

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 2727*
Committee Substitute Favorable 7/10/06
Senate Appropriations/ Base Budget Committee Substitute Adopted 7/20/06

Short Title: NC Wine and Grape Council.

(Public)

Sponsors:

Referred to:

May 25, 2006

1 A BILL TO BE ENTITLED
2 AN ACT TO CHANGE THE LAW CONCERNING THE NORTH CAROLINA
3 GRAPE GROWERS COUNCIL.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** The title of Part 2J of Article 10 of Chapter 143B of the
6 General Statutes reads as rewritten:

7 "Part 2J. North Carolina Wine and Grape Growers-Council."

8 **SECTION 2.** G.S. 143B-437.90 reads as rewritten:

9 "**§ 143B-437.90. North Carolina Wine and Grape Growers-Council – Creation;
10 powers and duties.**

11 There is created the North Carolina Wine and Grape Growers-Council of the
12 Department of Commerce. The North Carolina Wine and Grape Growers-Council shall
13 have the following powers and duties:

- 14 (1) To identify and implement methods for improving North Carolina's
15 rank as a wine-producing ~~State~~;State.
- 16 (2) To assure orderly growth and development of North Carolina's grape
17 and wine ~~industry~~;industry.
- 18 (3) To achieve public awareness of the quality of North Carolina grapes
19 and ~~wine~~;wine.
- 20 (4) To coordinate the interaction of North Carolina's grape and wine
21 industry with other segments of the State's economy such as tourism,
22 retail trade, and ~~horticulture~~;horticulture.
- 23 (5) To conduct methods of quality assurance of North Carolina's grape and
24 wine industry to create a sound foundation for further ~~growth~~;growth.
- 25 (6) To assist in the coordination of the activities of the various State
26 agencies and other organizations contributing to the development of
27 the grape and wine ~~industry~~;industry.
- 28 (7) To receive and disburse ~~funds~~;funds.

- 1 (8) To enter into contracts for the purpose of developing new or improved
2 markets or marketing methods for wine and grape ~~products;~~products.
3 (9) To contract for research services to improve viticultural and enological
4 practices in North ~~Carolina;~~Carolina.
5 (10) To enter into agreements with any local, state, or national
6 organizations or agency engaged in education for the purpose of
7 disseminating information on wine or other viticultural
8 ~~projects;~~projects.
9 (11) To enter into contracts with commercial entities for the purpose of
10 developing marketing, advertising, and other promotional programs
11 designed to promote the orderly growth of the North Carolina grape
12 and wine ~~industry;~~industry.
13 (12) To acquire any licenses or permits necessary for performance of the
14 duties of the ~~Council;~~ and Council.
15 (13) To develop a State Viticulture Plan that identifies problems and
16 constraints of the viticultural industry, proposes solutions to those
17 problems and delineates planning mechanisms for the orderly growth
18 of the industry."

19 **SECTION 3.** G.S. 143B-437.91 reads as rewritten:

20 "**§ 143B-437.91. North Carolina Wine and Grape Growers-Council – Composition;
21 terms; reimbursement.**

22 (a) The North Carolina Wine and Grape Growers-Council shall consist of 11
23 members appointed by the Secretary of Commerce in the following manner: seven
24 commercial grape growers; three winery operators; and one retailer of North Carolina
25 grape products. For purposes of this Article, a commercial grape grower is one who has
26 at least three acres of grapes or sells ten thousand dollars (\$10,000) worth of grapes
27 annually. The Secretary shall appoint members for staggered four-year terms. Members
28 shall serve until their successors are appointed and qualified. Any member of the
29 Council may be reappointed for additional terms. Any appointment to fill a vacancy on
30 the Council shall be for the balance of the unexpired term. Any member of the Council
31 may be removed by the Secretary for misfeasance, malfeasance, or nonfeasance.

32 (b) Members of the Council shall receive per diem and necessary travel and
33 subsistence expenses in accordance with G.S. 138-5 from funds appropriated for the
34 operation of the Council.

35 (c) All clerical and other services required by the Council may be provided by
36 the Department of Commerce.

37 (d) The Secretary of Commerce shall appoint a chair who shall serve at the
38 pleasure of the Secretary.

39 (e) The Council may select a secretary who need not be a member of the
40 Council.

41 (f) The Council shall meet when necessary as determined by the chair or upon
42 written request of a majority of the members.

43 (g) A majority of the Council shall constitute a quorum for the transaction of
44 business."

1 **SECTION 4.** Effective July 1, 2007, G.S. 105-113.81A reads as rewritten:
2 "**§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina**
3 **wine.**

4 The Secretary shall on a quarterly basis credit to the Department of Commerce two
5 hundred thousand dollars (\$200,000) from the net proceeds of the excise tax collected
6 ~~on unfortified wine bottled in North Carolina during the previous quarter and the net~~
7 ~~proceeds of the excise tax collected on fortified wine bottled in North Carolina during~~
8 ~~the previous quarter, except that the amount credited to the Department of Commerce~~
9 ~~under this section shall not exceed five hundred thousand dollars (\$500,000) per fiscal~~
10 ~~year.~~wine. The Department of Commerce shall allocate the funds received under this
11 section to the North Carolina Wine and Grape Growers Council to be used to promote
12 the North Carolina grape and wine industry and to contract for research and
13 development services to improve viticultural and enological practices in North Carolina.
14 Any funds credited to the Department of Commerce under this section that are not
15 expended by June 30 of any fiscal year ~~may do~~ not revert to the General Fund, but ~~shall~~
16 remain available to the Department for the uses set forth in this section."

17 **SECTION 5.** Except as otherwise provided herein, this act is effective when
18 it becomes law.