

Senate Resolution 1099

By: Senators Murphy of the 27th, Ginn of the 47th and Jones of the 25th

A RESOLUTION

1 Creating the Senate Study Committee on Alcoholic Beverage Retail Licensing and "Tied
2 House" Laws; and for other purposes.

3 WHEREAS, there is a three-tier system of alcohol beverage distribution in this state basically
4 structured so as to require producers to sell their products to wholesale distributors who then
5 sell to retailers who are the only ones who may sell to consumers; and

6 WHEREAS, Georgia, like most states, has "tied house" laws that regulate the manner in
7 which the three tiers may interact; and

8 WHEREAS, Georgia's tied house laws are patterned after the federal tied house statute,
9 codified at 27 U.S.C. Section 205, which prohibits exclusive outlets, commercial bribery, and
10 consignment sales in addition to establishing requirements and restrictions for labeling and
11 advertising; and

12 WHEREAS, the most fundamental purpose of tied house laws when originally enacted was
13 the creation and preservation of the three-tier system; and

14 WHEREAS, proposals have been advanced and adopted from time to time that included a
15 departure in one way or another from the three-tier distribution system of alcoholic beverages
16 that has been in effect in this state since the end of Prohibition; and

17 WHEREAS, the malt beverage, wine, and distilled spirits industry has changed substantially
18 since the three-tier laws were enacted – there were once few producers and many
19 wholesalers, but now the opposite is true in this state and throughout the country, especially
20 as to malt beverages and wine; and

21 WHEREAS, as business competition expands and entrepreneurs become increasingly
22 creative, more and more industry members are confronted with ensuring that they comply
23 with federal and state tied house laws; and

24 WHEREAS, some members of the industry maintain that as the alcohol industry continues
25 to grow, the limitation on the number of licenses that may be issued and to whom such
26 licenses may be issued, given the broad spectrum of commercial and private business entity
27 formations and investment opportunities that exist in today's business environment, serves
28 only to limit competition and impede economic growth; and

29 WHEREAS, in recent years other states have increased the number of alcohol licenses
30 issued, staggering the additional licenses over a certain period of time or by using various
31 criteria such as population of the region; and

32 WHEREAS, it is important that any revision of this state's alcohol laws undergoes a thorough
33 study to ensure that there is an understanding of what the federal tied house law prohibits and
34 what leeway Georgia has in making any changes in its own tied house and licensing laws to
35 ensure that competition is not unfairly thwarted and that the public health and safety are not
36 unnecessarily jeopardized.

37 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE that there is created the Senate
38 Study Committee on Alcoholic Beverage Retail Licensing and "Tied House" Laws to be
39 composed of five members of the Senate Regulated Industries and Utilities Committee to be
40 appointed by the President of the Senate. The President of the Senate shall designate a
41 chairperson from among the appointees. The committee shall meet at the call of the
42 chairperson.

43 BE IT FURTHER RESOLVED that the committee shall undertake a study of the issues
44 surrounding the manufacture, sale, and consumption of alcoholic beverages as they relate to
45 licensing and tied house laws, as well as the conditions, needs, and problems mentioned
46 above or related thereto, and recommend any actions or legislation that the committee deems
47 necessary or appropriate. The committee may conduct such meetings at such places and at
48 such times as it may deem necessary or convenient to enable it to exercise fully and
49 effectively its powers, perform its duties, and accomplish the objectives and purposes of this
50 resolution. The members of the committee shall receive the allowances authorized for
51 legislative members of interim legislative committees from the funds appropriated to the
52 Senate but shall receive the same for not more than three days unless additional days are

53 authorized. In the event the committee makes a report of its findings and recommendations,
54 with suggestions for proposed legislation, if any, such report shall be made on or before
55 December 1, 2014. The committee shall stand abolished on December 1, 2014.