

Senate Bill 155

By: Senators Smith of the 25th, Price of the 56th and Jackson of the 50th

AS PASSED

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Article 2 of Chapter 6 of Title 3 of the Official Code of Georgia Annotated,
2 relating to state license requirements and regulations for distribution and sale of wine, so as
3 to change provisions relating to farm wineries; to change provisions relating to licensing of
4 farm wineries and their sale of wines; to provide for designation of a Georgia Wine Highway
5 by the Department of Community Affairs and the Georgia Department of Transportation; to
6 repeal conflicting laws; and for other purposes.

7 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

8 **SECTION 1.**

9 Article 2 of Chapter 6 of Title 3 of the Official Code of Georgia Annotated, relating to state
10 license requirements and regulations for distribution and sale of wine, is amended by striking
11 Code Section 3-6-21.1, relating to licensing of farm wineries to engage in retail and whole
12 sales, surety bonds, and excise taxes, and Code Sections 3-6-21.2 and 3-6-21.3, relating to
13 certain types of sales by farm wineries, and inserting in their place new Code Sections
14 3-6-21.1 through 3-6-21.4 to read as follows:

15 "3-6-21.1.

16 (a) As used in this Code section, the term:

17 (1) 'Farm winery' means a domestic winery located on premises, a substantial portion of
18 which is used for agricultural purposes, including the cultivation of grapes, berries, or
19 fruits to be utilized in the manufacture or production of wine by the winery, or a domestic
20 winery which:

21 (A) Makes at least 40 percent of its annual production from agricultural produce grown
22 in this state;

23 (B) Is owned and operated by persons who are engaged in the production of a
24 substantial portion of the Georgia agricultural produce used in its annual production;

S. B. 155 (SUB)

1 and for this purpose such production of a substantial portion of such Georgia
2 agricultural produce shall be determined by the commissioner; and

3 (C) Produces less than 100,000 gallons per year.

4 (2) 'Tasting room' means an outlet for the promotion of a farm winery's wine by
5 providing complimentary samples of such wine to the public and for the sale of such wine
6 at retail for consumption on the premises and for sale in closed packages for consumption
7 off the premises. Samples of wine can be given complimentary or for a fee.

8 (b) The commissioner may authorize any licensee which is a farm winery to sell its wine
9 and the wine of any other Georgia farm winery licensee at retail in a tasting room or other
10 facility on the premises of the winery for consumption on the premises and in closed
11 packages for consumption off the premises and to sell its wine at retail and the wine of any
12 other Georgia farm winery licensee at retail for consumption on the premises and in closed
13 packages for consumption off the premises in tasting rooms at five additional locations in
14 the state but only if the annual production of wine by the farm winery is made in Georgia
15 from at least the following percentages of Georgia grown agricultural products during the
16 years of production provided below:

17 (1) First-year production: Ten percent from
18 Georgia grown
19 berries, fruits, or
20 grapes

21 (2) Second-year production: Twenty percent from
22 Georgia grown
23 berries, fruits, or
24 grapes

25 (3) Third-year production: Thirty percent from
26 Georgia grown
27 berries, fruits, or
28 grapes

29 (4) Fourth-year production and Forty percent from
30 thereafter: Georgia grown
31 berries, fruits, or
32 grapes

33 (c)(1) Except as provided in paragraph (2) of this subsection, the commissioner may
34 authorize any licensee which is a farm winery to sell up to 24,000 gallons per year of its
35 wine at wholesale within the state but only if the annual production of wine by the farm
36 winery is made in Georgia from at least 40 percent of Georgia grown agricultural
37 products.

1 (2) The commissioner shall not authorize any licensed farm winery to sell its wine at
 2 wholesale as provided in paragraph (1) of this subsection, unless such licensed farm
 3 winery shall have first offered its products for sale at a fair market wholesale price to a
 4 licensed Georgia wholesaler. If such wholesaler does not accept the farm winery's
 5 product within 30 days of such offer, the provisions of paragraph (1) of this subsection
 6 shall apply.

7 (d)(1) A farm winery licensee shall also be authorized to sell, deliver, or ship its wine in
 8 bulk; or in bottles, whether labeled or unlabeled, in accordance with regulations of the
 9 commissioner, to other farm winery licensees inside the state and shall be authorized to
 10 acquire and receive deliveries and shipments of such wine made by farm winery licensees
 11 inside the state.

12 (2) A farm winery licensee shall be authorized, in accordance with regulations of the
 13 commissioner, to acquire and receive deliveries and shipments of wine in bulk from
 14 out-of-state producers and shippers in an amount not to exceed 20 percent of its annual
 15 production, provided that the farm winery licensee receiving any such shipment or
 16 shipments files timely reports with the commissioner and keeps such records of the
 17 receipt of such shipment or shipments as may be required by the commissioner.

18 (3) Any wine received in bulk pursuant to paragraph (2) of this subsection shall have
 19 levied thereon the requisite taxes as prescribed by Code Section 3-6-50, and such taxes
 20 shall be reported and remitted to the commissioner as provided in Code Section 3-2-6.

21 (e) The annual license tax for each license issued pursuant to this Code section shall be
 22 \$50.00.

23 (f) The surety bond required as a condition upon issuance of a license pursuant to this
 24 Code section shall be the same as that required pursuant to Code Section 3-6-21 with
 25 respect to wineries.

26 (g) Wines sold at retail by a manufacturer as provided in subsection (b) of this Code
 27 section shall have levied thereon an excise tax as prescribed by Code Section 3-6-50, and
 28 such tax shall be reported and remitted to the commissioner as provided in Code Section
 29 3-2-6.

30 3-6-21.2.

31 Notwithstanding any other provisions of this title to the contrary, in all counties in which
 32 the sale of wine is lawful by a farm winery and in all municipalities in which the sale of
 33 wine is lawful by a farm winery, a farm winery which is licensed to sell its wine in a tasting
 34 room or other licensed farm winery facility within the county or municipality, as the case
 35 may be, for consumption on the premises or in closed packages for consumption off the
 36 premises shall be authorized to sell its wine and the wine of any other Georgia farm winery

1 licensee on Sundays from 12:30 P.M. until 12:00 Midnight in the tasting room or other
 2 licensed farm winery facility, to the same extent as its county or municipal license would
 3 otherwise permit. Nothing in this Code section shall be construed so as to authorize a farm
 4 winery to sell wine as provided in this Code section on any other premises which are not
 5 actually located on the property where such farm wine is produced, except in special
 6 entertainment districts designated by the local governing authority of the county or
 7 municipality, as applicable.

8 3-6-21.3.

9 (a) As used in this Code section, the term:

10 (1) 'Affiliate' means any person controlling, controlled by, or under common control with
 11 the farm winery.

12 (2) 'Farm winery' means a farm winery as defined in Code Section 3-6-21.1, as amended.

13 (b)(1) Notwithstanding any other ~~provisions~~ provision of this title to the contrary, in all
 14 counties or municipalities in which the sale of wine is lawful, the commissioner may
 15 authorize any farm winery licensee to sell its wine and the wine of any other Georgia
 16 farm winery licensee for consumption on the premises at facilities located on the
 17 premises of the winery or on property located contiguous to the winery and owned by the
 18 winery or by an affiliate of the winery.

19 (2) Notwithstanding any other provisions of this title to the contrary, in all counties or
 20 municipalities in which the sale of distilled spirits, malt beverages, and wines is lawful,
 21 the commissioner further may authorize such licensee to make sales of distilled spirits,
 22 malt beverages, and wines not produced by such licensee for consumption on the
 23 premises at facilities located on the premises of the winery or on property located
 24 contiguous to the winery and owned by the winery or by an affiliate of the winery,
 25 provided that any alcoholic beverages sold pursuant to this paragraph shall be purchased
 26 by the "" from a licensed wholesaler at wholesale prices.

27 3-6-21.4

28 The Department of Community Affairs and the Department of Transportation shall, with
 29 due consideration to the farm wineries in Georgia, collaborate to designate appropriate
 30 routes and signage for the Georgia Wine Highway."

31 **SECTION 2.**

32 All laws and parts of laws in conflict with this Act are repealed.