~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 22, 2017

**H. 3137**

Introduced by Reps. Stavrinakis, McCoy, Bales and J.E. Smith

S. Printed 3/22/17--H.

Read the first time January 10, 2017.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 3137) to amend Sections 61‑6‑1140 and 61‑6‑1150, Code of Laws of South Carolina, 1976, both related to tastings and retail sales of alcoholic, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 61‑6‑1140 of the 1976 Code, as added by Act 11 of 2009, is amended to read:

“Section 61‑6‑1140. A holder of a valid micro‑distillery or manufacturer license issued by the State may permit tastings and retail sales of the alcoholic liquors produced at the licensed premises subject to the following limitations and any other limitations provided in this subarticle:

(1) tastings by and sales to consumers must be held in conjunction with a tour by the consumer of the on‑site licensed premises;

(2) the micro‑distillery or manufacturer shall establish appropriate protocols to ensure that a consumer sold or served alcoholic liquors pursuant to this section is not under twenty‑one years of age and that a consumer shall not attend more than one tasting in a day;

(3) ~~the micro‑distillery or manufacturer shall dispense alcoholic liquors for tasting in quantities not greater than one‑half ounce per sample;~~

~~(4)~~ the micro‑distillery or manufacturer may not dispense more than ~~one and one‑half~~ three ounces to an individual consumer in one day;

~~(5)~~(4) tastings and sales may occur only between the hours of nine a.m. and seven p.m., Monday through Saturday;

~~(6)~~(5) the micro‑distillery or manufacturer may charge for alcoholic liquors consumed at a tasting, but must collect and remit the liquor by the drink excise tax pursuant to the provisions of Chapter 33, Title 12;

(6) the micro‑distillery or manufacturer may provide mixers, which must be nonalcoholic and carry zero percent of alcohol by weight, in conjunction with the tasting, but the micro‑distillery or manufacturer may not charge for the mixers;

(7) tastings may not occur in conjunction with the service of food in a restaurant setting; and

(8) only brands of alcoholic liquors actually manufactured, distilled, or fermented at and distributed to wholesalers from the licensed premises may be sold or offered for tasting.”

SECTION 2. Section 61‑6‑1150 of the 1976 Code, as added by Act 11 of 2009, is amended to read:

“Section 61‑6‑1150. Authorization by this section of sales and tastings at licensed premises of a micro‑distillery or manufacturer is expressly intended for the promotion of education regarding production of alcoholic liquors in the State and not to create competition between producers and retailers. A holder of a valid micro‑distillery or manufacturer license issued by the State may:

(1) sell in any quantities the alcoholic liquors produced at the licensed premises to a wholesaler licensed by the State;

(2) transport in any quantities the alcoholic liquors produced at the licensed premises out of state for sale outside of the State;

(3) sell at retail at the licensed premises ~~only in quantities of 750‑milliliter bottles~~ the alcoholic liquors produced at the licensed premises, but only if the labels for the bottles are marked ‘not for resale’;

(4) sell at retail no more than the equivalent of three 750‑milliliter bottles of alcoholic liquors to a consumer in one business day;

(5) not allow consumption on the licensed premises of alcoholic liquors sold by the bottle at the licensed premises;

(6) maintain pricing of the alcoholic liquors sold at the licensed premises at a price approximating retail prices generally charged for identical alcoholic liquors in the county where the on‑site premises is located;

(7) in addition to the sale of alcoholic liquors as authorized by this section, sell items promoting the brand or brands of alcoholic liquors produced at that location in a room on the licensed premises separate from the locations of the tastings; ~~and~~

(8) not sell or store goods, wares, or merchandise in or from the room in which alcoholic liquors are sold or tasted;

(9) store mixers used, but not sold, in conjunction with tastings; and

(10) not allow minors into the portion of the facility where tastings are occurring.”

SECTION 3. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

F. GREGORY DELLENEY, JR. for Committee.

**A** **BILL**

TO AMEND SECTIONS 61‑6‑1140 AND 61‑6‑1150, CODE OF LAWS OF SOUTH CAROLINA, 1976, BOTH RELATED TO TASTINGS AND RETAIL SALES OF ALCOHOLIC LIQUORS AT LICENSED PREMISES OF A MICRO‑DISTILLERY OR MANUFACTURER, SO AS TO REVISE THE OUNCE AMOUNT OF ALCOHOLIC LIQUORS DISPENSED AT LICENSED PREMISES AND TO REVISE THE SALE AT RETAIL OF ALCOHOLIC LIQUORS AT LICENSED PREMISES AND TO ALLOW MIXERS TO BE USED IN TASTINGS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 61‑6‑1140 of the 1976 Code, as added by Act 11 of 2009, is amended to read:

“Section 61‑6‑1140. A holder of a valid micro‑distillery or manufacturer license issued by the State may permit tastings and retail sales of the alcoholic liquors produced at the licensed premises subject to the following limitations and any other limitations provided in this subarticle:

(1) tastings by and sales to consumers must be held in conjunction with a tour by the consumer of the on‑site licensed premises;

(2) the micro‑distillery or manufacturer shall establish appropriate protocols to ensure that a consumer sold or served alcoholic liquors pursuant to this section is not under twenty‑one years of age and that a consumer shall not attend more than one tasting in a day;

(3) ~~the micro‑distillery or manufacturer shall dispense alcoholic liquors for tasting in quantities not greater than one‑half ounce per sample;~~

~~(4)~~ the micro‑distillery or manufacturer may not dispense more than ~~one~~ four and one‑half ounces to an individual consumer in one day;

~~(5)~~(4) tastings and sales may occur only between the hours of nine a.m. and seven p.m., Monday through Saturday;

~~(6)~~(5) the micro‑distillery or manufacturer may charge for alcoholic liquors consumed at a tasting, but must collect and remit the liquor by the drink excise tax pursuant to the provisions of Chapter 33, Title 12;

~~(7)~~(6) tastings may not occur in conjunction with the service of food in a restaurant setting; and

~~(8)~~(7) only brands of alcoholic liquors actually manufactured, distilled, or fermented at and distributed to wholesalers from the licensed premises may be sold or offered for tasting.”

SECTION 2. Section 61‑6‑1150 of the 1976 Code, as added by Act 11 of 2009, is amended to read:

“Section 61‑6‑1150. Authorization by this section of sales and tastings at licensed premises of a micro‑distillery or manufacturer is expressly intended for the promotion of education regarding production of alcoholic liquors in the State and not to create competition between producers and retailers. A holder of a valid micro‑distillery or manufacturer license issued by the State may:

(1) sell in any quantities the alcoholic liquors produced at the licensed premises to a wholesaler licensed by the State;

(2) transport in any quantities the alcoholic liquors produced at the licensed premises out of state for sale outside of the State;

(3) sell at retail at the licensed premises ~~only in quantities of 750‑milliliter bottles~~ the alcoholic liquors produced at the licensed premises, but only if the labels for the bottles are marked ‘not for resale’;

(4) sell at retail no more than the equivalent of three 750‑milliliter bottles of alcoholic liquors to a consumer in one business day;

(5) not allow consumption on the licensed premises of alcoholic liquors sold by the bottle at the licensed premises;

(6) maintain pricing of the alcoholic liquors sold at the licensed premises at a price approximating retail prices generally charged for identical alcoholic liquors in the county where the on‑site premises is located;

(7) in addition to the sale of alcoholic liquors as authorized by this section, sell items promoting the brand or brands of alcoholic liquors produced at that location in a room on the licensed premises separate from the locations of the tastings; and

(8) not sell or store goods, wares, or merchandise, other than mixers used in tastings, in or from the room in which alcoholic liquors are sold or tasted.”

SECTION 3. This act takes effect upon approval by the Governor.

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