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3 SENATE FR&ED COMMITTEE SUBSTITUTE FOR SB259
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8 SYNOPSIS: Existing law states that a beer manufacturer
9 that sells less than 60,000 barrels of beer
10 annually may have a financial interest in a
11 brewpub.

12 This bill would provide that a beer
13 manufacturer that produces more than 60,000 barrels
14 annually may have a financial interest in no more
15 than one brewpub and would restrict the sale of
16 beer by that brewpub for off-premises consumption.

17 This bill would provide that the annual
18 barrel production limit includes beer produced by
19 affiliate producers and beer produced exclusively
20 for that manufacturer.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT
25

26 Relating to brewpubs; to amend Section 28-4A-3, Code
27 of Alabama 1975, as last amended by Act 2021-454 of the 2021

1 Regular Session; to provide further for the annual barrel
2 production limit that allows a beer manufacturer to have a
3 financial interest in a brewpub and for operation of that
4 brewpub.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Section 28-4A-3, Code of Alabama 1975, as
7 last amended by Act 2021-454 of the 2021 Regular Session, is
8 amended to read as follows:

9 "§28-4A-3.

10 "(a) In addition to the licenses authorized to be
11 issued and renewed by the board pursuant to ~~the Alcoholic~~
12 ~~Beverage Licensing Code codified as Chapter 3A of this title,~~
13 the board, upon applicant's compliance with this chapter,
14 Chapter 3A, and the rules adopted thereunder, and the
15 conditions set forth in subsection (b), may issue to a
16 qualified applicant a brewpub license which shall authorize
17 the licensee to do all of the following:

18 "(1) Manufacture or brew beer, in a quantity not to
19 exceed 10,000 barrels in any one year, and to sell beer brewed
20 on the licensed premises in unpackaged form at retail for
21 on-premises consumption at the licensed premises only.

22 "(2) Sell beer brewed on the licensed premises in
23 packaged form at retail for off-premises consumption, provided
24 the beer sold for off-premises consumption may not exceed 864
25 ounces per customer per day and shall be sealed, labeled,
26 packaged, and taxed in accordance with state and federal laws
27 and regulations.

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

5 "(4) Donate and deliver up to 31 gallons of the
6 licensee's beer to a licensed charitable special event
7 operated by or on behalf of a nonprofit organization;
8 provided, however, donations shall be taxed in accordance with
9 state and federal laws and regulations, and any beer remaining
10 at the conclusion of the charitable event shall be returned to
11 the brewpub for disposal.

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

17 "(b) A brewpub is subject to all of the following
18 conditions:

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

24 "(2) Beer brewed by the brewpub licensee shall be
25 packaged or contained in barrels from which the beer is to be
26 dispensed only on the premises where brewed for consumption on
27 the premises or sold in original, unopened barrel or keg

1 containers to any designated wholesaler licensee for resale to
2 retailer licensees.

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

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

10 "(c) The annual license fee levied and prescribed
11 for a license as a brewpub issued or renewed by the board is
12 one thousand dollars (\$1,000).

13 "(d) (1) A manufacturer ~~that sells, on an annual~~
14 ~~basis, an amount equal to no more than 60,000 barrels~~ of beer,
15 may have a financial interest in a brewpub, including a
16 brewpub that also has a restaurant retail license, provided
17 the manufacturer may not transfer alcoholic beverages directly
18 from the manufacturer to the brewpub, but may purchase
19 alcoholic beverages from an authorized wholesaler or as
20 otherwise provided by law, and may not have a financial
21 interest in any retailer other than a brewpub.

22 "(2) A manufacturer that produces on an annual basis
23 more than 60,000 barrels of beer may have a financial interest
24 in one brewpub as provided in subdivision (1); provided,
25 however, for such a brewpub, the quantity restriction under
26 subdivision (a) (2) for sale of beer for off-premises
27 consumption shall be reduced to 64 ounces per customer per

1 day. For purposes of calculation, the 60,000 barrel limit
2 shall include all beer produced by the manufacturer, all beer
3 produced by a parent, subsidiary, or affiliate of the
4 manufacturer, and all beer produced exclusively for the
5 manufacturer.

6 "(e) Section 28-3-4 and subsection (b) of Section
7 28-3A-6 shall not be applicable with regard to beer brewed by
8 either of the following and sold and dispensed on the brewpub
9 premises:

10 "(1) The brewpub.

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

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