



SPONSOR: Rep. Shupe & Sen. Lopez
Reps. D. Short, Michael Smith, Spiegelman, Yearick

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 158

AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO ALCOHOLIC LIQUORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 512B, Title 4 of the Delaware Code by making deletions as shown by strikethrough and
2 insertions as shown by underline as follows:

3 § 512B. Brewery-pubs.

4 (a) Subject to the provisions, restrictions and prohibitions of this title, the Commissioner may grant a brewery-pub
5 license to each qualified applicant therefor. No person shall own or operate a brewery-pub unless licensed to do so by the
6 Commissioner. For purposes of this section, a "brewery-pub" shall be an establishment in which beer is manufactured on
7 the premises of the licensed establishment, limited to restaurants owned or leased by the brewery-pub applicant.

8 (b) The following conditions and restrictions shall apply to the holder of each brewery-pub license:

9 (1) It must be situated on the premises of, or be physically a part of, a restaurant;

10 (2) It may brew, bottle, and sell beer at ~~no more than 3 other~~ other licensed establishments, provided that each such
11 licensed establishment qualifies as a separate brewery-pub under this section;

12 (3) It shall brew no more than 4,000 barrels of beer in any calendar year;

13 (4) It may sell beer manufactured on licensed premises in labeled barrels, bottles, or other closed containers to
14 wholesalers licensed under this title for delivery by them to persons inside or outside this State;

15 (5) It may sell at the licensed premises beer manufactured on the licensed premises at retail for consumption
16 off the premises;

17 (6) It may sell at the licensed premises beer manufactured on the licensed premises for on-premises
18 consumption;

19 (7) It shall be prohibited from owning, operating or being affiliated with any importer of alcoholic liquor,
20 either in or without this State; and

21 (8) The provisions of § 506 of this title to the contrary notwithstanding, it shall be permitted to have an
22 interest in, be affiliated with, operate, or own another supplier or manufacturer located outside the State and have an

interest in a farm winery, microbrewery, and/or craft distillery licensed under this chapter and actually located in this State, provided that the total domestic sales of all affiliated suppliers or manufacturers shall not exceed the maximum amount currently specified in 27 C.F.R. Part 25, § 25.152(a)(2) or as hereafter amended.

(c) It shall be unlawful for a person to operate a brewery-pub if:

(1) The restaurant portion of the licensed establishment fails to offer complete meals for consideration to patrons or fails to operate as a bona fide restaurant as defined by Commissioner rules or this title;

(2) The license is denied, cancelled, suspended or revoked for any of the grounds contained in § 543 or § 561 of this title;

(3) The business is transferred to a different location.

(d) This section shall not prohibit the granting of a restaurant license to sell alcoholic liquors, for on-premises consumption, as provided in § 512 of this title.

(e) The Commissioner may make and publish such rules and regulations with respect to the assessment and payment of the tax on beer, as contained in § 581 of this title, as it deems proper, and all such rules and regulations that are not inconsistent with this title shall have the force and effect of law.

(f) Notwithstanding any other provision of this title to the contrary, the holder of a brewery-pub license may also make, bottle and sell an alcoholic liquor that is fermented or distilled on the premises, subject to the following conditions and restrictions:

(1) All of the conditions and restrictions relating to beer set forth in subsection (b) of this section; and

(2) Alcoholic liquor that is fermented or distilled on the premises shall be taxed in accordance with § 581 of this title.

(g) The provisions of § 546 of this title to the contrary notwithstanding, there is no limitation on the number of licenses that may be owned or controlled by the same person ~~the sale for off-premises consumption sales at up to a combined total of 3 licensees licensed under this section or 2 licensees licensed under this section and a microbrewery licensed pursuant to under~~ § 512C of this title ~~all owned or controlled by the same person shall be permitted.~~

SYNOPSIS

This Act allows brew-pubs to brew, bottle, and sell beer at other brew-pubs by removing the current restriction limiting such actions to no more than 3 licensed brew-pubs.