

House Bill 505

By: Representatives Stephens of the 164th, Benfield of the 85th, and Dollar of the 45th

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 creation of a limited exception to the three-tier distribution of
3 alcoholic beverages for craft breweries; to provide a definition; to provide for an annual
4 license fee for a craft brewery; to provide for the declaration of purpose as to the operation
5 of craft breweries; to provide for rules and regulations to be promulgated and enforced by
6 the Department of Revenue; to provide for related matters; to repeal conflicting laws; and for
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is
11 amended in Code Section 3-1-2, relating to definitions, by adding a new paragraph to read
12 as follows:

13 "(6.1) 'Craft brewery' means a place where malt beverages are manufactured or brewed,
14 subject to the barrel production limitation prescribed in Code Section 3-5-39, solely for
15 retail sale in unbroken packages on the premises."

16 SECTION 2.

17 Said title is further amended by adding a new paragraph to subsection (a) of Code Section
18 3-5-20, relating to levy and amount of state occupational license tax, to read as follows:

19 "(7) Upon each craft brewery operator 1,000.00"

20 SECTION 3.

21 Said title is further amended by revising Code Section 3-5-35, relating to declaration of
22 policy and brewpubs, as follows:

23 "3-5-35.

24 The General Assembly reaffirms the policy of this state of strict enforcement of laws and
 25 regulations applicable to the manufacture or sale of beer, including, without limitation,
 26 those establishing the three-tier distribution system with prohibitions against ownership and
 27 employment interests between the three tiers but creates a limited exception for the
 28 operation of 'brewpubs' and the operation of 'craft breweries' as such ~~term is~~ terms are
 29 defined in Code Section 3-1-2."

30 **SECTION 4.**

31 Said title is further amended by adding a new Code section to read as follows:

32 "3-5-39.

33 (a) A limited exception to the provisions of Code Sections 3-5-29 through 3-5-32
 34 providing a three-tier system for the distribution and sale of malt beverages shall exist for
 35 owners and operators of craft breweries, subject to the following terms and conditions:

36 (1) No individual shall be permitted to own or operate a craft brewery without first
 37 obtaining a proper license from the commissioner in the manner provided in this title, and
 38 each holder of a craft brewery license shall comply with all other applicable state and
 39 local license requirements;

40 (2) A craft brewery license authorizes the holder of such license to:

41 (A) Manufacture on the licensed premises not more than 250,000 barrels of malt
 42 beverages in a calendar year;

43 (B) Sell malt beverages manufactured on the licensed premises equal to a maximum
 44 of 250,000 barrels in a calendar year. Such quantity of malt beverages may be sold to
 45 licensed wholesale dealers for distribution, to attendees of private events for
 46 consumption on the premises subject to the limitation set forth in subparagraph (E) of
 47 this paragraph, or to a combination of both;

48 (C) Provide food on the premises at no charge. Food may also be provided at no
 49 charge or for a charge on the premises by any person or on behalf of any person, other
 50 than the craft brewery license holder, to whom such permission has been granted by the
 51 craft brewery license holder;

52 (D) Rent a room on the premises that is separate from the location in which malt
 53 beverages are manufactured to be used for private events;

54 (E) Upon obtaining a retail consumption license, offer for sale as part of private events
 55 on the premises, in a tasting room that is separate from the location in which malt
 56 beverages are manufactured, any alcoholic beverages produced by other manufacturers
 57 which are authorized for retail sale under this title, provided that such alcoholic
 58 beverages are purchased from a licensed wholesaler for consumption on the premises

59 only, and provided, further, that the craft brewery license holder shall not sell more than
60 1,000 barrels in a calendar year for consumption on the premises at private events; and
61 (F) Upon obtaining an annual permit from the commissioner, conduct educational and
62 promotional distillery tours which may include free tastings on the premises to
63 members of the public of tax paid varieties of distilled spirits manufactured by such
64 distiller, provided that no free tastings shall be offered during a private event;
65 (3) The commissioner shall not issue a craft brewery license if the craft brewery
66 premises are located in a county or municipality in which the sale of alcoholic beverages
67 is prohibited; and
68 (4) A craft brewery licensee shall:
69 (A) Pay all state and local license fees and excise taxes applicable to individuals
70 licensed by this state as manufacturers, retailers, and, where applicable, wholesalers
71 under this title;
72 (B) At the request of the commissioner, provide an irrevocable letter of credit or an
73 Irrevocable Standby Financial Guarantee Bond in favor of the State of Georgia in an
74 amount sufficient to guarantee such craft brewery licensee's estimated tax liability for
75 the first year of operation; and
76 (C) Measure malt beverages manufactured on the premises and otherwise comply with
77 applicable regulations respecting excise and enforcement tax determination of such
78 malt beverages as required by this title.
79 (b) The department shall be authorized to promulgate and enforce such rules and
80 regulations as it may deem necessary to carry out or make effective the provisions of this
81 Code section."

82 **SECTION 5.**

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