

The Senate Committee on Economic Development and Tourism offered the following substitute to HB 718:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 3-5-24.1 of the Official Code of Georgia Annotated, relating to  
2 exception to three-tier system, transfer of liquids, sales at brewer's licensed premises, taxing,  
3 regulatory authority, and conditions or limitations, so as to provide for satellite tasting rooms  
4 operated by brewers; to provide for limitations; to provide for an exception to a transfer  
5 limitation; to provide for rules and regulations; to provide for definitions; to provide for  
6 related matters; to provide for effective dates; to repeal conflicting laws; and for other  
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 3-5-24.1 of the Official Code of Georgia Annotated, relating to exception to  
11 three-tier system, transfer of liquids, sales at brewer's licensed premises, taxing, regulatory  
12 authority, and conditions or limitations, is amended as follows:

13 "3-5-24.1.

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

15 (1) 'Common ownership' means the same 100 percent common ownership interest  
16 including, but not limited to, ownership of the stock, limited liability company

17 membership interest, limited liability partnership interest, other entity interest, or  
18 partnership interest, in whatever form such ownership interest may exist.

19 (2) 'Licensed premises' means the physical premises where brewer is licensed by the  
20 state as a manufacturer of malt beverages. Such term shall not include a satellite tasting  
21 room.

22 (3) 'Produces' means engaging in the material and essential aspects of the brewing  
23 process to manufacture malt beverage for human consumption; provided, however, when  
24 a brewer engages in the brewing process at multiple licensed premises, the malt beverage  
25 will be deemed to have been produced only at the licensed premises where such malt  
26 beverage first began fermentation through the chemical conversion of fermentable sugars  
27 into alcohol.

28 (4) 'Satellite tasting room' means a separate physical location designated by a brewer,  
29 under common ownership with the brewer, at which the brewer is authorized under  
30 subsection (h) of this Code section to make retail sales of malt beverages to individuals.

31 (b) A limited exception to the provisions of this title providing a three-tier system for the  
32 distribution and sale of malt beverages shall exist to the extent that the license to  
33 manufacture malt beverages in this state shall include the right to sell malt beverages to  
34 individuals on the brewer's licensed premises for personal use and not for resale, subject  
35 to the following terms and conditions:

36 (1) The brewer may only make sales of malt beverages to an individual while the  
37 individual is physically on the brewer's licensed premises where the brewer produces malt  
38 beverages;

39 (2) The brewer may make sales of malt beverages the brewer produces at the brewer's  
40 licensed premises where the individual is purchasing the malt beverages;

41 (3) As long as the brewer and all of the brewer's licensed premises are under common  
42 ownership, the brewer may make sales of malt beverages the brewer produces at any  
43 licensed premises of the brewer and subsequently transfers in compliance with the

44 limitations and reporting obligations of subsection (c) of this Code section to the brewer's  
45 licensed premises for sale where the individual is purchasing the malt beverages;

46 (4) The brewer may only make sales of malt beverages for which the brewer is the sole  
47 owner of the brand and brand label;

48 (5) Sales for consumption on the premises are not subject to a daily maximum amount;

49 (6) Sales for consumption off the premises shall not exceed a maximum of 288 ounces  
50 of malt beverages per individual per day; and

51 (7) The maximum amount of malt beverages the brewer may sell pursuant to ~~subsection~~  
52 ~~(b) of this Code section~~ this subsection in each calendar year shall be 6,000 barrels in the  
53 aggregate among all brewer's licensed premises making such sales.

54 (c) Nothing in this Code section shall be interpreted to prohibit a brewer from transferring  
55 any liquid, regardless of whether such liquid would be deemed to be malt beverages or not,  
56 to or from any of the brewer's licensed premises; provided, however, with respect to any  
57 malt beverages a brewer produces at one of the brewer's licensed premises and transfers  
58 to be sold to individuals pursuant to subsection (b) of this Code section at another of the  
59 brewer's licensed premises, the maximum number of barrels of malt beverages permitted  
60 to be transferred from one licensed premises of the brewer to another licensed premises of  
61 the brewer shall not exceed the number of barrels of malt beverages the brewer produces  
62 under brands and brand labels for which the brewer is the sole owner at the licensed  
63 premises receiving the transferred malt beverages and the brewer shall file a report with the  
64 department every calendar quarter documenting all such transfers in such form as the  
65 department shall require.

66 (d) A brewer may sell malt beverages pursuant to subsection (b) or (h) of this Code section  
67 on all days and at all times that sales of malt beverages by retailers are lawful within the  
68 county or municipality in which the licensed premises of the brewer is located, including,  
69 but not limited to, Sundays.

70 (e) Any brewer engaging in sales of malt beverages pursuant to subsection (b) or (h) of this  
71 Code section shall remit all state and local sales, use, and excise taxes to the proper tax  
72 collecting authority.

73 (f) The commissioner shall promulgate and enforce such rules and regulations as he or she  
74 may deem reasonable and necessary to effectuate the provisions of this Code section.

75 (g) Upon a violation by a brewer of any provision of this Code section or this title or any  
76 rule or regulation promulgated thereunder, the commissioner shall have the power to place  
77 conditions or limitations on such brewer's license and to modify or amend such conditions  
78 or limitations.

79 (h) A brewer may operate up to two satellite tasting rooms, which shall be licensed in such  
80 manner and subject to such reasonable registration, reporting, and inspection requirements  
81 as the commissioner may prescribe by rule and regulation. A satellite tasting room license  
82 shall include the right to sell malt beverages to individuals on the premises of the satellite  
83 tasting room for personal use and not for resale, subject to the following terms and  
84 conditions:

85 (1) All malt beverages sold to individuals on the satellite tasting room premises shall be  
86 purchased from a licensed wholesaler and shall not be supplied by transfers from the  
87 brewer's licensed premises;

88 (2) The brewer may only make sales of malt beverages for which the brewer is the sole  
89 owner of the brand and brand label; and

90 (3) The satellite tasting room premises must provide at least one educational experience,  
91 which may include but are not limited to, brand history, scheduled guided tastings,  
92 brewery story signage, and ingredient or process displays."

93 **SECTION 2.**

94 For purposes of proposing rules and regulations, this Act shall become effective upon its  
95 approval by the Governor or upon its becoming law without such approval. For all other  
96 purposes, this Act shall become effective on July 1, 2026.

97 **SECTION 3.**

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