

1 SB479
2 161148-1
3 By Senator Brewbaker
4 RFD: Job Creation and Economic Development
5 First Read: 01-APR-14

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8 SYNOPSIS: Under existing law, a brewery is generally
9 not allowed to operate a restaurant on its premises
10 and dispense alcoholic beverages.

11 This bill would create a license for limited
12 production breweries that allows them to produce
13 beer and operate a restaurant on their licensed
14 premises and sell their beer at the brewery and
15 restaurant.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT
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21 To create a new Section 28-3A-6.1, Code of Alabama
22 1975, to license a craft brewer to produce and package no more
23 than 2,000,000 barrels of beer per year; to allow a craft
24 brewer to operate a facility where food is provided on its
25 licensed premises and sell beer on its licensed premises that
26 it produces there.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. A new Section 28-3A-6.1, Code of Alabama
2 1975, is created to read as follows:

3 §28-3A-6.1.

4 (a) The words and phrases used in this section shall
5 have the meanings ascribed to them in Section 28-3-1, and any
6 acts amendatory thereof, supplementary thereto, or substituted
7 therefor or as described in subsection (b) of this section.

8 (b) The following words or phrases, whenever they
9 appear in this section, unless the context clearly indicates
10 otherwise, shall have the meaning ascribed to them in this
11 subsection:

12 (1) BREW. The production and packaging of beer.

13 (2) CRAFT BREWER. Any person, association, or
14 corporation that brews collectively at all of its locations,
15 whether within or without this state, and among all of its
16 parents, affiliates, subsidiaries, and partners, no more than
17 2,000,000 barrels of beer per year.

18 (c) Upon a craft brewer's application to the board
19 and compliance with the provisions of this chapter and the
20 regulations made thereunder, the board shall issue to the
21 craft brewer a craft brewer license which shall authorize the
22 licensee to brew no more than 2,000,000 barrels of beer per
23 year within this state or for sale or distribution within this
24 state.

25 (d) A craft brewer licensee may sell its beer in
26 this state to only licensed wholesalers or direct to consumers
27 on the licensed premises as set forth in subsection (i). No

1 craft brewer licensee shall sell any beer direct to any
2 retailer, nor sell or deliver any such beer in other than
3 original containers approved as to capacity by the board and
4 in accordance with standards of fill prescribed by the U. S.
5 Treasury Department, nor maintain or operate within the state
6 any place or places, other than the place or places covered by
7 the craft brewer license, where beer is sold or where orders
8 are taken.

9 (e) Each craft brewer licensee shall be required to
10 file with the board, prior to making any sales in Alabama, a
11 list of its labels to be sold in Alabama and shall file with
12 the board its federal certificate of label approvals or its
13 certificates of exemption as required by the U. S. Treasury
14 Department.

15 (f) All such craft brewer licensees shall be
16 required to mail to the board prior to the twentieth day of
17 each month a consolidated report of all shipments of beer made
18 to each wholesaler during the preceding month. Such reports
19 shall be in such form and containing such information as the
20 board may prescribe.

21 (g) Every craft brewer shall keep at its principal
22 place of business within the state daily permanent records
23 which shall show the quantities of raw materials received and
24 used in the brewing of beer, and the quantities of beer brewed
25 and stored, the quantity of beer sold, the quantities of beer
26 stored or transported for hire, by or for the licensee, and

1 the names and addresses of the purchasers or other recipients
2 thereof.

3 (h) Every place licensed as a craft brewer shall be
4 subject to inspection by members of the board or by persons
5 duly authorized and designated by the board, at any and all
6 times of the day or night as they may deem necessary, for the
7 detection of violations of this chapter, of any law, or of the
8 rules and regulations of the board, or for the purpose of
9 ascertaining the correctness of the records required to be
10 kept by the licensees. The books and records of such licensees
11 shall, at all times, be open to inspection by members of the
12 board, or by persons duly authorized and designated by the
13 board. Members of the board and its duly authorized agents
14 shall have the right, without hindrance, to enter any place
15 which is subject to inspection hereunder, or any place where
16 such records are kept for the purpose of making such
17 inspections and making transcripts thereof.

18 (i) A craft brewer licensee actively and
19 continuously engaged in brewing beer on the craft brewer's
20 licensed premises in the State of Alabama may, notwithstanding
21 any other provision of law, operate a facility where food is
22 provided on the craft brewer's licensed premises; give away
23 free samples of beer brewed at the licensed premises for
24 on-premises consumption; and sell at retail on its licensed
25 premises, for on-premises or off-premises consumption, beer
26 brewed at that licensed premises.

1 (j)(1) In addition to the licenses provided for by
2 Chapter 3A of this title, and any county or municipal license,
3 there is levied on the craft brewer of the beer dispensed on
4 the premises the privilege or excise tax imposed by Sections
5 28-3-184 and 28-3-190. Every craft brewer licensee shall file
6 the tax returns, pay the taxes, and perform all obligations
7 imposed on wholesalers at the times and places set forth
8 therein. It shall be unlawful for any craft brewer licensee
9 who is required to pay the taxes so imposed in the first
10 instance to fail or refuse to add to the sale price and
11 collect from the purchaser the required amount of tax, it
12 being the intent and purpose of this provision that each of
13 the taxes levied is in fact a tax on the consumer, with the
14 craft brewer licensee who pays the tax in the first instance
15 acting merely as an agent of the state for the collection and
16 payment of the tax levied by Section 28-3-184; and as an agent
17 for the county or municipality for the collection and payment
18 of the tax levied by Section 28-3-190.

19 (2) The craft brewer licensee shall keep and
20 maintain all records required to be kept and maintained by
21 craft brewer, wholesaler, and retailer licensees for the tax
22 so levied.

23 (k) The annual license fee levied and prescribed for
24 a license as a craft brewer issued or renewed by the board
25 pursuant to the authority of this chapter is five hundred
26 dollars (\$500).

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