COMMITTEE/SUBCOMMITTEE ACTION ADOPTED _____ (Y/N) ADOPTED AS AMENDED _____ (Y/N) ADOPTED W/O OBJECTION _____ (Y/N) FAILED TO ADOPT ______ (Y/N) WITHDRAWN _____ (Y/N) OTHER

Committee/Subcommittee hearing bill: Business & Professional Regulation Subcommittee

Representative Steube offered the following:

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Amendment (with title amendment)

Remove everything after the enacting clause and insert: Section 1. Subsections (2) and (3) of section 561.221, Florida Statutes, are amended to read:

- 561.221 Retail exceptions to manufacturing licenses;

 brewing exceptions to vendor licenses Licensing of manufacturers
 and distributors as vendors and of vendors as manufacturers;

 conditions and limitations.—
- (2) A manufacturer of malt beverages that is licensed and engaged in the manufacture of malt beverages in this state may sell directly to consumers in face-to-face transactions, which, notwithstanding s. 561.57(1), requires the physical presence of the consumer to make payment for and take receipt of the

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beverages on the licensed manufacturing premises, as follows:

- (a) At a taproom, a manufacturer may sell malt beverages brewed by the manufacturer to consumers for on-premises or off-premises consumption without obtaining a vendor's license. A manufacturer of malt beverages shall comply with the following requirements related to its taproom:
- 1. The taproom must be a room or rooms located on the licensed manufacturing premises consisting of a single complex, which shall include a brewery. Such premises may be divided by no more than one public street or highway. The taproom shall be included on the sketch or diagram defining the licensed premises submitted with the manufacturer's license application pursuant to s. 561.01(11). All sketch or diagram revisions by the manufacturer must be approved by the division, verifying that the taproom operated by the licensed manufacturer is owned or leased by the manufacturer and is located on the licensed manufacturing premises.
- 2. At least 70 percent by volume of the malt beverages sold or given to consumers per calendar year in the taproom must be brewed on the licensed manufacturing premises. No more than 30 percent by volume of the malt beverages sold or given to consumers per calendar year in the taproom may be brewed by the manufacturer at other manufacturing premises and shipped to the licensed manufacturing premises pursuant to s. 563.022(14)(d).
- 3. Malt beverages may be sold to consumers in the taproom for off-premises consumption in authorized containers pursuant

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to s. 563.06(6) and (7).

- 4. A manufacturer of malt beverages is responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverage sold or given to consumers in the taproom each month and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.
- 5. This paragraph does not preclude a licensed manufacturer of malt beverages that operates a taproom from holding a permanent public food service establishment license under chapter 509 at the taproom.
- 6. A manufacturer may not hold a vendor's license at a licensed manufacturing premises that operates a taproom pursuant to this paragraph.
- (b) In lieu of a taproom, on or after July 1, 2014, the division may is authorized to issue vendor's licenses to a manufacturer of malt beverages at no more than two licensed manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license if the manufacturer meets the following requirements:
- 1. A licensed manufacturer may obtain one vendor's license at no more than two of the licensed manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license. Any additional licensed manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license may operate a taproom without a

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vendor's license pursuant to paragraph (a).

- 2. The vendor's license shall be located on the licensed manufacturing premises consisting of a single complex, which shall include a brewery. Such premises may be divided by no more than one public street or highway. The licensed vendor premises shall be included on the sketch or diagram defining the licensed premises submitted with the manufacturer's license application pursuant to s. 561.01(11). All sketch or diagram revisions by the manufacturer must be approved by the division, verifying that the vendor premises operated by the licensed manufacturer is owned or leased by the manufacturer and is located on the licensed manufacturing premises.
- 3. The manufacturer may sell alcoholic beverages under its vendor's license as follows:
- <u>a. Malt beverages manufactured on the licensed</u>

 <u>manufacturing premises or at another licensed manufacturing</u>

 <u>premises for which the manufacturer has an interest, directly or</u>

 indirectly, in the license for:
 - (I) On-premises consumption.
- (II) Off-premises consumption in authorized containers pursuant to s. 563.06(6).
- (III) Off-premises consumption in growlers pursuant to s. 563.06(7).
- <u>b. Malt beverages manufactured exclusively by other</u>
 manufacturers for:
 - (I) On-premises consumption.

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96	<u>(II)</u>	Off-	-premises	consumption	in	authorized	containers
97	pursuant	to s.	563.06(6)) .			

- (III) Off-premises consumption in growlers pursuant to s. 563.06(7) by holders of a quota license.
- c. Any wine or liquor for on-premises or off-premises consumption as authorized under its vendor's license.
- 4. A manufacturer of malt beverages pursuant to this subsection is responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverages manufactured and sold pursuant to its vendor's license, or given to consumers each month, and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.
- 5. This paragraph does not preclude a licensed manufacturer of malt beverages with a vendor's license from holding a permanent public food service establishment license under chapter 509 on the licensed manufacturing premises.
- 6. An entity that has applied for a manufacturer's and vendor's license at more than two licensed manufacturing premises pursuant to this paragraph before March 15, 2014, or has been issued a manufacturer's and vendor's license at more than two licensed manufacturing premises pursuant to this paragraph before July 1, 2014, may maintain the licenses previously obtained or received based on the application prior to March 15, 2014, but may not obtain or apply for additional vendor's licenses. However, except as to the allowance for

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manufacturers holding a vendor's license at more than two licensed manufacturing premises before July 1, 2014, a vendor's license held by a manufacturer of malt beverages pursuant to this paragraph, regardless of when first obtained, is subject to the requirements of subparagraphs 1.-5.

7. An entity with direct or indirect interests in vendor licenses issued to not more than two licensed manufacturing premises under this paragraph may not be related, directly or indirectly, to any other entities having interests, directly or indirectly, in other vendor licenses issued to other separate manufacturing premises. This subparagraph prohibits the creation of a chain of more than two vendor licensed manufacturing premises under common control of entities having direct or indirect interests in such vendor licensed manufacturing premises. This subparagraph does not prohibit the purchase or ownership of stock in a publicly traded corporation where the licensee does not have and does not obtain a controlling interest in the corporation. For entities lawfully operating with more than two licensed manufacturing premises with vendor licenses pursuant to subparagraph 6, the limit of two is replaced with the actual number of manufacturing premises with vendor licenses the entity operates, even if such manufacturer is also licensed as a distributor, for the sale of alcoholic beverages on property consisting of a single complex, which property shall include a brewery and such other structures which promote the brewery and the tourist industry of the state.

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149	street or 	nighway .						

- The division may issue a manufacturer's license and a vendor's license to a brewpub. To operate as a brewpub, the following requirements must be met:
- Notwithstanding other provisions of the Beverage Law, any vendor licensed in this state may be licensed as a manufacturer of malt beverages upon a finding by the division that:
- 1. The brewpub vendor must will be engaged in brewing malt beverages at a single licensed brewpub premises location and in an amount that does which will not exceed 10,000 kegs per calendar year. For purposes of this paragraph subsection, the term "keg" means 15.5 gallons.
- (b) A brewpub may sell alcoholic beverages in a face-toface transaction with a consumer as follows:
- 1. Malt beverages manufactured on the licensed brewpub premises for on-premises consumption.
- 2. Malt beverages manufactured exclusively by other manufacturers for on-premises consumption as authorized under its vendor's license.
- 3. Any wine or liquor for on-premises consumption as authorized under its vendor's license.
- (c) A brewpub may not ship malt beverages to or between 172 licensed brewpub premises owned by the licensed entity. A 173 brewpub is not a manufacturer for the purposes of s.

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174	563.	.022	(14)	(d)	
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- (d) A brewpub may not distribute or sell malt beverages outside of the licensed brewpub premises.
- (e) A brewpub must hold a permanent public food service establishment license under chapter 509.
- 2. The malt beverages so brewed will be sold to consumers for consumption on the vendor's licensed premises or on contiguous licensed premises owned by the vendor.
- (f) (b) A brewpub is Any vendor which is also licensed as a manufacturer of malt beverages pursuant to this subsection shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of beverage manufactured each month and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.
- (g) (e) A It shall be unlawful for any licensed distributor of malt beverages or any officer, agent, or other representative thereof may not to discourage or prohibit a brewpub any vendor licensed as a manufacturer under this subsection from offering malt beverages brewed for consumption on the licensed premises of the brewpub vendor.
- (h) (d) A It shall be unlawful for any manufacturer of malt beverages or any officer, agent, or other representative thereof may not to take any action to discourage or prohibit a any distributor of the manufacturer's product from distributing such product to a brewpub licensed vendor which is also licensed as a manufacturer of malt beverages pursuant to this subsection.

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200	Secti	on	2.	Subsec	tion	(1)	of	section	561.5101,	Florida
201	Statutes,	is	amen	ded to	read	:				

- 561.5101 Come-to-rest requirement; exceptions; penalties.-
- (1) For purposes of inspection and tax-revenue control, all malt beverages, except those manufactured and sold pursuant to s. 561.221(2) or (3) 561.221(3), must come to rest at the licensed premises of an alcoholic beverage wholesaler in this state before being sold to a vendor by the wholesaler. The prohibition contained in this subsection does not apply to the shipment of malt beverages commonly known as private labels. The prohibition contained in this subsection shall not prevent a manufacturer from shipping malt beverages for storage at a bonded warehouse facility, provided that such malt beverages are distributed as provided in this subsection or to an out-of-state entity.
- Section 3. Subsection (6) of section 561.57, Florida Statutes, is amended to read:
 - 561.57 Deliveries by licensees.—
- (6) Common carriers are not required to have vehicle permits to transport alcoholic beverages. <u>Common carriers may</u> not make deliveries of malt beverages directly to a consumer.
- Section 4. Subsections (1) and (3) of section 562.34, Florida Statutes, are amended to read:
 - 562.34 Containers; seizure and forfeiture.
- 224 (1) A It shall be unlawful for any person may not to have in her or his possession, custody, or control any cans, jugs,

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jars, bottles, vessels, or any other type of containers which are being used, are intended to be used, or are known by the possessor to have been used to bottle or package alcoholic beverages; however, this <u>subsection does provision shall</u> not apply to <u>a any person properly licensed to bottle or package such alcoholic beverages, a or to any person intending to dispose of such containers to a person, firm, or corporation properly licensed to bottle or package such alcoholic beverages, or a person who has in her or his possession, custody, or control a growler as defined in s. 563.06(7).</u>

transport any cans, jugs, jars, bottles, vessels, or any other type of containers intended to be used to bottle or package alcoholic beverages; however, this <u>subsection does section shall</u> not apply to <u>a any</u> firm or corporation holding a license to manufacture or distribute such alcoholic beverages, <u>a and shall not apply to any</u> person transporting such containers to <u>a any</u> person, firm, or corporation holding a license to manufacture or distribute such alcoholic beverages, or a person transporting a growler as defined in s. 563.06(7).

Section 5. Subsections (1) and (6) of section 563.06, Florida Statutes, are amended, present subsection (7) is renumbered as subsection (8) and amended, and a new subsection (7) is added to that section, to read:

563.06 Malt beverages; imprint on individual container; size of containers; growlers; exemptions.—

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- (1) On and after October 1, 1959, All taxable malt beverages packaged in individual containers possessed by any person in the state for the purpose of sale or resale in the state, except operators of railroads, sleeping cars, steamships, buses, and airplanes engaged in interstate commerce and licensed under this section, shall have imprinted thereon in clearly legible fashion by any permanent method the word "Florida" or "FL" and no other state name or abbreviation of any state name in not less than 8-point type. The word "Florida" or "FL" shall appear first or last, if imprinted in conjunction with any manufacturer's code. A facsimile of the imprinting and its location as it will appear on the individual container shall be submitted to the division for approval.
- subsection (7), all malt beverages packaged in individual containers sold or offered for sale by vendors at retail in this state shall be in individual containers containing no more than 32 ounces of such malt beverages; provided, however, that nothing contained in this section shall affect malt beverages packaged in bulk, or in kegs, or in barrels or in any individual container containing 1 gallon or more of such malt beverage regardless of individual container type.
- (7) (a) As used in the Beverage Law, the term "growler" means any container between 32 ounces and 128 ounces in size, that was originally manufactured to hold malt beverages.
 - (b) A growler may be filled or refilled with:

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278	1. A malt beverage manufactured by a manufacturer that
279	holds a valid manufacturer's license and operates a taproom
280	pursuant to s. 561.221(2)(a).

- 2. A malt beverage manufactured by a manufacturer that holds a valid manufacturer's license and a valid vendor's license pursuant to s. 561.221(2)(b).
- 3. Malt beverages manufactured by any manufacturer, if the manufacturer filling the growler that holds a valid manufacturer's license pursuant to s. 561.221(2)(b) and a valid quota license at that location pursuant to ss. 561.20(1) and 565.02(1)(a)-(f).
- 4. A malt beverage sold by a vendor who holds a valid quota license pursuant to ss. 561.20(1) and 565.02(1)(a)-(f).
- (c) A growler must have an unbroken seal or be incapable of being immediately consumed.
- (d) A growler must be clearly labeled as containing an alcoholic beverage and provide the name of the manufacturer, the brand, the volume, the percentage of alcohol by volume, and the required label information for alcoholic beverages under 27 C.F.R. s. 16.21. If a growler being refilled has an existing label or other identifying mark from a manufacturer or brand, that label shall be covered sufficiently to indicate the manufacturer and brand of the malt beverage placed in the growler.
 - (e) A growler must be clean before being filled.
 - (f) A licensee authorized to fill growlers may not use

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growlers	for	purposes	of	distri	out	ion	or	sale	e outs:	ide	the
licensed	manı	ufacturing	j pi	remises	or	lic	cens	sed v	vendor	pre	emises.

(8) (7) A Any person, firm, or corporation or an agent, officer, or employee thereof who violates, its agents, officers, or employees, violating any of the provisions of this section commits, shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083, \div and the license, if any, shall be subject to revocation or suspension by the division.

Section 6. If a provision of s. 561.221(2), Florida Statutes, as amended by this act, is held invalid, or if the application of that subsection to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end s. 561.221(2), Florida Statutes, is severable.

Section 7. This act shall take effect July 1, 2014.

TITLE AMENDMENT

Remove everything before the enacting clause and insert:

A bill to be entitled

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An act relating to malt beverages; amending s. 561.221, F.S.;

providing requirements for a licensed manufacturer of malt

beverages to sell such beverages directly to consumers;

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1329 (2014)

Amendment No. 1

330 providing requirements for a taproom; prohibiting a manufacturer 331 from holding a vendor's license at specified premises; providing 332 requirements for a licensed manufacturer to obtain a vendor's 333 license; specifying under what circumstances a manufacturer may sell alcoholic beverages under its vendor's license; requiring a 334 335 manufacturer to complete certain reports; providing applicability; providing requirements for a brewpub to be 336 337 licensed as a manufacturer or vendor; providing requirements for 338 a brewpub to sell alcoholic beverages to consumers; amending s. 339 561.5101, F.S.; conforming a cross-reference; amending s. 340 561.57, F.S.; prohibiting common carriers from making deliveries of malt beverages to consumers; amending s. 562.34, F.S.; 341 342 providing that possessing and transporting a growler is lawful; amending s. 563.06, F.S.; defining the term "growler"; providing 343 344 requirements for growlers; providing construction and 345 severability; providing an effective date.

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