

House Bill 597

By: Representative Benfield of the 85th

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 amend certain provisions regarding brewpubs; to provide for definitions; to change
3 qualifications regarding brewpubs; to provide for related matters; to repeal conflicting laws;
4 and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is
8 amended by revising paragraph (3) of Code Section 3-1-2, relating to definitions, as follows:

9 "(3) 'Brewpub' means any eating establishment in which ~~beer or~~ malt beverages are
10 manufactured or brewed, subject to the barrel production limitation prescribed in Code
11 Section 3-5-36 for retail consumption on the premises and solely in draft form. As used
12 in this ~~article~~ paragraph, the term 'eating establishment' means an establishment which
13 is licensed to sell distilled spirits, malt beverages, or wines and which derives at least 50
14 percent of its total annual gross food and beverage sales from the sale of prepared meals
15 or food; provided, however, that barrels of malt beverages sold to licensed wholesale
16 dealers for distribution to retailers and retail consumption dealers shall not be used when
17 determining the total annual gross food and beverage sales."

18 SECTION 2.

19 Said title is further amended by revising Code Section 3-5-36, relating to the brewpub
20 exception to the three-tier distribution system, as follows:

21 "3-5-36.

22 A limited exception to the provisions of Code Sections 3-5-29 through 3-5-32 providing
23 a three-tier system for the distribution and sale of malt beverages shall exist for owners and
24 operators of brewpubs, subject to the following terms and conditions:

- 25 (1) No individual shall be permitted to own or operate a brewpub without first obtaining
26 a proper license from the commissioner in the manner provided in this title, and each
27 brewpub licenseholder shall comply with all other applicable state and local license
28 requirements;
- 29 (2) A brewpub license authorizes the holder of such license to:
- 30 (A) Manufacture on the licensed premises not more than ~~5,000~~ 10,000 barrels of ~~beer~~
31 malt beverage in a calendar year solely for retail sale on the premises and solely in draft
32 form;
- 33 (B) Operate an eating establishment, as that term is defined in paragraph (3) of Code
34 Section 3-1-2, that shall be the sole retail outlet for such ~~beer~~ malt beverage and may
35 offer for sale any other alcoholic beverages produced by other manufacturers which are
36 authorized for retail sale under this title, including wine, distilled spirits, and malt
37 beverages, provided that such alcoholic beverages are purchased from a licensed
38 wholesaler for consumption on the premises only; and, provided, further, that in
39 addition to draft ~~beer~~ malt beverage manufactured on the premises, each brewpub
40 licensee shall offer for sale commercially available canned or bottled malt beverages
41 from licensed wholesalers; and
- 42 (C) Notwithstanding any other provision of this paragraph, sell up to a maximum of
43 ~~500~~ 5,000 barrels annually of such ~~beer~~ malt beverage to licensed wholesale dealers for
44 distribution to retailers and retail consumption dealers;
- 45 (3) Possession of a brewpub license shall not prevent the holder of such license from
46 obtaining a retail consumption dealer's license or a retailer's license for the same
47 premises;
- 48 (4) A brewpub license ~~does~~ shall not authorize the holder of such license to sell alcoholic
49 beverages by the package for consumption off the premises;
- 50 (5) A brewpub licensee shall not offer or permit any free sampling of ~~beer~~ malt
51 beverages by its customers on the premises of a brewpub;
- 52 (6) The commissioner shall not issue a brewpub license if the brewpub premises are
53 located in a county or municipality in which the sale of alcoholic beverages is prohibited;
54 ~~and~~
- 55 (7) A brewpub licensee shall:
- 56 (A) Pay all state and local license fees and excise taxes applicable to individuals
57 licensed by this state as manufacturers, retailers, and, where applicable, wholesalers
58 under this title;
- 59 (B) At the request of the commissioner, provide an irrevocable letter of credit or an
60 Irrevocable Standby Financial Guarantee Bond in favor of the State of Georgia in an

61 amount sufficient to guarantee such brewpub licensee's estimated tax liability for the
62 first year of operation; and
63 (C) Measure ~~beer~~ malt beverage manufactured on the premises and otherwise comply
64 with applicable regulations respecting excise and enforcement tax determination of
65 such ~~beer~~ malt beverage as required by this title; and
66 (8) A brewpub licensee shall provide an affidavit with each application for renewal
67 certifying that the brewpub meets all the requirements of an eating establishment as that
68 term is defined in paragraph (3) of Code Section 3-1-2."

69 **SECTION 3.**

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