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Sixty-fourth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2324

Introduced by

Senators J. Lee, Murphy, Poolman

Representatives Keiser, Schreiber Beck

A BILL for an Act to amend and reenact subsections 3 and 6 of section 5-01-16 of the North Dakota Century Code, relating to out-of-state shipments of alcohol to customers in this state; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 3 and 6 of section 5-01-16 of the North Dakota Century Code are amended and reenacted as follows:

3. For a first violation of subsection 1 or 2, the tax commissioner shall notify, by certified mail, the person and order that person to cease and desist any shipment of alcoholic beverages in violation of subsection 1 or 2 and shall assess a civil penalty of one hundred dollars for each illegal shipment. ~~The~~For a second violation of subsection 1 or 2 ~~is a class A misdemeanor~~, the tax commissioner shall assess a civil penalty of two hundred dollars for each illegal shipment. ~~Any~~For any subsequent violation of subsection 1 or 2 ~~is a class C felony and~~, the tax commissioner shall assess a civil penalty of five hundred dollars for each illegal shipment.

6. A licensed alcohol carrier may ship alcoholic beverages into, out of, or within this state. A licensed alcohol carrier shall pay an annual fee of one hundred dollars and obtain a license on an application form provided by the tax commissioner and subject to any requirements determined by the tax commissioner.

   a. A licensed alcohol carrier shall ensure all containers of alcoholic beverages shipped directly to an individual in this state are labeled with conspicuous words "SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY". A licensed alcohol carrier may not deliver alcoholic beverages to a person under twenty-one years of age, or to a person who is or appears to be in an intoxicated state or condition. A licensed alcohol carrier shall obtain valid proof of identity and

age before delivery and shall obtain the signature of an adult as a condition of delivery.

b. A licensed alcohol carrier shall maintain records of alcoholic beverages shipped into, out of, or within this state which include the ~~license number and~~ name of the licensed direct shipper, ~~the license number and~~the name of any licensed logistics shipper, the date of each shipment, the recipient's name and address, and an electronic or paper form of signature from the recipient of the alcoholic beverages. A licensed alcohol carrier shall submit a report to the tax commissioner on a monthly basis in the form and format prescribed by the tax commissioner. The report is due on the last day of the month following the month of shipment. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the due date. The tax commissioner may require that the report be submitted in an electronic format approved by the tax commissioner.

c. ~~A licensed alcohol carrier may not ship alcoholic beverages received from an unlicensed direct shipper. For a violation, the licensed alcohol carrier is subject to the penalties in subsection 3~~If the tax commissioner has provided notice to a licensed alcohol carrier that a direct shipper is not licensed, the licensed alcohol carrier must notify the direct shipper that ~~it will not ship additional alcoholic beverages for the unlicensed direct shipper until the direct shipper obtains the required license. For each shipment made by a licensed alcohol carrier for an unlicensed direct shipper more than fifteen days after receiving notice from the tax commissioner, the licensed alcohol carrier is subject to the penalties under subsection 3~~the direct shipper must obtain a direct shipper permit before tendering packages to the licensed alcohol carrier for delivery. Any assessed penalty may be waived by the tax commissioner for good cause upon request by the licensed alcohol carrier.