**A** **BILL**

TO AMEND SECTION 61‑4‑1515(A), (B)(1), (D), AND (E) OF THE 1976 CODE, RELATING TO SALES OF BEER FOR ON AND OFF-PREMISES CONSUMPTION, TO REMOVE THE PROVISION THAT BEER MUST BE PRODUCED ON A PERMITTED PREMISES, AND TO REMOVE CERTAIN LIMITATIONS TO SALES; TO AMEND ARTICLE 15, CHAPTER 4, TITLE 61 OF THE 1976 CODE, RELATING TO THE CONSTRUCTION AND OPERATION OF BREWERIES AND WINERIES, BY ADDING SECTION 61‑4‑1505, TO CREATE A NEW LICENSE FOR BREWERIES TO ALLOW THE WAREHOUSING OF BREWED PRODUCTS BY THE BREWERY AND THEIR TRANSFER TO A SEPARATE LICENSED LOCATION OF THE BREWERY WITHIN THIS STATE; AND TO AMEND ARTICLE 15, CHAPTER 4, TITLE 61 OF THE 1976 CODE, RELATING TO THE CONSTRUCTION AND OPERATION OF BREWERIES AND WINERIES, BY ADDING SECTION 61‑4‑1525, TO ALLOW A BREWERY WITH MULTIPLE LOCATIONS WITHIN THE STATE TO TRANSFER PRODUCT BETWEEN FACILITIES AS SPECIFIED BY FEDERAL LAW.

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

SECTION 1. Section 61-4-1515(A) of the 1976 Code is amended to read:

“Section 61-4-1515. (A) A brewery permitted in this State is authorized to sell beer with an alcoholic content of twelve percent by weight, or less, to consumers on its permitted premises, ~~provided that the beer is brewed on the permitted premises with an alcoholic content of twelve percent by weight, or less,~~ subject to the following conditions:”

SECTION 2. Section 61-4-1515(B)(1) of the 1976 Code is amended to read:

“(B)(1) In addition to the sales provisions set forth in subsection (A), a brewery permitted in this State is authorized to sell beer ~~produced on its permitted premises~~ to consumers on site for on‑premises consumption within an area of its permitted and licensed premises approved by the rules and regulations of the Department of Health and Environmental Control governing eating and drinking establishments and other food service establishments. These establishments also may apply for a retail on‑premises consumption permit for the sale of beer and wine not produced on the licensed premises that has been purchased from a wholesaler through the three‑tier distribution chain set forth in Section 61‑4‑735 and Section 61‑4‑940.”

SECTION 3. Section 61-4-1515(D) of the 1976 Code is amended to read:

“(D) The sale of beer ~~that is brewed on the licensed premises~~ for on‑premises consumption pursuant to subsection (B) must comply with the following provisions:

(1) all provisions of subsection (A) shall apply to sales under subsection (B) and this subsection, except subsection (A)(1), (3), and (4);

(2) the brewery must comply with all state and local laws concerning hours of operation applicable to eating and drinking establishments and other food service establishments holding permits to sell beer and wine for on‑premises consumption;

(3) the brewery must comply with the discount pricing provisions of Section 61‑4‑160, applicable to persons holding permits to sell beer and wine for on‑premises consumption;

(4) the brewery must sell the beer at a price approximating retail prices generally charged for identical beverages by on‑premises retailers in the county where the licensed premises are located; and

(5) a wholesaler must not provide and a brewery must not accept services, equipment, fixtures, or free beer prohibited by Section 61‑4‑940(B), except those items authorized by Section 61‑4‑940(C). Changes to the brewery laws pursuant to subsection (B) and this subsection do not alter or amend the structure of the three‑tier laws of this State, and the wholesalers and the breweries must not discriminate in pricing at the producer or wholesaler levels.”

SECTION 4. Section 61-4-1515(E) of the 1976 Code is amended to read

“(E) A brewery located in this State is authorized to sell beer on its permitted premises for off‑premises consumption, provided that the sealed beer was brewed on one of the brewery’s permitted premises within the State with an alcohol content of fourteen percent by weight or less, subject to the following conditions:

(1) ~~the maximum amount of beer that may be sold to an individual per day for off‑premises consumption shall be equivalent to two hundred eighty‑eight ounces in total;~~

~~(2)~~ ~~the beer only shall be sold in conjunction with a tour by the consumer of the permitted premises and the entire brewing process utilized at the permitted premises;~~

~~(3)~~ the beer sold is for personal use only and must not be resold;

~~(4)~~(2) the beer must not be sold to anyone holding a retail beer and wine license for the purpose of resale in their establishment;

~~(5)~~(3) the brewery must sell the beer at the permitted premises at a price approximating retail prices generally charged for identical beverages in the county where the permitted premises are located; and

~~(6)~~(4) the brewery must remit taxes to the Department of Revenue for beer sales in an amount equal to and in a manner required for taxes assessed by Section 12‑21‑1020 and Section 12‑21‑1030. The brewery also must remit appropriate sales and use taxes and local hospitality taxes.”

SECTION 5. Article 15, Chapter 4, Title 61 is amended by adding:

“Section 61-4-1505. A brewery permitted in this State pursuant to this article is authorized to license a separate location strictly to be utilized for storage, cellaring, and warehousing the brewery’s beer. An application for such permit must be in writing in a form the department prescribes. Any such facility shall also allow a brewery to transfer to and from the facility as specified in Section 61‑4‑1525.”

SECTION 6. Article 15, Chapter 4, Title 61 is amended by adding:

“Section 61-4-1525. A brewery permitted in this State is authorized to transfer products and remove beer without payment of tax for transfer between multiple licensed premises in this State subject to the provisions of 26 U.S.C. 5414 and any corresponding provisions of 27 C.F.R. Part 25.”

SECTION 7. This act takes effect upon approval by the Governor.

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