

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 226:

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 change certain provisions relating to the regulation of alcoholic beverages; to change
3 provisions relating to certain annual production requirements for Georgia farm wineries; to
4 provide for related matters; to provide an effective date; to repeal conflicting laws; and for
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

7
8 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is
9 amended by revising Code Section 3-6-21.1, relating to licensing of farm wineries to engage
10 in retail and wholesale sales, surety bond, and excise taxes, as follows:

11 "3-6-21.1.

12 (a) As used in this Code section, the term:

13 (1) 'Farm winery' means a winery which makes at least 40 percent of its annual
14 production from agricultural produce grown in the state where the winery is located and:

15 (A) Is located on premises, a substantial portion of which is used for agricultural
16 purposes, including the cultivation of grapes, berries, or fruits to be utilized in the
17 manufacture or production of wine by the winery; or

18 (B) Is owned and operated by persons who are engaged in the production of a
19 substantial portion of the agricultural produce used in its annual production.

20 For purposes of this paragraph, the commissioner shall determine what is a substantial
21 portion of such winery premises or agricultural produce.

22 (2) 'Georgia farm winery' means a farm winery which is licensed by the commissioner
23 to manufacture wine in Georgia.

24 (3) 'Tasting room' means an outlet for the promotion of a farm winery's wine by
25 providing samples of such wine to the public and for the sale of such wine at retail for

26 consumption on the premises and for sale in closed packages for consumption off the
27 premises. Samples of wine can be given free of charge or for a fee.

28 (b) The commissioner may authorize any Georgia farm winery to offer wine samples and
29 to make retail sales of its wine and the wine of any other Georgia farm winery in tasting
30 rooms at the winery and at five additional locations in this state for consumption on the
31 premises and in closed packages for consumption off the premises; provided, however, that
32 notwithstanding any other provisions of this title to the contrary, if the licensee is also
33 issued a license pursuant to Code Section 3-4-24, the commissioner shall not authorize
34 more than one tasting room for such Georgia farm winery and shall require that such
35 tasting room shall be located on the licensed premises of the Georgia farm winery; and
36 provided, further, that the Georgia farm winery shall not sell its wine or the wine of any
37 other farm winery in more than one tasting room, and such tasting room shall be located
38 on the licensed premises of the Georgia farm winery. For purposes of this subsection, the
39 term 'licensed premises' shall mean the premises for which the farm winery license is
40 issued or property located contiguous to the farm winery and owned by the farm winery.

41 (c)(1) The commissioner may authorize any licensee which is a farm winery to sell up
42 to 24,000 gallons per calendar year of its wine at wholesale within the state; provided,
43 however, that the commissioner shall not authorize any licensed farm winery to sell its
44 wine at wholesale unless such licensed farm winery shall have first offered its products
45 for sale at a fair market wholesale price to a licensed Georgia wholesaler and such
46 wholesaler does not accept the farm winery's product within 30 days of such offer.

47 (2) A farm winery licensee shall also be authorized to sell, deliver, or ship its wine in
48 bulk or in bottles, whether labeled or unlabeled, in accordance with regulations of the
49 commissioner, to Georgia farm winery licensees and shall be authorized to acquire and
50 receive deliveries and shipments of such wine made by Georgia farm winery licensees.

51 (3) A Georgia farm winery licensee shall be authorized, in accordance with regulations
52 of the commissioner, to acquire and receive deliveries and shipments of wine in bulk
53 from out-of-state producers and shippers in an amount not to exceed ~~20~~ 40 percent of its
54 annual production, provided that the Georgia farm winery licensee receiving any such
55 shipment or shipments files timely reports with the commissioner and keeps such records
56 of the receipt of such shipment or shipments as may be required by the commissioner.

57 (4) Any wine received in bulk pursuant to ~~paragraph(3)~~ paragraph 3 of this subsection
58 shall have levied thereon the requisite taxes as prescribed by Code Section 3-6-50, and
59 such taxes shall be reported and remitted to the commissioner as provided in Code
60 Section 3-2-6.

61 (d) The annual license tax for each license issued pursuant to this Code section shall
62 be \$50.00.

63 (e) The surety bond required as a condition upon issuance of a license pursuant to this
64 Code section shall be the same as that required pursuant to Code Section 3-6-21 with
65 respect to wineries.

66 (f) Wines sold at retail by a manufacturer as provided in subsection (b) of this Code
67 section shall have levied thereon an excise tax as prescribed by Code Section 3-6-50, and
68 such tax shall be reported and remitted to the commissioner as provided in Code
69 Section 3-2-6."

70 **SECTION 2.**

71 This Act shall become effective upon its approval by the Governor or upon its becoming law
72 without such approval.

73 **SECTION 3.**

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