

CS/CS/SB 296 by **CM, RI, Brandes**; (Compare to H 00669) Beverage Law

298022	A	S	RI, Brandes	Delete L.55 - 114:	01/19 10:21 AM
258730	A	S L	RI, Steube	Delete L.66 - 114:	01/22 12:03 PM
576840	A	S L	RI, Steube	Delete L.62 - 63:	01/22 12:04 PM

SB 922 by **Bean**; (Similar to H 01265) Sale of Alcoholic Beverages

SB 1224 by **Bradley**; (Similar to H 00961) Beverage Law

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

REGULATED INDUSTRIES
Senator Hutson, Chair
Senator Hukill, Vice Chair

MEETING DATE: Tuesday, January 23, 2018
TIME: 11:30 a.m.—1:30 p.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Hutson, Chair; Senator Hukill, Vice Chair; Senators Benacquisto, Bracy, Brandes, Braynon, Gibson, Steube, Thurston, and Young

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/CS/SB 296 Commerce and Tourism / Regulated Industries / Brandes (Compare H 669)	Beverage Law; Repealing provisions relating to limitations on the size of individual wine containers; repealing provisions relating to limitations on the size of individual cider containers; revising provisions authorizing a restaurant to allow a patron to remove bottles of wine from a restaurant for off-premises consumption; providing limitations on retail sales by a craft distillery to consumers, etc.	RI 12/07/2017 Fav/CS CM 01/09/2018 Fav/CS RI 01/23/2018 RC
2	SB 922 Bean (Similar H 1265)	Sale of Alcoholic Beverages; Providing an exception to the miniature bottle requirement for operators of intrastate railroads and sleeper cars, etc.	RI 01/23/2018 TR RC
3	SB 1224 Bradley (Similar H 961)	Beverage Law; Authorizing a malt beverage distributor to give branded glassware to vendors licensed to sell malt beverages for on-premises consumption; requiring that the glassware bear certain branding; prohibiting a vendor from selling the branded glassware or returning it to a distributor for cash, credit, or replacement, etc.	RI 01/23/2018 CM AP

Bills without final action will be considered at the next meeting Wednesday, January 24, 2018

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: CS/CS/SB 296

INTRODUCER: Commerce and Tourism Committee; Regulated Industries Committee; and Senator Brandes

SUBJECT: Beverage Law

DATE: January 22, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>McSwain</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>Swift</u>	<u>McKay</u>	<u>CM</u>	<u>Fav/CS</u>
3.	<u>Oxamendi</u>	<u>McSwain</u>	<u>RI</u>	<u>Pre-meeting</u>
4.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 296 repeals the limits on the size of a wine container, which in current law may not hold more than one gallon, unless the container is reusable and holds 5.16 gallons.

The bill also repeals the limits on the size of a cider container, which in current law may not hold more than 32 ounces of cider. However, current law permits cider to be packaged and sold in bulk, in kegs or barrels, or in any individual container of one gallon or more of cider, regardless of container type.

The bill amends the current provision that permits a restaurant patron to take home a partially consumed bottle of wine under certain conditions. It revises the requirement that a restaurant patron must purchase and consume a full course meal (consisting of an entrée, salad or vegetable, beverage, and bread) in order to be able to take home a partially consumed bottle of wine. The bill replaces that requirement with a requirement that a restaurant patron purchase only a meal with the bottle of wine.

Additionally, the bill revises the current requirement for distilleries to produce no more than 75,000 gallons per calendar year to qualify as a craft distillery. As a craft distillery, a distillery may sell a limited quantity of branded products distilled on the licensed premises to consumers in its souvenir gift shop. The bill increases the limit to 250,000 gallons or fewer, but limits the

amount allowed to be transferred to the craft distillery's souvenir gift shop for sale to consumers to 75,000 gallons. CS/CS/SB 296 has no fiscal impact on state government. See Section V, Fiscal Impact Statement.

The effective date of the bill is July 1, 2018.

II. Present Situation:

Division of Alcoholic Beverages and Tobacco

The Division of Alcoholic Beverages and Tobacco (division) within the Department of Business and Professional Regulation administers and enforces¹ the Beverage Law,² which regulates the manufacture, distribution, and sale of wine, beer, and liquor³. The division is also responsible for the administration and enforcement of tobacco products under ch. 569, F.S.

Wine and Cider Containers

Section 564.05, F.S., prohibits the sale of wine in an individual container that holds more than one gallon of wine. However, wine may be sold in a reusable container of 5.16 gallons. Distributors and manufacturers may sell wine to other distributors and manufacturers in containers of any size. Any person who violates the prohibition in s. 564.05, F.S., commits a second degree misdemeanor.⁴

Section 564.055, F.S., prohibits the sale of cider⁵ at retail in any individual container of more than 32 ounces of cider. However, cider may be packaged and sold in bulk, in kegs or barrels, or in any individual container of one gallon or more of cider, regardless of container type.

Restaurants - Off-Premises Consumption of Wine

Restaurants licensed to sell wine on the premises may permit patrons to remove one bottle of wine for consumption off the licensed premises under the following conditions:

- The patron must have purchased a full-course meal consisting of a salad or vegetable, entrée, a beverage, and bread and consumed a portion of the bottle of wine with the meal;
- Before the partially-consumed bottle of wine is removed from the premises, the bottle must be securely resealed by the licensee, or the licensee's employee, and placed in a bag or other container that is secured in such a manner that it is visibly apparent if the container has been opened or tampered with after having been sealed;

¹ Section 561.02, F.S.

² Section 561.01(6), F.S., provides that the "Beverage Law" means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

³ See s. 561.14, F.S.

⁴ Section 775.082(4), F.S., provides the penalty for a misdemeanor of the second degree is a term of imprisonment not exceeding 60 days. Section 775.083(1)(e), F.S., provides the penalty for a misdemeanor of the second degree is a fine not to exceed \$500.

⁵ Section 564.06(4), F.S., provides that "cider" is "made from the normal alcoholic fermentation of the juice of sound, ripe apples or pears, including but not limited to flavored, sparkling, or carbonated cider and cider made from condensed apple or pear must, that contain not less than one-half of 1 percent of alcohol by volume and not more than 7 percent of alcohol by volume." "Must" is the expressed juice of a fruit before and during fermentation. See <https://www.merriam-webster.com/dictionary/must> (last visited January 4, 2018).

- A dated receipt for the wine and meal must be attached to the container; and
- The container must be placed in a locked glove compartment, trunk, or other area behind the last upright seat of a motor vehicle that does not have a trunk.⁶

Distilleries and Craft Distilleries

Section 565.01, F.S., defines the terms “liquor,” “distilled spirits,” “spirituous liquors,” “spirituous beverages,” or “distilled spirituous liquors” to mean “that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced.”

A “distillery” is a manufacturer of distilled spirits,⁷ and a “craft distillery” is a licensed distillery that produces 75,000 or fewer gallons of distilled spirits per calendar year on its premises. A craft distillery must notify the division in writing of its decision to qualify as a craft distillery.⁸

All distilleries engaged solely in the business of manufacturing distilled spirits, or engaged in the business of blending and rectifying⁹ distilled spirits must pay a state license tax for each plant or branch operating in Florida. Distilleries pay \$4,000 annually for the license tax and craft distilleries pay \$1,000. Persons who engage in the business of distilling spirits may also rectify and blend spirituous liquors without paying an additional license tax.¹⁰

Retail Sales by Distilleries

A craft distillery is allowed to sell to consumers branded products¹¹ distilled on the licensed premises. The products must be in factory-sealed containers that are filled at the distillery and sold for off-premises consumption.¹² The sales must occur at the distillery’s souvenir gift shop located on private property contiguous to the licensed distillery premises. The craft distillery is not required to obtain, in addition to its manufacturer’s license, a vendor’s license in order to sell distilled spirits to consumers.

A craft distillery must report to the division within five business days after it has reached the 75,000-gallon production limit and cease making sales to consumers on the day after it reaches the production limit.¹³

A craft distillery may not ship, arrange to ship, or deliver distilled spirits to consumers, but may ship, arrange to ship, or deliver distilled spirits to manufacturers of distilled spirits, wholesale distributors of distilled spirits, state or federal bonded warehouses, and exporters.¹⁴

⁶ Section 564.09, F.S.

⁷ Section 565.03(1)(c), F.S.

⁸ Section 565.03(1)(b), F.S.

⁹ Merriam-Webster defines rectify as the purification (of alcohol) especially by repeated or fractional distillation, *available at* <http://www.merriam-webster.com/dictionary/rectify> (last visited January 10, 2018).

¹⁰ Section 565.03(3), F.S.

¹¹ Section 565.03(1)(a), F.S., defines “branded product” to mean “any distilled spirits product manufactured on site, which requires a federal certificate and label approval by the Federal Alcohol Administration Act or federal regulations.”

¹² Section 565.03(2)(c), F.S.

¹³ Section 565.03(2)(c)3., F.S.

¹⁴ Section 565.03(2)(c)4., F.S.

A craft distillery may not transfer its license or any ownership interest to any individual or entity with a direct or indirect interest in another distillery licensed in any other state, territory, or country.¹⁵ However, a craft distillery may be affiliated with another distillery that produces 75,000 or fewer gallons per calendar year of distilled spirits on its premises or in any other state, territory, or country.¹⁶

A craft distillery must submit beverage excise taxes on distilled spirits sold to consumers in its monthly report to the division.¹⁷

III. Effect of Proposed Changes:

Wine Containers

Section 1 repeals the wine container size limits in s. 564.05, F.S.

Cider Containers

Section 2 repeals the cider container size limits in s. 564.055, F.S.

Restaurants - Off-Premises Consumption of Wine

Section 3 amends s. 564.09, F.S., to revise the requirement that a restaurant patron must purchase and consume a full course meal in order to be able to take home a partially consumed bottle of wine. The bill retains the requirement that the restaurant patron purchase a meal with the bottle of wine.

Craft Distilleries

Section 4 amends s. 565.03, F.S., to revise the requirement that craft distilleries may only produce up to 75,000 gallons per calendar year, instead allowing for 250,000 or fewer gallons per calendar year. The bill also increases from 75,000 gallons to 250,000 gallons the maximum production per calendar year of distilled spirits a distillery affiliated with a craft distillery may produce on its premises or in any other state, territory, or country.

Under the bill, the amount allowed to be transferred to the craft distillery's souvenir gift shop for sale to consumers is limited to 75,000 gallons per calendar year.

Effective Date

Section 5 provides the bill takes effect July 1, 2018.

¹⁵ Section 565.03(2)(c)5., F.S.

¹⁶ Section 565.03(2)(c)6., F.S.

¹⁷ Section 565.03(5), F.S. Section 565.12, F.S., requires manufactures and distributors to pay an excise tax on alcoholic beverages, with the tax rate per gallon depending on the percent of alcohol by volume of the beverage. Section 565.13, F.S., requires every distributor selling spirituous beverages within the state to pay the tax to the division monthly on or before the 10th day of the following month.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

CS/CS/SB 296 increases from 75,000 gallons to 250,000 gallons the maximum production per calendar year to qualify as a craft distillery. Under current law, distilleries pay an annual \$4,000 license tax and craft distilleries pay \$1,000. There are 48 distilleries licensed in Florida. Thirty-eight of the distilleries are designated as craft distilleries and eight distilleries produce less than 75,000 gallons per calendar year but have not sought designation as craft distilleries. The remaining two distilleries produce, or are affiliated with distilleries that produce, more than the 250,000 gallons per calendar year production limit in the bill. Consequently, CS/CS/SB 296 is not anticipated to have a fiscal impact.¹⁸

VI. Technical Deficiencies:

None.

VII. Related Issues:

The provisions repealing the limits on the size of wine containers and revising the conditions under which a restaurant patron may be permitted to take home a partially consumed bottle of wine in CS/CS/SB 296 are substantively identical to provisions in CS/CS/SB 388 (2017 Regular Session), by the Rules Committee, Regulated Industries Committee, and Senator Hutson, which

¹⁸ See 2018 Agency Legislative Bill Analysis issued by the DBPR for CS/CS/SB 296, dated January 18, 2018 (on file with Senate Committee on Regulated Industries) at page 4.

were amended onto the bill by the Rules Committee and passed by the Senate.¹⁹ The provisions in CS/CS/SB 296 also were passed by the Regulated Industries Committee in CS/SB 400 during the 2017 Regular Session.²⁰

VIII. Statutes Affected:

This bill repeals the following sections of the Florida Statutes: 564.05 and 564.055.

This bill substantially amends the following sections of the Florida Statutes: 564.09 and 565.03.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Regulated Industries Committee on December 7, 2017:

The committee substitute:

- Removes from the bill the provision permitting the sale of cider in 32 ounce, 64 ounce, or one gallon growlers in the same manner and with the same restrictions applicable to malt beverages;
- Repeals s. 564.055, F.S., relating to the container size limitations for cider; and
- Removes from the bill the provision that would permit a restaurant patron to take home a partially consumed and resealed bottle of beer.

CS by Commerce and Tourism Committee on January 9, 2018:

- Adds to the bill the provision that craft distilleries may now produce 250,000 or fewer gallons and retain their craft distillery status.
- Retains the provision that craft distilleries may only sell up to 75,000 gallons at their souvenir shop.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

¹⁹ See Amendment #379250 (2017 Regular Session) offered by Senator Brandes in the Rules Committee on April 12, 2017. The Senate passed CS/CS/SB 388 on April 19, 2017, by a vote of 36-1. (Subsequently, CS/CS/SB 388 was amended by the House of Representatives to remove provisions unrelated to provisions in SB 296 and died in Returning Messages.)

²⁰ See Substitute Amendment #323682 and Amendment #193132 to Substitute Amendment #323682 (both offered by Senator Brandes) to SB 400 by Senator Perry, which were adopted by the Regulated Industries Committee on March 16, 2016. (Those provisions subsequently were removed from CS/CS/SB 400 by Amendment #887606 offered by Senator Perry, which was adopted by the Senate on April 27, 2017. CS/CS/CS/HB 689 (2017 Regular Session) was substituted for CS/CS/SB 400 and CS/CS/SB 400 then was laid on the table. CS/CS/CS/HB 689 was enacted into law as Ch. 2017-137, Laws of Fla.)



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LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (Brandes) recommended the following:

Senate Amendment (with title amendment)

Delete lines 55 - 114

and insert:

(b) "Craft distillery" means a licensed distillery that has notified the division in writing of its decision to qualify as a craft distillery and that:

1. Produces 250,000 ~~75,000~~ or fewer gallons per calendar year of distilled spirits on its premises; and

2. Sells up to 50,000 gallons per calendar year of



298022

11 distilled spirits to consumers at its souvenir gift shop in
12 accordance with this section ~~Has notified the division in~~
13 ~~writing of its decision to qualify as a craft distillery.~~

14 (2)

15 (c) A craft distillery licensed under this section may sell
16 to consumers, at its souvenir gift shop, up to 50,000 gallons
17 per calendar year of branded products distilled on its premises
18 in this state in factory-sealed containers that are filled at
19 the distillery for off-premises consumption. Such sales are
20 authorized only on private property contiguous to the licensed
21 distillery premises in this state and included on the sketch or
22 diagram defining the licensed premises submitted with the
23 distillery's license application. All sketch or diagram
24 revisions by the distillery shall require the division's
25 approval verifying that the souvenir gift shop location operated
26 by the licensed distillery is owned or leased by the distillery
27 and on property contiguous to the distillery's production
28 building in this state.

29 1. A craft distillery may not sell any factory-sealed
30 individual containers of spirits except in face-to-face sales
31 transactions with consumers who are making a purchase of no more
32 than six individual containers of each branded product.

33 2. Each container sold in face-to-face transactions with
34 consumers must comply with the container limits in s. 565.10,
35 per calendar year for the consumer's personal use and not for
36 resale and who are present at the distillery's licensed premises
37 in this state.

38 3. A craft distillery must report to the division within 5
39 days after it reaches the production limitations provided in



298022

40 paragraph (1)(b). Any retail sales to consumers at the craft
41 distillery's licensed premises are prohibited beginning the day
42 after it reaches the production limitation.

43 4. A craft distillery may not ship or arrange to ship any
44 of its distilled spirits to consumers and may sell and deliver
45 only to consumers within the state in a face-to-face transaction
46 at the distillery property. However, a craft distiller licensed
47 under this section may ship, arrange to ship, or deliver such
48 spirits to manufacturers of distilled spirits, wholesale
49 distributors of distilled spirits, state or federal bonded
50 warehouses, and exporters.

51 5. Except as provided in subparagraph 6., it is unlawful to
52 transfer a distillery license for a craft distillery ~~that~~
53 ~~produces 75,000 or fewer gallons per calendar year of distilled~~
54 ~~spirits on its premises~~ or any direct or indirect ownership
55 interest in such license to an individual or entity that has a
56 direct or indirect ownership interest in any distillery licensed
57 in this state; in another state, territory, or country; or by
58 the United States government to manufacture, blend, or rectify
59 distilled spirits for beverage purposes.

60 6. A craft distillery may ~~shall~~ not have its ownership
61 interest directly or indirectly affiliated with any individual
62 or entity that has a direct or indirect ownership interest in
63 any distillery licensed in this state; in another state,
64 territory, or country; or by the United States government to
65 manufacture, blend, or rectify distilled spirits for beverage
66 purposes, unless such distillery is a craft distillery ~~another~~
67 ~~distillery, unless such distillery produces 75,000 or fewer~~
68 ~~gallons per calendar year of distilled spirits on each of its~~



298022

69 ~~premises in this state or in another state, territory, or~~
70 ~~country.~~

71 7. A craft distillery may transfer up to 50,000 gallons per
72 calendar year of distilled spirits it manufactures from its
73 federal bonded space, a nonbonded space, its licensed premises,
74 or its storage areas to its souvenir gift shop.

75
76 ===== T I T L E A M E N D M E N T =====

77 And the title is amended as follows:

78 Delete lines 13 - 17

79 and insert:

80 to transfer a distillery license for a craft
81 distillery or ownership in such license to certain
82 individuals or entities; prohibiting a craft
83 distillery from having its ownership affiliated with
84 certain individuals or entities; authorizing a craft



258730

LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete lines 66 - 114

and insert:

authorized only on ~~private~~ property owned or leased by the distillery which is contiguous to the licensed distillery premises and at one other approved sales room located in the same county as the distillery's production building, which shall be considered an extension of the craft distillery's licensed premises ~~in this state~~ and included on the sketch or diagram



258730

11 defining the licensed premises submitted with the distillery's
12 license application. All sketch or diagram revisions by the
13 distillery ~~shall~~ require local zoning approval and the
14 division's approval verifying that the souvenir gift shop
15 location and all areas used and operated by the licensed
16 distillery are ~~is~~ owned or leased by the distillery and on
17 property contiguous to the distillery's production building in
18 this state or within the extended licensed premises.

19 1. A craft distillery may not sell any factory-sealed
20 individual containers of spirits except in face-to-face sales
21 transactions at the distillery's licensed premises with
22 consumers who are making a purchase of no more than six
23 individual containers of each branded product.

24 2. Each container sold in face-to-face transactions with
25 consumers must comply with the container limits in s. 565.10,
26 per calendar year for the consumer's personal use and not for
27 resale and who are present at the distillery's licensed premises
28 in this state.

29 3. A craft distillery must report to the division within 5
30 days after it reaches the production limitations provided in
31 paragraph (1)(b). Any retail sales to consumers at the craft
32 distillery's licensed premises are prohibited beginning the day
33 after it reaches the production limitation.

34 4. A craft distillery may not ship or arrange to ship any
35 of its distilled spirits to consumers and may sell and deliver
36 only to consumers within the state in a face-to-face transaction
37 at the distillery property. However, a craft distiller licensed
38 under this section may ship, arrange to ship, or deliver such
39 spirits to manufacturers of distilled spirits, wholesale



258730

40 distributors of distilled spirits, state or federal bonded
41 warehouses, and exporters.

42 5. Except as provided in subparagraph 6., it is unlawful to
43 transfer a distillery license for a distillery that produces
44 250,000 ~~75,000~~ or fewer gallons per calendar year of distilled
45 spirits on its premises or any ownership interest in such
46 license to an individual or entity that has a direct or indirect
47 ownership interest in any distillery licensed in this state;
48 another state, territory, or country; or by the United States
49 government to manufacture, blend, or rectify distilled spirits
50 for beverage purposes.

51 6. A craft distillery shall not have its ownership
52 affiliated with another distillery, unless such distillery
53 produces 250,000 ~~75,000~~ or fewer gallons per calendar year of
54 distilled spirits on each of its premises in this state or in
55 another state, territory, or country.

56 7. A craft distillery may transfer up to 75,000 gallons per
57 calendar year of distilled spirits it manufactures from its
58 federal bonded space, nonbonded space at its licensed premises,
59 or storage areas to its souvenir gift shop and additional sales
60 room.

61 8. A craft distillery may include a sales room location
62 authorized by this subsection on its original license
63 application or by an amendment to its license application on
64 forms prescribed by the division.

65
66 ===== T I T L E A M E N D M E N T =====

67 And the title is amended as follows:

68 Delete lines 12 - 19



258730

69 and insert:

70 distillery to consumers; requiring that sketch or
71 diagram revisions by the craft distillery receive
72 local zoning approval; providing that it is unlawful
73 to transfer a distillery license, or ownership in a
74 distillery license, for certain distilleries to
75 certain individuals or entities; prohibiting a craft
76 distillery from having its ownership affiliated with
77 certain other distilleries; authorizing a craft
78 distillery to transfer distilled spirits from certain
79 locations to its souvenir gift shop and additional
80 sales room; authorizing a craft distillery to include
81 a sales room location on its original license
82 application or by an amendment to its license
83 application; providing an



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LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete lines 62 - 63

and insert:

to consumers, at its souvenir gift shop, branded products
distilled on its premises

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 11 - 12



576840

11 and insert:
12 providing that it is unlawful

By the Committees on Commerce and Tourism; and Regulated Industries; and Senator Brandes

577-01940-18

2018296c2

1 A bill to be entitled
2 An act relating to the Beverage Law; repealing s.
3 564.05, F.S., relating to limitations on the size of
4 individual wine containers; repealing s. 564.055,
5 F.S., relating to limitations on the size of
6 individual cider containers; amending s. 564.09, F.S.;
7 revising provisions authorizing a restaurant to allow
8 a patron to remove bottles of wine from a restaurant
9 for off-premises consumption; amending s. 565.03,
10 F.S.; redefining the term "craft distillery";
11 providing limitations on retail sales by a craft
12 distillery to consumers; providing that it is unlawful
13 to transfer a distillery license, or ownership in a
14 distillery license, for certain distilleries to
15 certain individuals or entities; prohibiting a craft
16 distillery from having its ownership affiliated with
17 certain other distilleries; authorizing a craft
18 distillery to transfer distilled spirits from certain
19 locations to its souvenir gift shop; providing an
20 effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Section 564.05, Florida Statutes, is repealed.

25 Section 2. Section 564.055, Florida Statutes, is repealed.

26 Section 3. Section 564.09, Florida Statutes, is amended to
27 read:

28 564.09 Restaurants; off-premises consumption of wine.-

29 Notwithstanding any other provision of law, a restaurant

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2018296c2

30 licensed to sell wine on the premises may permit a patron to
31 remove one unsealed bottle of wine for consumption off the
32 premises if the patron has purchased a ~~full-course~~ meal
33 ~~consisting of a salad or vegetable, entree, a beverage, and~~
34 ~~bread~~ and consumed a portion of the bottle of wine ~~with such~~
35 ~~meal~~ on the restaurant premises. A partially consumed bottle of
36 wine that is to be removed from the premises must be securely
37 resealed by the licensee or its employees before removal from
38 the premises. The partially consumed bottle of wine shall be
39 placed in a bag or other container that is secured in such a
40 manner that it is visibly apparent if the container has been
41 subsequently opened or tampered with, and a dated receipt for
42 the bottle of wine and ~~full-course~~ meal shall be provided by the
43 licensee and attached to the container. If transported in a
44 motor vehicle, the container with the resealed bottle of wine
45 must be placed in a locked glove compartment, a locked trunk, or
46 the area behind the last upright seat of a motor vehicle that is
47 not equipped with a trunk.

48 Section 4. Paragraph (b) of subsection (1) and paragraph
49 (c) of subsection (2) of section 565.03, Florida Statutes, are
50 amended to read:

51 565.03 License fees; manufacturers, distributors, brokers,
52 sales agents, and importers of alcoholic beverages; vendor
53 licenses and fees; distilleries and craft distilleries.-

54 (1) As used in this section, the term:

55 (b) "Craft distillery" means a licensed distillery that
56 produces 250,000 ~~75,000~~ or fewer gallons per calendar year of
57 distilled spirits on its premises and is designated as a craft
58 distillery by ~~has notified~~ the division upon notification in

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2018296c2

59 writing of its decision to qualify as a craft distillery.

60 (2)

61 (c) A craft distillery licensed under this section may sell
62 to consumers, at its souvenir gift shop, up to 75,000 gallons
63 per calendar year of branded products distilled on its premises
64 in this state in factory-sealed containers that are filled at
65 the distillery for off-premises consumption. Such sales are
66 authorized only on private property contiguous to the licensed
67 distillery premises in this state and included on the sketch or
68 diagram defining the licensed premises submitted with the
69 distillery's license application. All sketch or diagram
70 revisions by the distillery shall require the division's
71 approval verifying that the souvenir gift shop location operated
72 by the licensed distillery is owned or leased by the distillery
73 and on property contiguous to the distillery's production
74 building in this state.

75 1. A craft distillery may not sell any factory-sealed
76 individual containers of spirits except in face-to-face sales
77 transactions with consumers who are making a purchase of no more
78 than six individual containers of each branded product.

79 2. Each container sold in face-to-face transactions with
80 consumers must comply with the container limits in s. 565.10,
81 per calendar year for the consumer's personal use and not for
82 resale and who are present at the distillery's licensed premises
83 in this state.

84 3. A craft distillery must report to the division within 5
85 days after it reaches the production limitations provided in
86 paragraph (1)(b). Any retail sales to consumers at the craft
87 distillery's licensed premises are prohibited beginning the day

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88 after it reaches the production limitation.

89 4. A craft distillery may not ship or arrange to ship any
90 of its distilled spirits to consumers and may sell and deliver
91 only to consumers within the state in a face-to-face transaction
92 at the distillery property. However, a craft distiller licensed
93 under this section may ship, arrange to ship, or deliver such
94 spirits to manufacturers of distilled spirits, wholesale
95 distributors of distilled spirits, state or federal bonded
96 warehouses, and exporters.

97 5. Except as provided in subparagraph 6., it is unlawful to
98 transfer a distillery license for a distillery that produces
99 250,000 ~~75,000~~ or fewer gallons per calendar year of distilled
100 spirits on its premises or any ownership interest in such
101 license to an individual or entity that has a direct or indirect
102 ownership interest in any distillery licensed in this state;
103 another state, territory, or country; or by the United States
104 government to manufacture, blend, or rectify distilled spirits
105 for beverage purposes.

106 6. A craft distillery shall not have its ownership
107 affiliated with another distillery, unless such distillery
108 produces 250,000 ~~75,000~~ or fewer gallons per calendar year of
109 distilled spirits on each of its premises in this state or in
110 another state, territory, or country.

111 7. A craft distillery may transfer up to 75,000 gallons per
112 calendar year of distilled spirits it manufactures from its
113 federal bonded space, nonbonded space at its licensed premises,
114 or storage areas to its souvenir gift shop.

115 Section 5. This act shall take effect July 1, 2018.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: SB 922

INTRODUCER: Senator Bean

SUBJECT: Sale of Alcoholic Beverages

DATE: January 22, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Oxamendi	McSwain	RI	Pre-meeting
2.			TR	
3.			RC	

I. Summary:

SB 922 exempts liquor sold by an alcoholic beverage-licensed operator of *intrastate* railroads or sleeping cars from the limitation in current law that permits the licensee to only purchase and sell liquor in miniature bottles of not more than two ounces.

An alcoholic beverage license issued to an operator of railroads and sleeping cars is good throughout the state for the sale of beer, wine, liquor for consumption on any dining, club, parlor, buffet, or observation car of a passenger train operated by the licensee.

An operator of *interstate* railroads or sleeping cars remains subject to the limitation in current law that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

The effective date of the bill is July 1, 2018.

II. Present Situation:

Division of Alcoholic Beverages and Tobacco

The Division of Alcoholic Beverages and Tobacco (division)¹ within the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law,² which regulates the manufacture, distribution, and sale of wine, beer, and liquor.³ The division is also responsible for the administration and enforcement of tobacco products under ch. 569, F.S.

¹ Section 561.02, F.S. Section 561.01(6), F.S., provides that the "Beverage Law" means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

² See s. 561.14, F.S.

³³ Section 565.01, F.S., defines the terms "liquor," "distilled spirits," "spirituous liquors," "spirituous beverages," or "distilled spirituous liquors" to mean "that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced."

Quota Licenses

The term “quota license” refers to the type of license authorized under s. 561.20, F.S., which limits the number of alcoholic beverage licenses that permit the sale of liquor along with beer and wine that may be issued per county. The number of licenses is limited to one license per 7,500 residents within the county. New quota licenses are created and issued when there is an increase in the population of a county, or when a county initially changes from a county which does not permit the sale of intoxicating liquors to one that does permit their sale. The quota license is the only type of alcoholic beverage license that is limited in number.

Quota License Exceptions

Section 561.20(2), F.S., provides several exceptions to the number of licenses that permit the sale of beer, wine, and distilled spirits. The exceptions include restaurants, caterers, hotels and motels, specialty centers built on government-owned land, bowling establishments, and airports. Quota license exceptions are known as “special licenses.”

Alcoholic Beverage Licenses for Railroad Transit Stations

The Beverage Law provides a limited exception to the quota license limitation to permit the division to issue an alcoholic beverage license (for the sale of beer, wine, and liquor) to an operator of railroads or sleeping cars and a vendor in railroad transit stations.

A “railroad transit station” is a platform or terminal facility where passenger trains operating on a guided rail system according to a fixed schedule between two or more cities regularly stop to load and unload passengers or goods. The term includes the passenger waiting lounge or dining, retail, entertainment, or recreational facilities within the premises owned or leased by the railroad operator or owner.⁴

Section 565.02(2), F.S., permits the division to issue a license for the sale of beer, wine, and liquor to:

- The operator of railroads or sleeping cars; and
- A vendor in a railroad transit station.⁵

The annual license tax for these licenses is \$2,500. These licenses are an exception to the quota license limitation. A municipality or county may not require an additional license or levy a tax for the privilege of selling alcoholic beverages for consumption in such cars.⁶

The license issued to the operator of railroads and sleeping cars is good throughout the state for the sale of beer, wine, liquor for consumption on any dining, club, parlor, buffet, or observation car of a passenger train operated by the licensee. Alcoholic beverages can be sold only on cars in which certified copies of the licenses are posted.⁷

⁴ See s. 561.01(22), F.S.

⁵ Section 565.02(2), F.S.

⁶ *Id.*

⁷ Section 565.02(2)(a), F.S.

Operators of railroads and sleeping cars may only purchase and sell liquor in miniature bottles of not more than two ounces. However, alcoholic beverages sold within the licensed premises of a railroad transit station are not subject to the limitation on the size of the container.⁸

All Aboard Florida

All Aboard Florida is the operator of “Brightline,” the under-construction, express passenger rail service between Miami and Orlando that uses the existing Florida East Coast Railway corridor between Miami and Cocoa. It is also building a new track along State Road 528 between Cocoa and Orlando. In 2018, the route is anticipated to open for service between Miami and West Palm Beach. A full-service route from Miami to Orlando will also open later that year. All Aboard Florida is constructing railroad stations in Miami, Fort Lauderdale, and West Palm Beach. The Orlando station is under construction at the Intermodal Transportation Center at Orlando International Airport.⁹

III. Effect of Proposed Changes:

The bill amends s. 565.02(a), F.S., to exempt liquor sold by the operator of *intrastate* railroads or sleeping cars from the limitation that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

An operator of *interstate* railroads or sleeping cars would remain subject to the limitation that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

The effective date of the bill is July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

⁸ *Id.*

⁹ See All Aboard Florida at: <http://www.allaboardflorida.com/> (Last visited January 16, 2018).

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 565.02 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Bean

4-01073-18

2018922__

1 A bill to be entitled
2 An act relating to the sale of alcoholic beverages;
3 amending s. 565.02, F.S.; providing an exception to
4 the miniature bottle requirement for operators of
5 intrastate railroads and sleeper cars; providing an
6 effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Paragraph (a) of subsection (2) of section
11 565.02, Florida Statutes, is amended to read:

12 565.02 License fees; vendors; clubs; caterers; and others.—

13 (2) An operator of railroads or sleeping cars, or a vendor
14 in a railroad transit station, in this state may obtain a
15 license to keep for sale and to sell the beverages mentioned in
16 the Beverage Law upon the payment of an annual license tax of
17 \$2,500 to the division. A municipality or county may not require
18 an additional license or levy a tax for the privilege of selling
19 such beverages.

20 (a) Operators of railroads or sleeping cars in this state
21 are authorized to keep for sale and to sell all beverages
22 mentioned in the Beverage Law for consumption upon any dining,
23 club, parlor, buffet, or observation car of a passenger train in
24 which certified copies of the licenses issued to the operators
25 are posted. Certified copies of such licenses shall be issued by
26 the division upon the payment of a \$10 fee. A license for the
27 sale of alcoholic beverages on a passenger train shall be good
28 throughout the state. Except for alcoholic beverages sold within
29 the licensed premises of a railroad transit station or by

4-01073-18

2018922__

30 operators of intrastate railroads or sleeping cars, it is
31 unlawful for such licensees to purchase or sell any liquor on a
32 passenger train except in miniature bottles of not more than 2
33 ounces.

34 Section 2. This act shall take effect July 1, 2018.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: SB 1224

INTRODUCER: Senator Bradley

SUBJECT: Beverage Law

DATE: January 22, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>McSwain</u>	<u>RI</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 1224 creates an exception to the alcoholic beverage tied-house evil prohibitions to permit a malt beverage distributor to give, without charge, malt beverage branded glassware to a vendor licensed to sell beer or malt beverages for on-premises consumption. The bill prohibits the distributor from giving more than 10 cases that include up to 24 pieces per case of single-service glassware per brand, per licensed premises, per calendar year, and prohibits the vendor from selling the glassware or returning it to the distributor for cash or credit. Each single-service glass container may hold no more than 23 ounces of liquid volume.

The “tied house evil” prohibition in current law prohibit a member of the alcoholic beverage industry, including a manufacturer, distributor, or importer, from having a financial interest, directly or indirectly, in the establishment or business of a licensed vendor, and prohibits a manufacturer, distributor, or importer from giving gifts, loans or property, or rebates to retail vendors. Under current law, a distributor may sell glassware and other expendable retailer advertising specialties to any vendor, but must sell the items at a price not less than the actual cost to the industry member who initially purchased them, with no limit in total dollar value of the items sold to the vendor.

The bill provides an effective date of July 1, 2018.

II. Present Situation:

In Florida, alcoholic beverages are regulated by the Beverage Law,¹ which regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and

¹ Section 561.01(6), F.S., provides that the “The Beverage Law” means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

vendors.² The Division of Alcoholic Beverages and Tobacco (division) in the Department of Business and Professional Regulation administers and enforces the Beverage Law.³

“Alcoholic beverages” are defined in s. 561.01, F.S., as “distilled spirits and all beverages containing one-half of 1 percent or more alcohol by volume.” “Malt beverages” are brewed alcoholic beverages containing malt.⁴

Section 561.14, F.S., specifies the license and registration classifications used in the Beverage Law.

- “Manufacturers” are those “licensed to manufacture alcoholic beverages and distribute the same at wholesale to licensed distributors and to no one else within the state, unless authorized by statute.”⁵
- “Distributors” are those “licensed to sell and distribute alcoholic beverages at wholesale to persons who are licensed to sell alcoholic beverages.”⁶
- “Importers” are those licensed to sell, or to cause to be sold, shipped, and invoiced, alcoholic beverages to licensed manufacturers or licensed distributors, and to no one else in this state; provided that ss. 564.045 and 565.095, F.S., relating to primary American source of supply licensure, are in no way violated by such imports.⁷
- “Vendors” are those “licensed to sell alcoholic beverages at retail only” and may not “purchase or acquire in any manner for the purpose of resale any alcoholic beverages from any person not licensed as a vendor, manufacturer, bottler, or distributor under the Beverage Law.”⁸

Three-Tier System

In the United States, the regulation of alcohol since the repeal of Prohibition has traditionally been based upon a “three-tier system.” The system requires separation of the manufacture, distribution, and sale of alcoholic beverages. The manufacturer creates the beverages, and the distributor obtains the beverages from the manufacturer to deliver to the vendor. The vendor makes the ultimate sale to the consumer.⁹ A manufacturer, distributor, or exporter may not be licensed as a vendor to sell directly to consumers.¹⁰

Generally, in Florida, only licensed vendors are permitted to sell alcoholic beverages directly to consumers at retail.¹¹ Licensed manufacturers, distributors, and registered exporters are prohibited from also being licensed as vendors.¹² Manufacturers are also generally prohibited from having an interest in a vendor and from distributing directly to a vendor.¹³

² See s. 561.14, F.S.

³ Section 561.02, F.S.

⁴ Section 563.01, F.S.

⁵ Section 561.14(1), F.S.

⁶ Section 561.14(2), F.S.

⁷ Section 561.01(5), F.S.

⁸ Section 561.14(3), F.S.

⁹ Section 561.14, F.S.

¹⁰ Section 561.22(1), F.S.

¹¹ Section 561.14(3), F.S. However, see the exceptions provided in ss. 561.221 and 565.03, F.S.

¹² Section 561.22, F.S.

¹³ Sections 563.022(14) and 561.14(1), F.S.

Tied House Evil Prohibitions

States have enacted statutes designed to prevent or limit the control of retail alcoholic beverage vendors by manufacturers, wholesalers, and importers, or to prohibit "tied-house arrangements," such legislation is referred to as "tied house" or "tied house evil" statutes.¹⁴

Section 561.42, F.S., Florida's "tied house evil" statute, regulates the permitted and prohibited relationships and interactions of manufacturers and distributors with vendors in order to prevent a manufacturer or distributor from having a financial interest, directly or indirectly, in the establishment or business of a licensed vendor, and to prevent a manufacturer or distributor from giving a vendor gifts, loans or property, or rebates.¹⁵ The prohibitions also apply to an importer, primary American source of supply,¹⁶ brand owner or registrant, broker, and sales agent (or sales person thereof).

The tied house evil statute also prohibits any distributor or vendor from receiving any financial incentives from any manufacturer. It further prohibits manufacturers or distributors from assisting retail vendors by gifts or loans of money or property or by the giving of rebates. These prohibitions do not, however, apply to any bottles, barrels, or other containers necessary for the legitimate transportation of such beverages, to advertising materials, or to the extension of credit for liquors sold, if made strictly in compliance with the provisions of s. 561.42, F.S.¹⁷

Section 561.42, F.S., also prohibits licensed manufacturers and distributors from:

- Making further sales to vendors that the division has certified as not having fully paid for all liquors previously purchased;¹⁸
- Directly or indirectly giving, lending, renting, selling, or in any other manner furnishing to a vendor any outside sign, printed, painted, electric, or otherwise;¹⁹
- Providing neon or electric signs, window painting and decalcomanias, posters, placards, and other advertising material herein authorized to be used or displayed by the vendor in the interior of the licensed premises;²⁰ and
- Providing expendable retail advertising specialties, unless sold to the vendor at not less than the actual cost to the industry member who initially purchased them.²¹

Section 561.42(14), F.S., further prohibits industry members from providing expendable retail advertising specialties, unless sold to the vendor at not less than the actual cost to the industry member who initially purchased them. A member of the malt beverage industry may provide a vendor with expendable retailer advertising specialties such as trays, coasters, mats, menu cards, napkins, cups, glasses, thermometers, and the like. The industry member must sell these items to a vendor only at a price not less than the actual cost to the industry member who initially

¹⁴ 45 AM. JUR. 2d *Intoxicating Liquors*, s. 94 (2017).

¹⁵ Section 561.42(1), F.S.

¹⁶ See s. 564.045, F.S.

¹⁷ Section 564.42(1). Section 561.42(2), F.S., permits distributors to extend credit for the sale of liquors to any vendor up to, but not including, the 10th day after the calendar week within which such sale was made.

¹⁸ Section 561.42(4), F.S.

¹⁹ Section 561.42(10), F.S.

²⁰ Section 561.42(12), F.S.

²¹ Section 561.42(14)(a), F.S.

purchased the items, without limitation in total dollar value of such items sold to a vendor. Industry members may not engage in cooperative advertising with a vendor.²²

III. Effect of Proposed Changes:

The bill amends s. 561.42(14), F.S., to permit a distributor to give branded glassware to a vendor licensed to sell malt beverages for on-premises consumption.

The bill replaces the term “glasses” with “glassware”.

Under the bill, advertising specialties, including glassware, may only be sold by industry members to vendors licensed to sell malt beverages for on-premises consumption. Current law permits such sales to any vendor.

As required under current law, industry members may only sell the glassware at a price not less than the actual cost to the industry member who initially purchased them, with no limit in total dollar value of the items sold to the vendor.

A distributor may give glassware to a vendor licensed to sell malt beverages for on-premises consumption under the following restrictions:

- The distributor must have received the glassware at no charge from a malt beverage manufacturer or importer;
- Each piece of glassware must bear a permanent brand name intended to prominently advertise the brand;
- No more than 10 cases of glassware per calendar year per licensed premises may be given to the vendor; and
- Each single-service glass container can hold no more than 23 ounces of liquid volume.

Additionally, a vendor that receives a gift of glassware from a distributor may not sell the glassware or return it to a distributor for cash, credit, or replacement.

The effective date of the bill is July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²² Section 561.42(14)(e), F.S.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 561.42 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Bradley

5-00800-18

20181224__

1 A bill to be entitled
2 An act relating to the Beverage Law; amending s.
3 561.42, F.S.; authorizing a malt beverage distributor
4 to give branded glassware to vendors licensed to sell
5 malt beverages for on-premises consumption; requiring
6 that the glassware bear certain branding; providing an
7 annual limit on the amount of glassware a distributor
8 may give to a vendor; prohibiting a vendor from
9 selling the branded glassware or returning it to a
10 distributor for cash, credit, or replacement; defining
11 the terms "case" and "glassware"; providing an
12 effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

15
16 Section 1. Paragraph (a) of subsection (14) of section
17 561.42, Florida Statutes, is amended to read:

18 561.42 Tied house evil; financial aid and assistance to
19 vendor by manufacturer, distributor, importer, primary American
20 source of supply, brand owner or registrant, or any broker,
21 sales agent, or sales person thereof, prohibited; procedure for
22 enforcement; exception.—

23 (14) The division shall adopt reasonable rules governing
24 promotional displays and advertising. Such rules may, ~~which~~
25 ~~rules shall~~ not conflict with or be more stringent than the
26 federal regulations pertaining to such promotional displays and
27 advertising furnished to vendors by distributors, manufacturers,
28 importers, primary American sources of supply, or brand owners
29 or registrants, or any sales agent or sales person thereof;

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30 however:

31 (a) If a manufacturer, distributor, importer, brand owner,
32 or brand registrant of malt beverage, or any sales agent or
33 sales person thereof, provides a vendor licensed to sell malt
34 beverages for on-premises consumption with branded expendable
35 retailer advertising specialties such as trays, coasters, mats,
36 menu cards, napkins, cups, glassware ~~glasses~~, thermometers, and
37 the like, such items may be sold only at a price not less than
38 the actual cost to the industry member who initially purchased
39 them, without limitation in total dollar value of such items
40 sold to a vendor. However, a distributor that has received
41 glassware at no charge from a malt beverage manufacturer or
42 importer may give such glassware to a vendor licensed to sell
43 malt beverages for on-premises consumption. Each piece of
44 glassware given to a vendor by a distributor must bear a
45 permanent brand name intended to prominently advertise the
46 brand. A distributor may not give a vendor more than 10 cases of
47 glassware per calendar year per licensed premises. A vendor that
48 receives a gift of glassware from a distributor may not sell the
49 glassware or return it to a distributor for cash, credit, or
50 replacement. As used in this paragraph, the term:

51 1. "Case" means a box containing up to 24 pieces of
52 glassware.

53 2. "Glassware" means a single-service glass container that
54 can hold no more than 23 ounces of liquid volume.

55 (b) Without limitation in total dollar value of such items
56 provided to a vendor, a manufacturer, distributor, importer,
57 brand owner, or brand registrant of malt beverage, or any sales
58 agent or sales person thereof, may rent, loan without charge for

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59 an indefinite duration, or sell durable retailer advertising
60 specialties such as clocks, pool table lights, and the like,
61 which bear advertising matter.

62 (c) If a manufacturer, distributor, importer, brand owner,
63 or brand registrant of malt beverage, or any sales agent or
64 sales person thereof, provides a vendor with consumer
65 advertising specialties such as ashtrays, T-shirts, bottle
66 openers, shopping bags, and the like, such items may be sold
67 only at a price not less than the actual cost to the industry
68 member who initially purchased them, and may be sold without
69 limitation in total value of such items sold to a vendor.

70 (d) A manufacturer, distributor, importer, brand owner, or
71 brand registrant of malt beverage, or any sales agent or sales
72 person thereof, may provide consumer advertising specialties
73 described in paragraph (c) to consumers on any vendor's licensed
74 premises.

75 (e) A manufacturer, distributor, importer, brand owner, or
76 brand registrant of malt beverages, and any sales agent or sales
77 person thereof or contracted third-party, may not engage in
78 cooperative advertising with a vendor and may not name a vendor
79 in any advertising for a malt beverage tasting authorized under
80 s. 563.09.

81 (f) A distributor of malt beverages may sell to a vendor
82 draft equipment and tapping accessories at a price not less than
83 the cost to the industry member who initially purchased them,
84 except there is no required charge, and the distributor may
85 exchange any parts that are not compatible with a competitor's
86 system and are necessary to dispense the distributor's brands. A
87 distributor of malt beverages may furnish to a vendor at no

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88 charge replacement parts of nominal intrinsic value, including,
89 but not limited to, washers, gaskets, tail pieces, hoses, hose
90 connections, clamps, plungers, and tap markers.

91 Section 2. This act shall take effect October 1, 2018.