



Talking Points

The Brewery Modernization Act

- There are only 3 microbreweries currently operating in Alabama, while Tennessee, Georgia, and Florida share more than 70.
- More breweries in Alabama would mean more businesses and jobs, and would redirect more sales to Alabama-owned companies.
- Alabama breweries face limitations not imposed in other states or on Alabama wineries, making it more difficult for owners to profitably operate their businesses in a competitive industry.
- The Brewery Modernization Act is a pro-business bill that would make it easier to open and operate a microbrewery in Alabama.
- The Brewery Modernization Act will **not** increase the amount of alcohol available in Alabama or make any alcohol more potent.

- The current law makes it difficult to successfully open and operate a microbrewery in Alabama.
 - Breweries must choose between having all beer sales on-premises **or** off-premises. In either case, they must abandon a major source of revenue.
 - If they choose a license that allows on-premises only sales, they are required to operate in an historic location, in a county that had a brewery prior to 1919, with a restaurant with seating for at least 80 people, and are not allowed to sell their beer to other retailers through normal distribution channels.
 - If they choose a license that allows sales only to other retailers, they are not allowed to have tours with samples or tasting rooms. These promotional freedoms are popular in other states and in Alabama wineries.

- The Brewery Modernization Act seeks to bring laws regulating breweries into sync with laws regulating wineries.
 - The act will allow any beer manufacturer to sell its beer to consumers on the premises of the brewery **and** to retailers through existing distribution channels.
 - The act will eliminate the different classes of breweries and reduce the restrictions placed on businesses that wish to offer on-premises sales.
 - It will also allow breweries to operate restaurants and conduct tours and tastings as a way to promote their products.

How The Brewery Modernization Act Works

- Under the current law, new and existing beer manufacturers in Alabama may possess only one license - a brewery license or a brewpub license.
- The Brewery Modernization Act merges the two classes of beer manufacturers. Instead of two different types of licenses, there will be one license for all breweries.
- The merged license will give local breweries some of the same freedoms enjoyed by Alabama wineries – *any* winery in Alabama may currently sell its products for consumption on the premises and may sell at retail locations through distributors.

Current Brewery licensees	Current Brewpub licensees	New brewery licensees after Brewery Modernization Act
<ul style="list-style-type: none"> • Can only sell beer to wholesalers for distribution to other retail outlets. • Not allowed to sell their beer at the brewery at an on-location tasting room. • Not allowed to offer tours of the brewery with samples of their product. 	<ul style="list-style-type: none"> • Can only sell their beer on-premises at the brewpub. • Not allowed to sell their beer outside of the brewpub. • Not allowed to participate in beer festivals. • Must be located in a legally defined (Section 40-8-3, Ala. Code) “historic” location. • Must be located in a county that had a beer manufacturer prior to Prohibition. • Must have a restaurant which seats at least 80. 	<ul style="list-style-type: none"> • Can sell their beer on-premises at a tasting room or restaurant like the current brewpub licensees. • Can sell their beer to wholesalers for distribution to other retail outlets like current brewery licensees. • No historic location requirement. • May be located in any wet county, subject to local zoning laws and ordinances. • May participate in festivals and other Special Event Retail License events.

- These brewery regulations are already in place in many other states with thriving brewing industries. Putting them into effect in Alabama will encourage more local breweries to open here.
- The Brewery Modernization Act will mean more local businesses helping the economy and more customers supporting the Alabama-based industry.