A bill to be entitled An act relating to the Beverage Law; amending s. 561.221, F.S.; authorizing a manufacturer who possesses a vendor's license to sell, transport, and deliver to vendors under certain circumstances; providing applicability; authorizing vendors licensed as manufacturers to transfer malt beverages to certain restaurants with common ownership affiliations; amending s. 561.5101, F.S.; revising construction; amending s. 561.57, F.S.; authorizing certain manufacturers to transport malt beverages in vehicles owned or leased by certain persons other than the manufacturer; amending s. 563.022, F.S.; revising the definition of the term "manufacturer"; revising construction; authorizing a manufacturer to terminate a contract with a distributor under certain circumstances; providing an effective date.

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

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Section 1. Paragraph (d) of subsection (2) of section 561.221, Florida Statutes, is amended, paragraph (f) is added to that subsection, paragraph (a) of subsection (3) is amended, and subsection (4) is added to that section, to read:

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561.221 Licensing of manufacturers and distributors as

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vendors and of vendors as manufacturers; conditions and limitations.—

(2)

- (d) A manufacturer possessing a vendor's license under this subsection is not permitted to make deliveries under s. 561.57(1), except as provided in paragraph (f).
- (f) Notwithstanding any other provision of the Beverage
 Law, a manufacturer possessing a vendor's license under this
 subsection may sell, transport, and deliver to vendors, from the
 manufacturer's licensed premises, malt beverages that have been
 manufactured on its licensed premises if the manufacturer
 complies with the requirements in ss. 561.42 and 561.423, as
 applicable, to the same extent as if the manufacturer were a
 distributor.
- 1. The authority provided in this paragraph is limited to the sale, transport, and delivery of kegs or similar containers that hold 5.16 gallons, 7.75 gallons, or 15.5 gallons.
- 2. A delivery by a manufacturer to a vendor under this paragraph is subject to s. 561.57(2).
 - 3. This paragraph does not apply to a manufacturer who:
- a. Has a franchise agreement with a distributor pursuant to s. 563.022; or
- b. Has a total production volume of more than 7,000 kegs of malt beverages per year.
 - (3) (a) Notwithstanding other provisions of the Beverage

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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 vendor will be engaged in brewing malt beverages at a single location and in an amount which will not exceed 10,000 kegs per year. For purposes of this <u>section</u> subsection, the term "keg" means 15.5 gallons.
- 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.
- (4) Notwithstanding any other provision of the Beverage Law, any vendor licensed as a manufacturer under this section may transfer malt beverages to a restaurant with which it has common ownership affiliations and that is part of a restaurant group that comprises not more than 15 restaurants.
- Section 2. Subsection (1) of section 561.5101, Florida Statutes, is amended 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 by the same licensee, pursuant to s. 561.221(2) or (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. This subsection does not prohibit a manufacturer from delivering alcoholic beverages to a licensed vendor as provided in s. 561.221(2)(f).

Section 3. Subsection (2) of section 561.57, Florida Statutes, is amended to read:

561.57 Deliveries by licensees.—

(2) Deliveries made by a manufacturer or distributor away from his or her place of business may be made only in vehicles that are owned or leased by the licensee. However, a manufacturer authorized to make deliveries under s.

561.221(2)(f) to the licensed premises of a vendor may transport malt beverages in a vehicle owned or leased by the manufacturer or any person who has been disclosed on a license application filed by the manufacturer and approved by the division. By acceptance of an alcoholic beverage license and the use of such vehicles, the licensee agrees that such vehicle shall always be subject to be inspected and searched without a search warrant, for the purpose of ascertaining that all provisions of the alcoholic beverage laws are complied with, by authorized employees of the division and also by sheriffs, deputy sheriffs, and police officers during business hours or other times the

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vehicle is being used to transport or deliver alcoholic beverages.

- Section 4. Paragraph (h) of subsection (2) and paragraph (d) of subsection (14) of section 563.022, Florida Statutes, are amended, and subsection (22) is added to that section, to read:
- 563.022 Relations between beer distributors and manufacturers.—
- (2) DEFINITIONS.—In construing this section, unless the context otherwise requires, the word, phrase, or term:
- (h) "Manufacturer" means any person who manufactures or imports beer for distribution to distributors licensed in Florida. The term does not include a person whose total production volume does not exceed 150,000 gallons of malt beverages a year.
 - (14) MANUFACTURER; PROHIBITED INTERESTS.-
- (d) Nothing in the Beverage Law shall be construed to prohibit a manufacturer from shipping products to or between its breweries, or between its breweries and the licensed premises of a vendor as provided in s. 561.221(2)(f), without a distributor's license.
- (22) TERMINATION OF CONTRACTS.—Notwithstanding the provisions of this section, a manufacturer may terminate a contract with a distributor after at least 120 days' written notice if the sale of products to the distributor by the manufacturer does not exceed 10 percent of the distributor's

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total alcoholic beverage sales in the prior calendar year.

Section 5. This act shall take effect July 1, 2019.

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