

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

1 SB404

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to alcoholic beverages; to amend Section
12 28-4A-3, Code of Alabama 1975; to permit a small manufacturer
13 of beer to have a financial interest in a brewpub under
14 certain conditions.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

18 "§28-4A-3.

19 "(a) In addition to the licenses authorized to be
20 issued and renewed by the board pursuant to the Alcoholic
21 Beverage Licensing Code codified as Chapter 3A of this title,
22 the board, upon applicant's compliance with ~~the provisions of~~
23 this chapter, and with Chapter 3A and the regulations made
24 rules adopted thereunder, and the conditions set forth in
25 subsection (b), is authorized to may issue to a qualified
26 applicant a brewpub license which shall authorize the licensee
27 to ~~manufacture~~ do all of the following:

1 "(1) Manufacture or brew beer, in a quantity not to
2 exceed 10,000 barrels in any one year and to sell beer brewed
3 on the licensed premises in unpackaged form at retail for
4 on-premises consumption at the licensed premises only.~~;~~~~to~~
5 ~~sell~~

6 "(2) Sell beer brewed on the licensed premises in
7 packaged form at retail for off-premises consumption, provided
8 the beer sold for off-premises consumption may not exceed 288
9 ounces per customer per day and shall be sealed, labeled,
10 packaged, and taxed in accordance with state and federal laws
11 and regulations.~~;~~~~to sell~~

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

16 "(4) Donate and deliver up to two kegs of the
17 licensee's beer to a licensed charitable special event
18 operated by or on behalf of a nonprofit organization;
19 provided, however, donations shall be taxed in accordance with
20 state and federal laws and regulations, and any beer remaining
21 at the conclusion of the charitable event shall be returned to
22 the manufacturer for disposal.~~;~~~~and to purchase~~

23 "(5) Purchase beer, including draft or keg beer, in
24 original, unopened containers from licensed wholesalers and to
25 sell such beer at retail for on-premises consumption only, in
26 a room or rooms or place on the licensed premises at all times

1 accessible to the use and accommodation of the general
2 public.7

3 "(b) A brewpub is subject to all of the following
4 conditions:

5 "(1) The proposed location of the premises shall
6 not, at the time of the original application, be prohibited by
7 a valid zoning ordinance or other ordinance in the valid
8 exercise of police power by the governing body of the
9 municipality or county in which the brewpub is located.

10 "(2) Beer brewed by the brewpub licensee shall be
11 packaged or contained in barrels from which the beer is to be
12 dispensed only on the premises where brewed for consumption on
13 the premises or sold in original, unopened barrel or keg
14 containers to any designated wholesaler licensee for resale to
15 retailer licensees.

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

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

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

1 "(d) A manufacturer that sells, on an annual basis,
2 an amount equal to no more than 60,000 barrels of beer, may
3 have a financial interest in a single brewpub, including a
4 brewpub that also has a restaurant retail license, provided
5 the manufacturer may not transfer alcoholic beverages directly
6 from the manufacturer to the brewpub but may purchase
7 alcoholic beverages from an authorized wholesaler or as
8 otherwise provided by law, and may not have a financial
9 interest in any retailer other than a brewpub.

10 ~~"(c)(e) Except as provided in this subsection, the~~
11 ~~provisions of this title shall be applicable. The provisions~~
12 ~~of Section 28-3-4 and subsection (b) of Section 28-3A-6, shall~~
13 ~~not be applicable with regard to beer brewed by the brewpub~~
14 ~~either of the following and sold and dispensed on the brewpub~~
15 ~~premises: In all other respects, Section 28-3-4, Section~~
16 ~~28-3A-6(b), and Section 28-3A-6(i)(2) shall be applicable.~~

17 "(1) The brewpub.

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

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

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Senate

Read for the first time and referred to the Senate
committee on Tourism..... 14-MAY-19

Read for the second time and placed on the calen-
dar..... 15-MAY-19

Read for the third time and passed as amended 16-MAY-19

Yeas 26
Nays 2

Patrick Harris,
Secretary.