

The Senate Regulated Industries and Utilities Committee offered the following substitute to HB 1248:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages,  
2 so as to provide for the comprehensive revision of provisions regarding alcoholic beverages;  
3 to change certain provisions regarding definitions; to change certain provisions regarding  
4 license or tax forms and filings; to change certain provisions regarding certain refunds or  
5 credits; to change certain provisions regarding limitations on credit; to change certain  
6 provisions regarding seizure and disposition of contraband; to change certain provisions  
7 regarding local government licensing powers; to change certain provisions regarding criminal  
8 penalties; to change certain provisions regarding license bonds; to change certain provisions  
9 regarding license or tax stamps; to provide for related matters; to repeal conflicting laws; and  
10 for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

12 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is  
13 amended by striking Code Section 3-1-2, relating to definitions regarding alcoholic  
14 beverages, and inserting in its place a new Code Section 3-1-2 to read as follows:

15 "3-1-2.

16 As used in this title, the term:

- 17 (1) 'Alcohol' means ethyl alcohol, hydrated oxide of ethyl, or spirits of wine, from  
18 whatever source or by whatever process produced.  
19 (2) 'Alcoholic beverage' means and includes all alcohol, distilled spirits, beer, malt  
20 beverage, wine, or fortified wine.  
21 (3) 'Brewpub' means any eating establishment in which beer or malt beverages are  
22 manufactured or brewed, subject to the barrel production limitation prescribed in Code  
23 Section 3-5-36 for retail consumption on the premises and solely in draft form. As used  
24 in this article, the term 'eating establishment' means an establishment which is licensed  
25

1 to sell distilled spirits, malt beverages, or wines and which derives at least 50 percent of  
2 its total annual gross food and beverage sales from the sale of prepared meals or food.

3 (4) 'Broker' means any person who purchases or obtains an alcoholic beverage from an  
4 importer, distillery, brewery, or winery and sells the alcoholic beverage to another broker,  
5 importer, or wholesaler without having custody of the alcoholic beverage or maintaining  
6 a stock of the alcoholic beverage.

7 (5) 'Commissioner' means the state revenue commissioner.

8 (6) 'County or municipality' means those political subdivisions of this state as defined  
9 by law and includes any form of political subdivision consolidating a county with one or  
10 more municipalities.

11 (7) 'Department' means the Department of Revenue.

12 (8) 'Distilled spirits' means any alcoholic beverage obtained by distillation or containing  
13 more than 21 percent alcohol by volume, including, but not limited to, all fortified wines.

14 (9) 'Fortified wine' means any alcoholic beverage containing more than 21 percent  
15 alcohol by volume made from fruits, berries, or grapes either by natural fermentation or  
16 by natural fermentation with brandy added. The term includes, but is not limited to,  
17 brandy.

18 (10) 'Gallon' or 'wine gallon' means a United States gallon of liquid measure equivalent  
19 to the volume of 231 cubic inches or the nearest equivalent metric measurement.

20 (10.1) 'Hard cider' means an alcoholic beverage obtained by the fermentation of the juice  
21 of apples, containing not more than 6 percent alcohol by volume, including, but not  
22 limited to flavored or carbonated cider. For purposes of this title, hard cider shall be  
23 deemed a malt beverage. The term does not include 'sweet cider.'

24 (11) 'Importer' means any person who imports an alcoholic beverage into this state from  
25 a foreign country and sells the alcoholic beverage to another importer, broker, or  
26 wholesaler and who maintains a stock of the alcoholic beverage.

27 (12) 'Individual' means a natural person.

28 (13) 'Malt beverage' means any alcoholic beverage obtained by the fermentation of any  
29 infusion or decoction of barley, malt, hops, or any other similar product, or any  
30 combination of such products in water, containing not more than 14 percent alcohol by  
31 volume and including ale, porter, brown, stout, lager beer, small beer, and strong beer.  
32 The term does not include sake, known as Japanese rice wine.

33 (14) 'Manufacturer' means any maker, producer, or bottler of an alcoholic beverage. The  
34 term also means:

35 (A) In the case of distilled spirits, any person engaged in distilling, rectifying, or  
36 blending any distilled spirits;

37 (B) In the case of malt beverages, any brewer; and

1 (C) In the case of wine, any vintner.

2 (15) 'Military reservation' means a duly commissioned post, camp, base, or station of a  
3 branch of the armed forces of the United States located on territory within this state  
4 which has been ceded to the United States.

5 (16) 'Package' means a bottle, can, keg, barrel, or other original consumer container.

6 (17) 'Person' means any individual, firm, partnership, cooperative, nonprofit membership  
7 corporation, joint venture, association, company, corporation, agency, syndicate, estate,  
8 trust, business trust, receiver, fiduciary, or other group or combination acting as a unit,  
9 body politic, or political subdivision, whether public, private, or quasi-public.

10 (18) 'Retail consumption dealer' means any person who sells distilled spirits for  
11 consumption on the premises at retail only to consumers and not for resale.

12 (19) 'Retailer' or 'retail dealer' means, except as to distilled spirits, any person who sells  
13 alcoholic beverages, either in unbroken packages or for consumption on the premises, at  
14 retail only to consumers and not for resale. With respect to distilled spirits, the term  
15 means any person who sells distilled spirits in unbroken packages at retail only to  
16 consumers and not for resale.

17 (20) 'Shipper' means any person who ships an alcoholic beverage from outside this state.

18 (21) 'Standard case' means six containers of 1.75 liters, 12 containers of 750 milliliters,  
19 12 containers of one liter, 24 containers of 500 milliliters, 24 containers of 375 milliliters,  
20 48 containers of 200 milliliters, or 120 containers of 50 milliliters.

21 ~~(22) 'Tax stamp' means the official mark, stamp, or indicium of the department used to~~  
22 ~~indicate the payment of taxes imposed by this title.~~

23 ~~(23)~~(22) 'Taxpayer' means any person made liable by law to file a return or to pay tax.

24 ~~(24)~~(23) 'Wholesaler' or 'wholesale dealer' means any person who sells alcoholic  
25 beverages to other wholesale dealers, to retail dealers, or to retail consumption dealers.

26 ~~(25)~~(24) 'Wine' means any alcoholic beverage containing not more than 21 percent  
27 alcohol by volume made from fruits, berries, or grapes either by natural fermentation or  
28 by natural fermentation with brandy added. The term includes, but is not limited to, all  
29 sparkling wines, champagnes, combinations of such beverages, vermouths, special  
30 natural wines, rectified wines, and like products. The term does not include cooking wine  
31 mixed with salt or other ingredients so as to render it unfit for human consumption as a  
32 beverage. A liquid shall first be deemed to be a wine at that point in the manufacturing  
33 process when it conforms to the definition of wine contained in this Code section."

**SECTION 2.**

Said title is further amended by striking Code Section 3-1-3, relating to use of existing forms and filings relating to licenses or taxes, and inserting in its place a new Code Section 3-1-3 to read as follows:

"3-1-3.

Every form of license or tax document (~~including tax stamps~~) or other license or tax related filing lawfully in use immediately prior to July 1, 1981, may continue to be so used or be effective until the commissioner, in accordance with this title, otherwise prescribes."

**SECTION 3.**

Said title is further amended by striking Code Section 3-2-13, relating to issuance of refunds or credits for taxes paid or stamps purchased, and inserting in its place a new Code Section 3-2-13 relating to issuance of refunds or credits for taxes paid to read as follows:

"3-2-13.

(a) The commissioner may issue credits for taxes paid by or due from a wholesaler ~~or, in the case of taxes on distilled spirits, may issue credits for stamps purchased by a manufacturer, distiller, or wholesaler~~ when it is shown to the commissioner's satisfaction that any of the following events ~~have~~ has occurred:

(1) Alcoholic beverages have been received by the wholesaler through an error in shipment and the alcoholic beverages are returned to the shipper prior to any sale by the wholesaler in this state;

(2) Alcoholic beverages ordered by the wholesaler have been destroyed in transit prior to entry into the wholesaler's warehouse or storage area;

(3) Alcoholic beverages which are unfit for consumption upon receipt have been received by the wholesaler and the alcoholic beverages are returned to the shipper or destroyed prior to any sale by the wholesaler in this state;

(4) Alcoholic beverages have been destroyed while in the possession of a wholesaler within the state by an act of God, such as fire, flood, lightning, wind, or other natural calamity;

(5) Wines have been sold by the wholesaler for delivery and consumption outside the state, provided the sale and delivery shall in all respects comply with the requirements of Code Section 3-6-26.1; or

(6) Taxes were paid ~~or stamps were purchased~~ under a statute expressly held to be unconstitutional by a court of last resort and the payments were made under protest and the ground of the protest was the same as the basis for the ruling of unconstitutionality by the court of last resort.

1 (b) No person shall receive a credit for taxes paid ~~or stamps purchased~~ in any case where  
 2 an amount equal to the amount of taxes paid ~~or to the cost of the stamps purchased~~ has  
 3 been charged to or paid by any purchaser of the person seeking a refund or credit. When  
 4 an applicant is issued a credit for taxes paid ~~or stamps purchased~~, in every case where an  
 5 amount equal to the amount of taxes paid ~~or cost of the stamps purchased~~ has been charged  
 6 to or paid by any purchaser of the applicant, the applicant shall refund or credit to the  
 7 purchaser or customer an amount equal to the credit allowed by the commissioner.

8 (c) In the event that the commissioner issues a credit under this Code section to a person  
 9 who has or will have insufficient tax liabilities to the State of Georgia against which to  
 10 offset the credit, the commissioner shall issue a refund to such person for the unusable  
 11 portion of the credit."

#### 12 SECTION 4.

13 Said title is further amended by striking subsection (a) of Code Section 3-2-14, relating to  
 14 limitations on credit, and inserting in its place a new subsection (a) to read as follows:

15 "(a) No credit for taxes paid on alcoholic beverages ~~or for stamps purchased~~ in payment  
 16 of taxes on alcoholic beverages shall be allowed unless an application for credit is filed  
 17 with the commissioner within 90 days from the date payment is received by the  
 18 commissioner. If, in the opinion of the commissioner, an application for credit of taxes paid  
 19 pursuant to this title contains a false statement, the application shall be denied. When an  
 20 applicant is indebted to the state or an applicant is in violation of this title, the  
 21 commissioner shall decline to approve the credit until the applicant has complied with the  
 22 laws of this state. In no event shall interest be allowed on any refund or credit for taxes paid  
 23 on alcoholic beverages ~~or for stamps purchased in payment of taxes on alcoholic~~  
 24 ~~beverages~~. Nothing contained in this Code section shall be construed so as to allow for a  
 25 credit or refund of any license fee lawfully due or paid under this title."

#### 26 SECTION 5.

27 Said title is further amended by striking subsection (b) of Code Section 3-2-33, relating to  
 28 seizure and disposition of contraband alcoholic beverages, and inserting in its place a new  
 29 subsection (b) to read as follows:

30 "(b) Any peace officer or authorized agent of the commissioner shall declare as  
 31 contraband any alcoholic beverage:

32 (1) ~~Not bearing the required tax stamps or markings as provided by this title or not~~  
 33 ~~reported for collection of taxes under a reporting system established by the commissioner;~~

1 (2) Found in any county, municipality, or unincorporated area of any county where the  
 2 sale of alcoholic beverages is not lawful when the alcoholic beverage is intended for use  
 3 or sale contrary to law; or

4 (3) Sold, conveyed, or possessed, concealed, stored, or held for sale by any person who  
 5 has not first obtained all licenses required by this title."

#### 6 SECTION 6.

7 Said title is further amended by striking subsection (c) of Code Section 3-3-2, relating to  
 8 local government licensing powers, and inserting in its place a new subsection (c) to read as  
 9 follows:

10 "(c) As a prerequisite to the issuance of any such initial permit or license only, the  
 11 applicant shall furnish a complete set of fingerprints to be forwarded to the Georgia Bureau  
 12 of Investigation, which shall search the files of the Georgia Crime Information Center for  
 13 any instance of criminal activity during the two years immediately preceding the date of  
 14 the application. The Georgia Bureau of Investigation shall also submit the fingerprints to  
 15 the Federal Bureau of Investigation under the rules established by the United States  
 16 Department of Justice for processing and identification of records. The federal record, if  
 17 any, shall be obtained and returned to the governing authority submitting the fingerprints."

#### 18 SECTION 7.

19 Said title is further amended by striking Code Section 3-3-23.1, relating to procedure and  
 20 penalties upon violation of Code Section 3-3-23, and inserting in its place a new Code  
 21 Section 3-3-23.1 to read as follows:

22 "3-3-23.1.

23 (a) It is unlawful for any person knowingly to violate any prohibition contained in Code  
 24 Section 3-3-23, relating to furnishing alcoholic beverages to, and purchasing, attempting  
 25 to purchase, and possession of alcoholic beverages by, a person under 21 years of age.

26 (b)(1) Any person convicted of violating any prohibition contained in subsection (a) of  
 27 Code Section 3-3-23 shall, upon the first conviction, be guilty of a misdemeanor, except  
 28 that any person convicted of violating paragraph (2) of subsection (a) of Code Section  
 29 3-3-23 shall, upon the first conviction, be guilty of a misdemeanor and shall be punished  
 30 by not more than six months' imprisonment or a fine of not more than \$300.00, or both  
 31 and except that any person convicted of violating paragraph (4) of subsection (a) of Code  
 32 Section 3-3-23 shall, upon the first conviction, be guilty of a misdemeanor of a high and  
 33 aggravated nature.

34 (2) Any person convicted of violating any prohibition contained in subsection (a) of  
 35 Code Section 3-3-23 shall, upon the second or subsequent conviction, be guilty of a

1       misdemeanor of a high and aggravated nature, except that any person convicted of  
2       violating paragraph (2) of subsection (a) of Code Section 3-3-23 shall, upon the second  
3       or subsequent conviction, be guilty of a misdemeanor.

4       (3) In addition to any other penalty provided for in paragraphs (1) and (2) of this  
5       subsection, the driver's license of any person convicted of attempting to purchase an  
6       alcoholic beverage in violation of paragraph (2) of subsection (a) of Code Section 3-3-23  
7       upon the first conviction shall be suspended for six months and upon the second or  
8       subsequent conviction shall be suspended for one year.

9       (c) Whenever any person who has not been previously convicted of any offense under this  
10       Code section or under any other law of the United States or this or any other state relating  
11       to alcoholic beverages pleads guilty to or is found guilty of a violation of paragraph (2) or  
12       (3) of subsection (a) of Code Section 3-3-23, the court, without entering a judgment of guilt  
13       and with the consent of such person, may defer further proceedings and place such person  
14       on probation upon such reasonable terms and conditions as the court may require. The  
15       terms of probation shall preferably be such as require the person to undergo a  
16       comprehensive rehabilitation program (including, if necessary, medical treatment), not to  
17       exceed three years, designed to acquaint such person with the ill effects of alcohol abuse  
18       and with knowledge of the gains and benefits which can be achieved by being a good  
19       member of society. Upon violation of a term or condition of probation, the court may enter  
20       an adjudication of guilt and proceed accordingly. Upon fulfillment of the terms and  
21       conditions of probation, the court shall discharge such person and dismiss the proceedings  
22       against him or her. Discharge and dismissal under this subsection shall be without court  
23       adjudication of guilt and shall not be deemed a conviction for purposes of this subsection  
24       or for purposes of disqualifications or disabilities imposed by law upon conviction of a  
25       crime. Discharge and dismissal under this subsection may occur only once with respect to  
26       any person.

27       (d) Unless the officer has reasonable cause to believe such person is intoxicated, a law  
28       enforcement officer may arrest by issuance of a citation, summons, or accusation a person  
29       accused of violating ~~only paragraph (2) of subsection (a)~~ any provision of Code Section  
30       3-3-23. The citation, summons, or accusation shall enumerate the specific charges against  
31       the person and either the date upon which the person is to appear and answer the charges  
32       or a notation that the person will be later notified of the date upon which the person is to  
33       appear and answer the charges. If the person charged shall fail to appear as required, the  
34       judge having jurisdiction of the offense may issue a warrant or other order directing the  
35       apprehension of such person and commanding that such person be brought before the court  
36       to answer the charges contained within the citation, summons, or accusation and the charge  
37       of his or her failure to appear as required. Nothing in this subsection shall be construed to

1 invalidate an otherwise valid arrest by citation, summons, or accusation of a person who  
2 is intoxicated.

3 (e) A law enforcement officer arresting a person by the issuance of a citation, summons,  
4 or accusation under subsection (d) of this Code section may require any such person having  
5 a driver's license or instruction permit to deposit such license or permit with the arresting  
6 officer in order to ensure the appearance of such person to answer the charges against him  
7 or her. The procedures and rules connected with the acceptance of such license or permit  
8 and subsequent disposition of the case shall be the same as provided for the acceptance of  
9 a driver's license as bail on arrest for traffic offenses pursuant to Code Section 17-6-11.

10 (f) In addition to any other punishment or sentence, the court may order all persons  
11 convicted under subsection (b) of this Code section or sentenced under subsection (c) of  
12 this Code section to complete a DUI Alcohol or Drug Use Risk Reduction Program  
13 prescribed by the Department of Driver Services within 120 days of such conviction or  
14 sentence. Failure to complete such program within 120 days shall be contempt of court and  
15 shall be punished by a fine of not more than \$300.00 or 20 days imprisonment, or both.  
16 If the conviction or sentence results from a charge of unlawful possession of alcoholic  
17 beverages while operating a motor vehicle, the court shall report such conviction or  
18 sentence to the Department of Driver Services within ten days after conviction or  
19 sentencing."

## 20 SECTION 8.

21 Said title is further amended by striking Code Section 3-4-22, relating to license bonds, and  
22 inserting in its place a new Code Section 3-4-22 to read as follows:

23 "3-4-22.

24 (a) All applicants for all licenses shall file with the commissioner, along with each initial  
25 application, a bond:

26 (1) Conditioned to pay all sums which may become due by the applicant to this state as  
27 taxes, license fees, or otherwise, arising out of the operation of the business for which  
28 licensure is sought; and

29 (2) Conditioned to pay all penalties which may be imposed upon the applicant for failure  
30 to comply with the laws and rules and regulations pertaining to distilled spirits.

31 The surety for the bonds shall be a surety company licensed to do business in this state, and  
32 the bonds shall be in such form as may be required by the commissioner and may be for  
33 a term of up to five calendar years.

34 (b) The bonds shall be in the following calendar year amounts:

35 (1) For distillers and manufacturers, \$10,000.00;

36 (2) For wholesale dealers and importers, \$5,000.00; and



1 (3) For retail dealers and brokers, \$2,500.00.

2 (c) All applicants for annual renewal of licenses other than retail licenses must file an  
 3 annual bond or have a multiyear bond on file with the department that extends at least  
 4 through the end of the calendar year for which renewal is sought. Such bonds must meet  
 5 the same conditions as those filed with the initial application."

#### 6 SECTION 9.

7 Said title is further amended by striking subsection (a) of Code Section 3-4-23, relating to  
 8 certificate of residence required for retail dealer's license or tax stamps, and inserting in its  
 9 place a new subsection (a) to read as follows:

10 "(a) No retail dealer's license ~~or tax stamps for distilled spirits shall be sold~~ issued to any  
 11 person unless an application is filed with the commissioner, accompanied by a certificate  
 12 by the judge of the probate court of the county of the applicant's residence certifying that  
 13 the applicant has been a bona fide resident of the county or municipality for at least 12  
 14 months immediately preceding the application and is a resident of the county or  
 15 municipality where distilled spirits may be legally sold under this chapter."

#### 16 SECTION 10.

17 Said title is further amended by striking Code Section 3-6-21, relating to filing of bonds, and  
 18 inserting in its place a new Code Section 3-6-21 to read as follows:

19 "3-6-21.

20 (a) All applicants for ~~all~~ licenses other than retail licenses shall file with the commissioner,  
 21 along with each initial application, a bond:

22 (1) Conditioned to pay all sums which may become due by the applicant to the state as  
 23 taxes, license fees, or otherwise, arising out of the operation of the business for which  
 24 licensure is sought; and

25 (2) Conditioned to pay all penalties which may be imposed upon the applicant for failure  
 26 to comply with the laws and rules and regulations pertaining to wines.

27 The surety for the bonds shall be a surety company licensed to do business in this state, and  
 28 the bonds shall be in such form as may be required by the commissioner and may be for  
 29 a term of up to five calendar years.

30 (b) The bonds required pursuant to subsection (a) of this Code section shall be in the  
 31 following amounts: amount of \$5,000.00

32 (1) ~~For wineries, \$5,000.00; and~~

33 (2) ~~For retail dealers, \$500.00.~~

34 (c) ~~The commissioner may waive the requirement of a surety on the bonds of applicants~~  
 35 ~~for retail licenses if he determines that a surety is not essential to the protection of the~~

1 ~~interests of the state.~~ All applicants for annual renewal of licenses other than retail licenses  
2 must file an annual bond or have a multiyear bond on file with the department that extends  
3 at least through the end of the calendar year for which renewal is sought. Such bonds must  
4 meet the same conditions as those filed with the initial application."

5 **SECTION 11.**

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