, chapter twenty-nine-a of this code to imple-214 ment the provisions of this subsection.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Mandy White	<u>,                                     </u>
Chairman Senate Committe	Chairman House Committee

Originating in the House.

In effect ninety days from passage.
Darrel Some
Clerk of the Senate
Clerk of the House of Delegates
Cal Ray Smille ' President of the Senate
Speaker of the House of Delegates
Speaker of the House of Delegates

The	within IS appu	4Pd this the 4th	
day of _	may	, 2005.	
duy or _		7-01	
		Governor	_

PRESENTED TO THE GOVERNOR

MAY 2 2005
Time 4:00