~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 28, 2021

**S. 619**

Introduced by Senators Rankin, Leatherman, Hutto, Fanning and Climer

S. Printed 4/28/21--H.

Read the first time April 13, 2021.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 619) to amend Section 61-4-720 of the South Carolina Code of Laws, 1976, relating to sale of wine by wineries located in the state and wine taste samples, etc., respectfully

**REPORT:**

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

CHRIS MURPHY for Committee.

**A** **BILL**

TO AMEND SECTION 61-4-720 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, RELATING TO SALE OF WINE BY WINERIES LOCATED IN THE STATE AND WINE TASTE SAMPLES, TO PROVIDE FOR SALES OF WINE ON WINERY PREMISES IF THE WINERY IS THE PRIMARY AMERICAN SOURCE OF SUPPLY FOR THE WINE SOLD; TO AMEND SECTIONS 61-4-1515 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, TO PROVIDE FOR THE SALE OF BEER WITH AN ALCOHOL CONTENT OF TWELVE PERCENT OR LESS ON THE BREWERY PREMISES AND THE SALE OF SEALED BEER WITH AN ALCOHOL CONTENT OF FOURTEEN PERCENT OR LESS ON BREWERY PREMISES IF THE BREWERY IS THE PRIMARY AMERICAN SOURCE OF SUPPLY FOR THE BEER SOLD; TO AMEND SECTION 61-6-1140 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, TO PROVIDE FOR THE RETAIL SALES AND TASTINGS OF ALCOHOLIC LIQUORS AT MICRO-DISTILLERIES IF THE MICRO-DISTILLERY IS THE PRIMARY AMERICAN SOURCE OF SUPPLY OR THE ALCOHOLIC LIQUORS PRODUCED AT THE LICENSED PREMISES ARE SUBJECT TO OTHER LIMITATIONS; AND TO AMEND CHAPTER 2, TITLE 61 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, BY ADDING SECTION 61-2-177, TO PROVIDE FOR THE CREATION OF A MANUFACTURER’S SATELLITE CERTIFICATE FOR BREWERIES, WINERIES, AND MICRO-DISTILLERIES TO ESTABLISH SATELLITE LOCATIONS FOR SALE OF THEIR PRODUCTS, SUBJECT TO CERTAIN CONDITIONS.

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

SECTION 1. The General Assembly finds and declares that:

(A) The State has a substantial interest in regulating alcoholic liquors and other beverages containing alcohol; the activities of manufacturers, importers, wholesalers, and retailers; and the influences that affect the consumption levels of alcoholic liquors and other beverages containing alcohol by the people of the State.

(B) The State has a substantial interest in exercising its police power to promote the public health, safety, and welfare of the State by regulating the business of manufacturing, distributing, and retail sales of alcoholic liquors and other beverages containing alcohol in the manner and to the extent allowed by law to promote and preserve public health and safety through legitimate, nonprotectionist measures, which include regulating and controlling alcoholic beverage transactions in this State and the means and manner in which licensed micro-distilleries and alcoholic liquor manufacturers may sell alcoholic beverages to the state’s qualifying consumers.

(C) Selling alcoholic liquors from manufacturers outside the State directly to residents of this State poses a serious threat to the state’s efforts to prevent underage drinking, to state revenue collections, and to the public health and safety of the state’s residents.

(D) By this act, the General Assembly intends to promote the public health, safety, and welfare of residents of this State with laws intended to strictly regulate alcoholic liquors and other beverages containing alcohol by preserving and promoting a robust, stable system of distribution of beverages containing alcohol to the public that does not provide for economic protectionism. Excessive use of alcoholic liquors and other beverages containing alcohol has wide-ranging deleterious health effects, including death. The General Assembly acknowledges that, according to the United States Centers for Disease Control, during the period from 2011 to 2015, an average of one thousand six hundred seventy-nine of this state’s residents suffered alcohol attributed deaths due to excessive alcohol use and the rate of binge drinking in this State is ranked among the highest in the Nation. The General Assembly acknowledges that, according to the National Highway Traffic Safety Administration, this State had two hundred eighty‑five alcohol-impaired driving fatalities in 2019, which accounted for twenty‑eight percent of the total traffic fatalities in the State. Attributed deaths due to alcohol‑impaired driving in this State is ranked among the highest in the Nation.

(E) This act has been enacted pursuant to the authority granted to the State by the Twenty‑first Amendment to the Constitution of the United States, the powers reserved to the states under the Tenth Amendment to the United States Constitution, and the inherent powers of the State under the Constitution of the State of South Carolina, 1895, and the statutes promulgated thereunder. It is the intent of the General Assembly that this act do all of the following:

(1) further regulate and control transactions in this State as to beverages containing alcohol under the control and supervision of the Department of Revenue;

(2) strictly regulate alcoholic beverage transactions by fostering moderation and responsibility in the use and consumption of beverages containing alcohol;

(3) promote and assure the public’s interest in fair and efficient distribution and quality control of alcoholic beverages in this State;

(4) promote orderly marketing of alcoholic beverages;

(5) prevent unfair business practices, discrimination, and undue control of one segment of the alcoholic beverage industry by any other segment;

(6) foster vigorous and healthy competition in the alcoholic beverage industry and protect the interests of consumers against fraud and misleading practices in the sale of alcoholic beverages, and avoid problems associated with indiscriminate price cutting and excessive advertising of alcoholic beverages;

(7) provide for an orderly system of public revenues by facilitating the collection and accountability of this State and local excise taxes;

(8) facilitate the collection of state and local revenue;

(9) maintain trade stability and provide for the continuation of control and orderly processing by the State over the regulation of alcoholic beverage manufacturing locations and the process of selling alcoholic beverages to the state’s consumers;

(10) ensure that the Department of Revenue and State Law Enforcement Division are able to monitor licensed operations through on‑site inspections to confirm compliance with state law and that any alcoholic beverages shipped into, distributed, and sold throughout this State:

(a) have been registered for sale in this State with the Department of Revenue, as prescribed by law;

(b) are not subject to a government‑mandated or supplier‑initiated recall;

(c) are not counterfeit;

(d) are labeled in conformance with applicable laws, rules, and regulations;

(e) can be inspected and tested by the Department of Revenue or the State Law Enforcement Division; and

(f) are not prohibited by this State;

(11) promote and maintain a sound, stable, and viable three‑tier system of distribution of beverages containing alcohol to the public; and

(12) ensure that statutes and regulations relating to alcoholic beverages exist to serve the interests of the State of South Carolina and its citizens rather than to serve or protect the interests of market participants by adopting protectionist measures with no demonstrable connection to the state’s legitimate interests in regulating alcoholic beverages.

SECTION 2. Section 61-4-720 of the 1976 Code is amended to read:

“Section 61-4-720. (A) Notwithstanding another provision of law, a licensed winery located in this State is authorized to sell wine with an alcohol content of sixteen and one‑half percent, or less, on the winery premises and deliver or ship this wine to consumer homes in or outside the State so long as:

(1) the licensed winery is the primary American source of supply for the wine sold; or

(2) the wine is produced on its the licensed premises ~~and contains an alcoholic content of sixteen percent or less~~.

(B) For wine that is not produced on its licensed premises in the State pursuant to subsection (A)(2), but for which the winery is the primary American source of supply under subsection (A)(1), the winery may not sell more than twenty-four bottles of wine each month directly to a resident of this State for such resident’s personal use and not for resale.

(C) These wineries are authorized to provide, with or without cost, wine tasting samples to prospective customers.”

SECTION 3. Chapter 4, Title 61 of the 1976 Code is amended by adding:

“Section 61-4-748. (A) Notwithstanding any other provision of law, rule, or regulation to the contrary, the holder of a valid winery license that, on or after January 1, 2021, invests four hundred million dollars in this State in a Tier III or Tier IV county, as designated by the Department of Revenue pursuant to Section 12-36-3360(B), at the time of the public announcement of the project or upon reaching such investment and job requirement thresholds, and creates at least three hundred new jobs in this State, is eligible for a manufacturer’s satellite certificate to establish up to three wholly‑owned satellite locations for tasting and sale of wine produced or imported as the primary American source of supply, provided that:

(1) before commencing operations at any wholly-owned satellite location, the holder of a valid winery license must first have satisfied all applicable investment and job requirement thresholds;

(2) a winery producing or bottling at least ten million gallons of wine and alcoholic beverages per calendar year in this State may operate one tasting-room premises;

(3) a winery producing or bottling at least twenty million gallons of wine and alcoholic beverages per calendar year in this State may operate two tasting-room premises;

(4) a winery producing or bottling at least thirty million gallons of wine and alcoholic beverages per calendar year in this State may operate three tasting-room premises;

(5) the winery submits, and the department approves, separate applications for each tasting-room premises to be issued a permit, as provided by Sections 61-2-90 and 61-2-140(C);

(6) the winery must pay a biennial tasting-room permit fee of five thousand dollars per tasting-room premises;

(7) no more than one tasting-room premises shall be permitted in any one county of this State;

(8) the winery may conduct tastings of or sell only wine that is (a) produced or bottled by the winery within or outside of this State, (b) produced for or produced and packaged for the winery within or outside of this State and sold under a brand name owned by the winery, or (c) wine for which the winery is the exclusive agent in the United States of an out-of-state vintner;

(9) the winery must sell wine for off-premises consumption at a tasting-room premises at a price approximating retail prices generally charged for identical wine in the county where the tasting-room premises is located;

(10) the winery must charge a consumer a tasting fee to participate in a tasting or the consumer may not purchase any wine for off-premises consumption;

(11) the winery shall remit applicable sales, use, and other state taxes and local taxes for each tasting-room premises. The winery shall maintain adequate records for each tasting-room premises to ensure the collection of these taxes;

(12) all wine to be handled, tasted, or sold at a tasting-room premises must be purchased from licensed wholesalers and transported and delivered to the licensed tasting-room premises only by licensed South Carolina wholesalers;

(13) the winery must maintain all liability insurance required pursuant to Section 61-2-145; and

(14) tastings and sales shall not be offered or made to, or allowed to be offered, made to, or consumed by an intoxicated person or a person who is under the age of twenty-one.

(B) In addition to the provisions set forth in subsection (A), a winery holding one or more tasting-room permits must not provide or sell to an individual consumer at a tasting-room premises:

(1) more than ten ounces of wine in one day for on-premises consumption, including any samples offered and consumed; or

(2) more than the equivalent of six seven hundred fifty milliliter bottles of wine each calendar month to an individual consumer for off-premises consumption and not for resale.

(C) Tasting rooms authorized in this section must close to the public at 5:30 p.m. and may not open to the public until 8:00 a.m.

(D) Each tasting-room permit application is subject to protest, as provided for in Section 61-4-525 for beer and wine permit applications.

(E) The holder of a tasting-room permit who violates a provision of this section is subject to the penalties specified in Section 61-4-250.

(F) Nothing in this section shall be construed so as to prohibit or restrict a winery that also holds a brewery, micro-distillery, or liquor manufacturer’s license from applying for or holding any license or permit that is available to other licensed breweries, micro-distilleries, or liquor manufacturers in this State and that allows the tasting or sales of beer or alcoholic liquors.

(G) Authorization by this section of sales and tastings at a tasting-room premises is expressly intended for the promotion of education regarding production of wine in the State and not to create competition between producers and retailers.”

SECTION 4. Section 61‑4‑770 of the 1976 Code is amended to read:

“Section 61-4-770. Wines containing more than sixteen and one‑half percent of alcohol by volume may be sold only in licensed alcoholic liquor stores or in establishments licensed to sell and permit consumption of alcoholic liquors by the drink.”

SECTION 5. Section 61-6-1035 of the 1976 Code is amended to read:

“Section 61-6-1035. Notwithstanding the provisions of Section 61-6-1500, the sampling of wines containing over sixteen and one‑half percent by volume of alcohol, cordials, and other distilled spirits sold in a retail alcoholic liquor store is authorized if the sampling is conducted as follows:

(1) No sample may be offered from more than four products at one time.

(2) The sample is limited to products from no more than one wholesaler at one time.

(3) No more than one bottle of each of the four products to be sampled may be opened.

(4) The sampling must be held in a designated tasting area of the retail liquor store and all open bottles must be visible at all times. All open bottles must be removed at the conclusion of the tasting.

(5) Samples must be less than one-half ounce for each product sampled.

(6) No person may be served more than one sample of each product.

(7) No sampling may be offered for longer than four hours.

(8) At least ten days before the sampling, a letter detailing the specific date and hours of the sampling must be mailed first class to the South Carolina Law Enforcement Division. The letter must include a copy of a certificate of liability insurance for the manufacturer, the retail establishment, or its agent, conducting the tastings.

(9) No sample may be offered to, or allowed to be consumed by, an intoxicated person or a person under the age of twenty-one years. This person must not be allowed to loiter on the store premises.

(10) The tastings must be conducted by the manufacturer, retailer, or an agent of the manufacturer or retailer, and must not be conducted by a wholesaler, an employee of a wholesaler, or an agent of a wholesaler.

(11) No retail alcoholic liquor store may offer more than one sampling per day.

(12) All product samples used for tastings must be purchased by the retailer from a South Carolina Licensed Wholesaler as required by Section 61-6-100(3).

(13) All associated costs for the tasting must be paid for by the manufacturer, the retailer, or its agent, conducting the tasting.

(14) Mixers, which must be nonalcoholic and carry zero percent of alcohol by weight, may be provided in conjunction with the tasting, but the mixers must be provided free of charge.

(15) Store mixers used, but not sold, in conjunction with tastings.”

SECTION 6. Section 61-6-1640 of the 1976 Code is amended to read:

“Section 61-6-1640. Notwithstanding the provisions of this subarticle or any other provision of law, an establishment licensed pursuant to Article 5 of this chapter is authorized to conduct samplings of wines in excess of sixteen and one‑half percent alcohol, cordials, and distilled spirits, if the sampling is conducted as follows:

(1) the establishment must have a permanent seating capacity of fifty or more persons;

(2) samples may not be offered from more than four products at any one time;

(3) the sampling must be held in the bar area of a licensed establishment and all open bottles must be visible at all times. All open bottles must be removed at the conclusion of the tasting;

(4) samples must be less than one-half ounce for each product sampled;

(5) a person may not be served more than one sample of each product;

(6) sampling may not be offered for more than four hours;

(7) at least five days before the sampling, a letter detailing the specific date and hours of the sampling must be mailed first class to the South Carolina Law Enforcement Division;

(8) a sample may not be offered to, or allowed to be consumed by, an intoxicated person or a person under the age of twenty-one years;

(9) a licensed establishment may not offer more than one sampling each day; and

(10) the sampling must be conducted by the manufacturer or wholesaler or an agent of the manufacturer or wholesaler.”

SECTION 7. Section 61-6-1650 of the 1976 Code is amended to read:

“Section 61-6-1650. Notwithstanding any other provision of law, a producer or wholesaler may furnish or give a sample of wine in excess of sixteen and one‑half percent alcohol, cordial, or distilled spirit to a retailer who has not purchased the brand from a producer or wholesaler in the past three hundred sixty-five days. For each retail establishment, a producer or wholesaler may not give more than three liters of any brand of wine in excess of sixteen and one‑half percent alcohol, cordial, or distilled spirit annually. If a particular product is not available in a size within the quantity limitations of this section, a producer or wholesaler may furnish to a retailer the next larger size. Samples of each bottle or other container must be clearly marked ‘Sample—Not for resale’. Nothing in this section allows for any sample to be sold or provided to any employees under the age of twenty-one or to a retailer's customers. The producer or wholesaler shall remove all bottles at the conclusion of the sampling. For purposes of this section, the term ‘brand’ is defined as provided under 27 C.F.R. Section 6.11.”

SECTION 8. Section 61-6-1540 of the 1976 Code is amended to read:

“Section 61-6-1540. (A) Except as provided in subsection (B), no other goods, wares, or merchandise may be kept or stored in or sold in or from a retail alcoholic liquor store or place of business, and no place of amusement may be maintained in or in connection with the store. However, retail dealers may sell:

(1) drinking glassware packaged together with alcoholic liquors if the glassware and alcoholic liquors are packaged together by the wholesaler or producer in packaging provided by the producer;

(2) nonalcoholic items, other than beer or wine, packaged together with alcoholic liquors if the nonalcoholic items and alcoholic liquors are in sealed packages and are packaged together by the alcoholic liquor producer at its place of business; and

(3) lottery tickets under the provisions of Chapter 150 of Title 59.

(B) Retail dealers licensed pursuant to the provisions of this article may sell all wines in the stores or places of business covered by their respective licenses, whether declared alcoholic or nonalcoholic or nonintoxicating by the laws of this State.

Wines containing more than sixteen and one‑half percent of alcohol by volume may be sold only in licensed alcoholic liquor stores or in establishments licensed to sell and permit consumption of alcoholic liquors by the drink. The provisions of this section do not amend, alter, or modify the taxes imposed on wines or the collection and enforcement of these taxes.”

SECTION 9. Subarticle 11, Article 3, Chapter 6, Title 61 of the 1976 Code is amended by adding:

“Section 61-6-1155. (A)(1) In addition to alcoholic liquor production or manufacturing and sales authorized by this subarticle, a holder of a valid micro-distillery or manufacturer license issued by the State is authorized to sell the alcoholic liquors distilled at the licensed premises to consumers for on-premises consumption within an area of its licensed premises physically partitioned from the distilling and manufacturing operation and bona fide engaged primarily and substantially in the preparation and serving of meals, as required by Section 61-6-1610.

(2) These establishments also may apply for separate beer and wine licenses for on-premises consumption and alcoholic liquor by the drink, and local option permits authorizing the purchase for resale of beer, wine, and alcoholic liquors from wholesalers through the three-tier distribution chain and as required by Section 61-6-1636.

(3) The micro-distillery or manufacturer must:

(a) not sell or allow the consumption of alcoholic liquor by the drink on that part of the micro-distillery or manufacturer’s premises designated and permitted for the distilling and manufacturing operations;

(b) maintain the books, records, and bank accounts of the restaurant operation separately from the books, records, and bank accounts of the distilling and manufacturing operations, and allocate expenses common to both operations in a manner the micro-distillery or manufacturer considers reasonable, when applicable; and

(c) maintain a physical partition between the distilling and manufacturing operations and the food establishment operations. The physical partition may be a permanent wall or a divider permanently affixed to the premises in a manner that the general public may not freely enter the distilling and manufacturing operations area, and may contain a door or doors which remain locked during hours when the micro-distillery or manufacturer is not in operation.

(B) The department shall terminate and a micro-distillery or manufacturer shall surrender each permit and license issued to the micro-distillery or manufacturer pursuant to subsection (A) immediately following inspection, determination, and report by the division to the department that distilling and manufacturing operations have ceased on the micro-distillery or manufacturer’s permitted premises. This includes liquor by the drink authorization and licenses. Following reinstitution of distilling and manufacturing operations on the formerly permitted premises, a micro-distillery or manufacturer may re-apply for the applicable permits and licenses authorized by subsection (A).

(C) A micro-distillery or manufacturer selling beer, wine, or liquor at its licensed premises pursuant to authorization set forth in subsection (A) must:

(1) establish appropriate protocols to ensure that a consumer sold or served alcoholic liquors pursuant to this section is not intoxicated and is not under twenty-one years of age;

(2) sell the alcoholic liquors distilled on the licensed premises at a price approximating retail prices generally charged for identical beverages in the county where the permitted premises are located;

(3) remit appropriate taxes to the department for alcoholic liquor distilled and sold at retail on the licensed premises in an amount equal to and in a manner required for excise taxes assessed by the department. The micro-distillery or manufacturer also must remit appropriate sales, use, and other state and local taxes applicable to retail sale of beer, wine, and liquor;

(4) post information that states the alcoholic content by volume of the various types of alcoholic liquors available in the micro-distillery or manufacturer and the penalties for convictions for:

(a) driving under the influence;

(b) unlawful transport of an alcoholic container; and

(c) unlawful transfer of alcohol to minors.

And, the information shall be in signage that must be posted at each entrance, each exit, and in places in a micro-distillery or manufacturer seen during a tour;

(5) provide department- or DAODAS-approved alcohol enforcement training for the employees who serve alcoholic liquors on the permitted premises to consumers for on-premises consumption, so as to prevent and prohibit unlawful sales, transfer, transport, or consumption of alcoholic liquors by persons who are under the age of twenty-one or who are intoxicated;

(6) maintain all liability insurance required pursuant to Section 61-2-145;

(7) comply with all state and local laws concerning the hours of operation applicable to eating and drinking establishments and other food service establishments holding permits to sell alcoholic liquors by the drink; and

(8) comply with the discount pricing provisions of Sections 61-4-160 and 61-6-4550, as applicable.

(D) The establishment licensed pursuant to subsection (A) may sell the bottles of alcoholic liquor produced on its licensed premises as provided in and subject to the restrictions set forth in Sections 61-6-1140 and 61-6-1150. These bottles may not be considered in determining whether the establishment is bona fide engaged primarily and substantially in the preparation and serving of meals, as required by Section 61-6-1610.”

SECTION 10. Sections 61-6-1140 and 61-6-1150 of the 1976 Code are 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 and the micro-distillery or manufacturer may charge an amount in its discretion for the tour. The amount consumers are charged must be on a scale that accords with the amount of alcoholic liquors for on-premises consumption that is dispensed to consumers;

(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 amount charged by micro-distilleries and manufacturers for tours must increase incrementally and accord with the amount of alcoholic liquors provided for on-premises consumption by one-half ounce, beginning with a base tour price corresponding with the provision of one ounce of alcoholic liquor;

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

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

(5)(6) the micro-distillery or manufacturer may not 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)(7) 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.; and

(9) a micro-distillery or a manufacturer licensed pursuant to Section 61-6-1155 must comply with the discount pricing provisions of Section 61-6-4550, as applicable, and may not dispense alcoholic liquors for free at a tasting in subsection (6) of this section~~.~~

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 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~~ six 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;

(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, unless accompanied by an adult.

A micro-distillery or a manufacturer licensed pursuant to Section 61-6-1155 is not subject to subsections (7) through (10) of this section.”

SECTION 11. A state agency with regulations specifying alcohol content percentages different from the percentages passed in this act must promulgate revised regulations to conform to the changes in this act. Until such time as the regulations are conformed, the percentages in the statutory provisions passed in this act supersede any differing percentages in the regulations.

SECTION 12. If any provision of this act, or its application to any person or circumstance, is determined by a court or other authority of competent jurisdiction to be invalid or unconstitutional, that provision must be stricken and the remaining provisions must be construed in accordance with the intent of the General Assembly to further limit rather than expand commerce in beverages containing alcohol, and with respect to such beverages, the remaining provisions must be construed to enhance strict regulatory control over the taxation, importation, production, distribution, sale, and delivery of beverages containing alcohol through the three-tier regulatory system and the licensing laws imposed by this act.

SECTION 13. This act takes effect upon approval by the Governor.

--XX--