

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 219:

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 regulation of the manufacture, distribution, and sale of malt beverages;
3 to provide for the transfer of a limited quantity of malt beverages by brewers that may be
4 sold at retail or at wholesale subject to certain conditions; to provide for definitions; to
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is
9 amended by revising Code Section 3-5-24.1, relating to exception to three-tier system,
10 taxing, regulatory authority, and conditions or limitations, as follows:

11 "3-5-24.1.

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

13 (1) 'Common ownership' means the same 100 percent common ownership interest
14 including, but not limited to, ownership of the stock, limited liability company
15 membership interest, limited liability partnership interest, other entity interest, or
16 partnership interest, in whatever form such ownership interest may exist.

17 (2) 'Licensed premises' means the physical premises where brewer is licensed by the
18 state as a manufacturer of malt beverages.

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

25 ~~(a)~~(b) A limited exception to the provisions of this title providing a three-tier system for
26 the distribution and sale of malt beverages shall exist to the extent that the license to
27 manufacture malt beverages in this state shall include the right to sell ~~up to 3,000 barrels~~
28 ~~of malt beverages per year produced at~~ to individuals on the brewer's licensed premises ~~to~~
29 ~~individuals who are on such premises~~ for personal use and not for resale, subject to the
30 following terms and conditions:

31 ~~(1) Consumption on the premises; and~~

32 ~~(2) Consumption off the premises, provided that such sales for consumption off the~~
33 ~~premises shall not exceed a maximum of 288 ounces of malt beverages per consumer per~~
34 ~~day.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

78

SECTION 2.

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