

1 SB404
2 201131-1
3 By Senators Smitherman and Waggoner
4 RFD: Tourism
5 First Read: 14-MAY-19

SYNOPSIS: Under existing law, a manufacturer of alcoholic beverages, regardless of the amount of product produced by that manufacturer, may not have a financial interest in a brewpub under certain conditions.

This bill would permit a small manufacturer of beer to have a financial interest in a brewpub, but would only permit the transfer of alcoholic beverages from the manufacturer to the brewpub through a wholesaler.

A BILL
TO BE ENTITLED
AN ACT

Relating to alcoholic beverages; to amend Section 28-4A-3, Code of Alabama 1975; to permit a small manufacturer of beer to have a financial interest in a brewpub under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 28-4A-3, Code of Alabama 1975, is
2 amended to read as follows:

3 "§28-4A-3.

4 "(a) In addition to the licenses authorized to be
5 issued and renewed by the board pursuant to the Alcoholic
6 Beverage Licensing Code codified as Chapter 3A of this title,
7 the board, upon applicant's compliance with ~~the provisions of~~
8 this chapter, ~~and with~~ Chapter 3A and the ~~regulations made~~
9 rules adopted thereunder, and the conditions set forth in
10 subsection (b), is authorized to may issue to a qualified
11 applicant a brewpub license which shall authorize the licensee
12 to ~~manufacture~~ do all of the following:

13 "(1) Manufacture or brew beer, in a quantity not to
14 exceed 10,000 barrels in any one year and to sell beer brewed
15 on the licensed premises in unpackaged form at retail for
16 on-premises consumption at the licensed premises only. ~~to~~
17 ~~sell~~

18 "(2) Sell beer brewed on the licensed premises in
19 packaged form at retail for off-premises consumption, provided
20 the beer sold for off-premises consumption may not exceed 288
21 ounces per customer per day and shall be sealed, labeled,
22 packaged, and taxed in accordance with state and federal laws
23 and regulations. ~~to sell~~

24 "(3) Sell beer brewed on the premises in original,
25 unopened barrel or keg containers to any licensed wholesaler
26 designated by a brewpub licensee pursuant to Sections 28-8-2
27 and 28-9-3 for resale to retail licensees. ~~to donate~~

1 "(4) Donate and deliver up to two kegs of the
2 licensee's beer to a licensed charitable special event
3 operated by or on behalf of a nonprofit organization;
4 provided, however, donations shall be taxed in accordance with
5 state and federal laws and regulations, and any beer remaining
6 at the conclusion of the charitable event shall be returned to
7 the manufacturer for disposal, ~~and to purchase~~

8 "(5) Purchase beer, including draft or keg beer, in
9 original, unopened containers from licensed wholesalers and to
10 sell such beer at retail for on-premises consumption only, in
11 a room or rooms or place on the licensed premises at all times
12 accessible to the use and accommodation of the general
13 public. ~~7~~

14 "(b) A brewpub is subject to all of the following
15 conditions:

16 "(1) The proposed location of the premises shall
17 not, at the time of the original application, be prohibited by
18 a valid zoning ordinance or other ordinance in the valid
19 exercise of police power by the governing body of the
20 municipality or county in which the brewpub is located.

21 "(2) Beer brewed by the brewpub licensee shall be
22 packaged or contained in barrels from which the beer is to be
23 dispensed only on the premises where brewed for consumption on
24 the premises or sold in original, unopened barrel or keg
25 containers to any designated wholesaler licensee for resale to
26 retailer licensees.

1 "(3) The brewpub must contain and operate a
2 restaurant or otherwise provide food for consumption on the
3 premises.

4 "(4) The brewpub may not sell any alcoholic
5 beverages if it is not actively and continuously engaged in
6 the manufacture or brewing of alcoholic beverages on the
7 brewpub's licensed premises.

8 "~~(b)~~ (c) The annual license fee levied and prescribed
9 for a license as a brewpub issued or renewed by the board
10 ~~pursuant to the authority of this chapter~~ is one thousand
11 dollars (\$1,000).

12 "(d) A manufacturer that sells, on an annual basis,
13 an amount equal to no more than 60,000 barrels of beer, may
14 have a financial interest in a brewpub, including a brewpub
15 that also has a restaurant retail license, provided the
16 manufacturer may not transfer alcoholic beverages directly
17 from the manufacturer to the brewpub but may purchase
18 alcoholic beverages from an authorized wholesaler or as
19 otherwise provided by law, and may not have a financial
20 interest in any retailer other than a brewpub.

21 "~~(c)~~ (e) ~~Except as provided in this subsection, the~~
22 ~~provisions of this title shall be applicable. The provisions~~
23 ~~of Section 28-3-4 and subsection (b) of Section 28-3A-6, shall~~
24 ~~not be applicable with regard to beer brewed by the brewpub~~
25 ~~either of the following and sold and dispensed on the brewpub~~
26 ~~premises: . In all other respects, Section 28-3-4, Section~~
27 ~~28-3A-6(b), and Section 28-3A-6(i)(2) shall be applicable.~~

1 "(1) The brewpub.

2 "(2) A manufacturer described in, and in compliance
3 with, subsection (d)."

4 Section 2. This act shall become effective on the
5 first day of the third month following its passage and
6 approval by the Governor, or its otherwise becoming law.