

Senate Bill 174

By: Senator McKoon of the 29th

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 limited exceptions to the three-tier system for the distribution and sale
3 of alcoholic beverages; to change the definition of the term "brewpub"; to provide for limited
4 retail sales by brewers of malt beverages manufactured on their premises for off-premises
5 consumption; to provide for the collection of applicable taxes on such sales; to change certain
6 provisions relating to the terms and conditions that exist for owners and operators of
7 brewpubs to allow for retail sales of malt beverages manufactured on their premises for
8 off-premises consumption; to change certain provisions relating to manufacturing limitations;
9 to provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

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

14 "(3) 'Brewpub' means any eating establishment in which beer or malt beverages are
15 manufactured or brewed, subject to the barrel production limitation prescribed in Code
16 Section 3-5-36 ~~for retail consumption on the premises and solely in draft form.~~ As used
17 in this paragraph, the term 'eating establishment' means an establishment which:

18 (A) is Is licensed to sell distilled spirits, beer, malt beverages, or wines; and

19 (B) which derives Derives at least 50 percent of its total annual gross food and
20 beverage sales from the sale of prepared meals or food; provided, however, that ~~barrels~~
21 ~~of beer sold to licensed wholesale dealers for distribution to retailers and retail~~
22 ~~consumption dealers, as authorized pursuant to subparagraph (C) of paragraph (2) of~~
23 ~~Code Section 3-5-36, shall not~~ only malt beverages sold for consumption on the
24 premises shall be used when determining the total annual gross food and beverage
25 sales."

26 **SECTION 2.**

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

28 "3-5-24.1.

29 (a) As a limited exception to the provisions of Code Sections 3-5-29 through 3-5-32
 30 providing a three-tier system for the distribution and sale of malt beverages, a license to
 31 manufacture malt beverages held by a brewer shall include the right to sell, for personal use
 32 and not for resale, a maximum of 288 ounces per person per day of malt beverages
 33 manufactured on its premises for off-premises consumption.

34 (b) The brewer shall collect and pay applicable Georgia state and local excise taxes and
 35 sales and use taxes on such sales and shall maintain such sales tax reports, documentation,
 36 and other information as may be required by the commissioner to ensure collection of all
 37 applicable taxes."

38 **SECTION 3.**

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

41 "3-5-36.

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

45 (1) No individual shall be permitted to own or operate a brewpub without first obtaining
 46 a proper license from the commissioner in the manner provided in this title, and each
 47 brewpub licenseholder shall comply with all other applicable state and local license
 48 requirements;

49 (2) A brewpub license authorizes the holder of such license to:

50 (A) Manufacture on the licensed premises not more than 10,000 barrels of ~~beer~~ malt
 51 beverages in a calendar year ~~solely for retail sale on the premises; provided, however,~~
 52 that while all of such barrels may be sold in a calendar year for retail sales on the
 53 premises, for consumption on the premises, or for off-premises consumption, not more
 54 than 5,000 of such barrels shall be sold in a calendar year to licensed wholesale dealers
 55 for distribution to retailers and retail consumption dealers;

56 (B) Operate an eating establishment that shall be the sole retail outlet for ~~such beer~~ the
 57 malt beverages manufactured on the premises, except as provided in subparagraph (A)
 58 of this paragraph, and may offer for sale any other alcoholic beverages produced by
 59 other manufacturers which are authorized for retail sale under this title, including wine,
 60 distilled spirits, and malt beverages, provided that such alcoholic beverages are
 61 purchased from a licensed wholesaler for consumption on the premises only; and;

62 provided, further, that in addition to ~~draft beer~~ malt beverages manufactured on the
 63 premises, each brewpub licensee shall offer for sale commercially available canned or
 64 bottled malt beverages from licensed wholesalers; and

65 ~~(C) Notwithstanding any other provision of this paragraph, sell up to a maximum of~~
 66 ~~5,000 barrels annually of such beer to licensed wholesale dealers for distribution to~~
 67 ~~retailers and retail consumption dealers~~ Sell, for personal use and not for resale, a
 68 maximum of 288 ounces per person per day of malt beverages manufactured on the
 69 premises for off-premises consumption; provided, however, that the annual gross sales
 70 of malt beverages manufactured on the premises for off-premises consumption shall not
 71 exceed the annual gross food sales;

72 (3) Possession of a brewpub license shall not prevent the holder of such license from
 73 obtaining a retail consumption dealer's license or a retailer's license for the same
 74 premises;

75 ~~(4) A brewpub license does not authorize the holder of such license to sell alcoholic~~
 76 ~~beverages by the package for consumption off the premises;~~

77 ~~(5) A brewpub licensee shall not offer or permit any free sampling of beer by its~~
 78 ~~customers on the premises of a brewpub;~~

79 ~~(6)~~(4) The commissioner shall not issue a brewpub license if the brewpub premises are
 80 located in a county or municipality in which the sale of alcoholic beverages is prohibited;
 81 and

82 ~~(7)~~(5) A brewpub licensee shall:

83 (A) Pay all state and local license fees and excise taxes applicable to individuals
 84 licensed by this state as manufacturers, retailers, and, where applicable, wholesalers
 85 under this title;

86 (B) At the request of the commissioner, provide an irrevocable letter of credit or an
 87 Irrevocable Standby Financial Guarantee Bond in favor of the State of Georgia in an
 88 amount sufficient to guarantee such brewpub licensee's estimated tax liability for the
 89 first year of operation; and

90 (C) Measure ~~beer~~ malt beverages manufactured on the premises and otherwise comply
 91 with applicable regulations respecting excise and enforcement tax determination of
 92 such ~~beer~~ malt beverages as required by this title."

93 **SECTION 4.**

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