

AN ACT

ENTITLED, An Act to revise the definition of wine for farm wineries.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 35-12-1 be amended to read as follows:

35-12-1. Terms used in this chapter mean:

- (1) "Farm winery," any winery operated by the owner of a South Dakota farm and producing table, sparkling, or sacramental wines as defined in subdivision (2) or wine as defined in subdivision (3), with a majority of the ingredients grown or produced in South Dakota;
- (2) "Table, sparkling, and sacramental wines," any beverage made without rectification or fortification and containing not more than twenty-four percent alcohol by volume and made by the fermentation of grapes, grape juice, other fruits, or honey;
- (3) "Wine," any beverage made without rectification, except for the purpose of fortification, from the fermentation of grapes, grape juice, other fruit bases, or honey, with or without adding brandy or alcohol, and containing not less than one-half percent and not more than twenty-four percent alcohol by volume.

Section 2. That § 35-12-2 be amended to read as follows:

35-12-2. The secretary of the Department of Revenue and Regulation may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table wines, sparkling wines, and sacramental wines, or wine as defined in subdivision 35-12-1(3). Licenses may be issued and renewed for an annual fee of one hundred dollars, which is in lieu of all other license fees required by chapter 35-4. The fee shall be deposited in the general fund.

Section 3. That § 35-12-3 be amended to read as follows:

35-12-3. Except as otherwise specified in this chapter, all provisions of this title apply to the production, sale, possession, and consumption of table wines, sparkling wines, and sacramental

wines, or wine as defined in subdivision 35-12-1(3), produced by a farm winery.

Section 4. That § 35-12-4 be amended to read as follows:

35-12-4. The holder of a farm winery license may manufacture wine in the state from South Dakota produced or grown grapes, grape juice, other fruit bases, or honey. If South Dakota produced or grown grapes, grape juice, other fruits, or honey are not available in quantities sufficient to constitute a majority of the table or sparkling wine, or wine as defined in subdivision 35-12-1(3), produced by a farm winery, the holder of the farm winery license may file an affidavit with the secretary of the Department of Revenue and Regulation stating this fact and requesting that the secretary approve the use of imported products by the winery. If the secretary approves, the farm winery may use imported products and shall continue to be governed by the provisions of this chapter. The secretary's approval is effective for a period of one year, after which the farm winery shall use South Dakota grown or produced grapes, grape juice, other fruits, or honey unless the farm winery license holder files a new affidavit and request with the secretary and the secretary approves the request.

Section 5. That § 35-12-5 be amended to read as follows:

35-12-5. A license issued pursuant to § 35-12-2 authorizes the sale on the farm winery premises of table wine, sparkling wines, or sacramental wines, or any wine as defined in subdivision 35-12-1(3), produced by the farm winery at on-sale or off-sale, in retail, or wholesale lots in total quantities not in excess of fifty thousand gallons in a calendar year, glassware, wine literature and accessories, food products, South Dakota made products, and the dispensing of free samples of wines offered for sale. Sales at on-sale and off-sale may be made at any time during the week except on Sundays when the on-sale and off-sale sales are restricted to between twelve noon and twelve midnight.

Section 6. That § 35-12-7 be amended to read as follows:

35-12-7. There is hereby levied on all table and sparkling wines, and wine as defined in

subdivision 35-12-1(3), manufactured or produced by a South Dakota winery an excise tax imposed at the same rates and collected and administered in the same manner as the tax imposed on wine in chapter 35-5. Sacramental wines are exempt from the tax imposed by this section.

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I certify that the attached Act
originated in the
SENATE as Bill No. 194

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 194
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,
20__ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State