

LEGISLATIVE ACTION

Senate Comm: RCS 01/26/2021 House

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert: Section 1. Present subsection (12) of section 565.02, Florida Statutes, is redesignated as subsection (13), and a new subsection (12) is added to that section, to read:

565.02 License fees; vendors; clubs; caterers; and others.-(12)(a) As used in this subsection, the term "destination entertainment venue" means a venue that:

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11	1. Is located in a designated community redevelopment area
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	authorized under an adopted community redevelopment plan to
13	support urban redevelopment and economic development;
14	2. Is owned by any person licensed as a craft distillery
15	located within the destination entertainment venue;
16	3. Is adjacent to and served by multimodal transportation
17	options, including, at a minimum, bicycle and pedestrian trails
18	included on an adopted city or county trails map and mass
19	transit routes established by a city, county, or regional
20	transportation authority; and
21	4. Is located within a contiguous area of at least 15
22	acres, including associated parking and stormwater requirements
23	as required by local law, regulation, or ordinance, and that
24	contains:
25	a. At least one indoor event venue with a minimum capacity
26	of 150 people which is fully serviced by a connected onsite
27	kitchen;
28	b. At least one outdoor event venue with a minimum capacity
29	of 1,000 people which has regularly occurring live entertainment
30	on a stage that is at least 12 feet deep and 16 feet wide; and
31	c. One or more licensed craft distilleries sharing
32	identical ownership.
33	(b) Notwithstanding any other provisions of the Beverage
34	Law, upon the payment of the appropriate fees, a craft
35	distillery licensed in this state may be licensed as a vendor
36	only for consumption on the premises of alcoholic beverages
37	manufactured by other manufacturers and acquired through a
38	distributor. The issuance of a license under this paragraph is
39	not subject to any quota or limitation, except that the craft

40	distillery must be:
41	1. Located on property within a destination entertainment
42	venue; and
43	2. In operation and open for tours during normal business
44	hours at least 5 days a week.
45	(c) The vendor license may be issued only for the premises
46	included on the licensed premises sketch on file with the
47	division under s. 565.03 for the craft distillery, including its
48	souvenir gift shop or tasting room.
49	(d) No more than three craft distilleries may be licensed
50	as a vendor in a community redevelopment area under this
51	subsection. Craft distilleries licensed as a vendor under this
52	subsection must be located within the same destination
53	entertainment venue and must share identical ownership, and each
54	craft distillery must distill, blend, or rectify at least 50,000
55	gallons of branded products per calendar year.
56	(e) Except as otherwise provided in this paragraph, a craft
57	distillery licensed as a vendor under this subsection shall be
58	treated as a vendor and is subject to all provisions relating to
59	such vendors licensed to sell alcoholic beverages for
60	consumption on premises. A craft distillery licensed as a vendor
61	may not make package sales for off-premises consumption or make
62	any delivery or shipment of alcoholic beverages away from the
63	destination entertainment venue or the craft distillery, unless
64	such shipment or delivery is authorized for a craft distillery
65	<u>under s. 565.03.</u>
66	(f) Alcoholic beverages manufactured by another licensed
67	manufacturer, including branded products manufactured at another
68	craft distillery location sharing identical ownership, must be



69	obtained through a licensed distributor.
70	Section 2. Paragraphs (a) and (b) of subsection (1) and
71	subsections (2) and (5) of section 565.03, Florida Statutes, are
72	amended to read:
73	565.03 License fees; manufacturers, distributors, brokers,
74	sales agents, and importers of alcoholic beverages; vendor
75	licenses and fees; distilleries and craft distilleries
76	(1) As used in this section, the term:
77	(a) "Branded product" means any distilled spirits product
78	that:
79	1. Is owned by a craft distillery;
80	2. Contains distilled spirits that are manufactured by
81	distilling, rectifying, or blending by the craft distillery on
82	its licensed premises; and
83	3. Has manufactured on site, which requires a federal
84	certificate and label approval by the Federal <u>Government</u> Alcohol
85	Administration Act or federal regulations.
86	(b) "Craft distillery" means a licensed distillery <u>in this</u>
87	state which distills, rectifies, or blends 250,000 that produces
88	75,000 or fewer gallons or less of distilled spirits per
89	calendar year <del>of distilled spirits</del> on its premises <del>and has</del>
90	notified the division in writing of its decision to qualify as a
91	craft distillery.
92	(2)(a) <u>A distillery may not operate as a craft distillery</u>
93	until the distillery has provided to the division written
94	notification that it meets the criteria specified in paragraph
95	(1) (b). Upon the division's receipt of the notification and its
96	verification that the distillery meets all such criteria, the
97	division shall add the designation of craft distiller on the

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98	distillery's license.
99	(b) A person may not share common ownership in more than 10
100	craft distilleries, provided that no more than:
101	1. Four of the distilleries each distill, rectify, or blend
102	250,000 gallons or less of distilled spirits per calendar year;
103	and
104	2. Six of the distilleries each distill, rectify, or blend
105	50,000 gallons or less of distilled spirits per calendar year.
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107	As used in this paragraph, the term "common ownership" means
108	having a direct or indirect financial interest in two or more
109	distilleries by the same person.
110	(c) Effective July 1, 2026, a minimum of 60 percent of a
111	craft distillery's total finished branded products must be
112	distilled in this state and contain one or more Florida
113	agricultural products.
114	(d) A distillery or a craft distillery authorized to do
115	business under the Beverage Law shall pay an annual state
116	license tax for each plant or branch operating in the state, as
117	follows:
118	1. A distillery engaged in the business of manufacturing
119	distilled spirits: \$4,000.
120	2. A craft distillery engaged in the business of
121	manufacturing distilled spirits: \$1,000.
122	3. A person engaged in the business of rectifying and
123	blending spirituous liquors and nothing else: \$4,000.
124	<u>(e) (b)</u> <u>A licensed distillery or licensed craft distillery</u>
125	may Persons licensed under this section who are in the business
126	of distilling spirituous liquors may also engage in the business

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127 of rectifying <u>or</u> and blending spirituous liquors without the 128 payment of an additional license tax.

129 (f) (c) A craft distillery <del>licensed under this section</del> may 130 sell directly to consumers up to 75,000 gallons per calendar 131 year of, at its souvenir gift shop, branded products that are 132 manufactured by the craft distillery distilled on its premises. 133 A craft distillery may sell branded products directly to 134 consumers by the drink for consumption on the premises or by the 135 package in factory-sealed containers for consumption off the 136 premises in this state in factory-sealed containers that are filled at the distillery for off-premises consumption. Such 137 138 sales are authorized only in the craft distillery's souvenir 139 gift shop or tasting room located on private property contiguous 140 to the licensed distillery premises. Branded products sold to 141 consumers must have been distilled, rectified, or blended on the 142 distillery premises that is located contiguous to the craft distillery's souvenir gift shop or tasting room. The souvenir 143 144 gift shop or tasting room must be in this state and included on 145 the sketch or diagram defining the licensed premises submitted 146 with the distillery's license application. All sketch or diagram 147 revisions by the distillery shall require the division's approval verifying that the locations of the souvenir gift shops 148 149 and tasting rooms shop location operated by the licensed 150 distillery are is owned or leased by the distillery and on 151 property contiguous to the distillery's production building in 152 this state.

153 1. Except as authorized under s. 565.17(2), a craft 154 distillery may not sell any factory-sealed individual containers 155 of spirits to consumers except in face-to-face sales

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156 transactions with such consumers at the craft distillery's 157 licensed premises. Such branded products must be in compliance 158 with the container limits under s. 565.10 and be intended for 159 personal consumption rather than for resale who are making a 160 purchase of no more than six individual containers of each 161 branded product.

162 2. Each container sold in face-to-face transactions with consumers must comply with the container limits in s. 565.10, 163 164 per calendar year for the consumer's personal use and not for 165 resale and who are present at the distillery's licensed premises 166 in this state.

3. A craft distillery must report to the division within 5 days after it exceeds reaches the production limits or is no longer operating under the requirements or limitations provided in paragraph (1)(b). Any retail sales of branded products by the drink or by the package to consumers at the craft distillery's licensed premises are prohibited beginning the day after it exceeds reaches the production limitation.

3.4. A craft distillery may not ship or arrange to ship any 175 of its branded products or any other alcoholic beverages 176 distilled spirits to consumers and may sell and deliver only to 177 consumers within the state in a face-to-face transaction at the distillery property. However, a craft distillery distiller licensed under this section may ship, arrange to ship, or 179 180 deliver such spirits to any manufacturers of distilled spirits, 181 wholesale distributors of distilled spirits, state or federal bonded warehouses, or and exporters. 182

183 4.5. Except as provided in subparagraph 5. subparagraph 6., it is unlawful to transfer a craft distillery license for a 184

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185 distillery that produces 75,000 or fewer gallons per calendar year of distilled spirits on its premises or any ownership 186 187 interest in such license to an individual or entity that has a 188 direct or indirect ownership interest in any distillery that 189 distills, rectifies, or blends 250,000 gallons or more per 190 calendar year of distilled spirits under any license issued 191 licensed in this state; in another state, territory, or country; or by the United States Government to distill manufacture, 192 193 blend, or rectify distilled spirits for beverage purposes.

5.6. Except as provided in paragraph (b), a craft distillery <u>may shall</u> not have its ownership affiliated with another distillery, unless such distillery <u>is owned by an</u> <u>individual or entity that distills, rectifies, or blends 250,000</u> <u>gallons or less per calendar year of distilled spirits</u> <del>produces</del> 75,000 or fewer gallons per calendar year of distilled spirits</del> on each of its premises in this state or in another state, territory, or country.

6. A craft distillery may transfer up to 75,000 gallons per calendar year of its branded products that it distills, rectifies, or blends from its federal bonded space, nonbonded space at its licensed premises, or storage areas to its souvenir gift shop and tasting room.

(5) A craft distillery making sales under <u>paragraph (2)(f)</u> <del>paragraph (2)(c)</del> is responsible for submitting any excise taxes <u>due to the state on distilled spirits</u> <del>on beverages</del> under the Beverage Law <u>with in</u> its monthly report to the division <del>with any</del> tax payments due to the state.

212 Section 3. Section 565.17, Florida Statutes, is amended to 213 read:

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214565.17 Beverage tastings by distributors, craft215distilleries, and vendors.-

(1) A licensed distributor of spirituous beverages, <u>a craft</u> <u>distillery as defined in s. 565.03</u>, or any vendor, is authorized to conduct spirituous beverage tastings upon any licensed premises authorized to sell spirituous beverages by package or for consumption on premises without being in violation of s. 561.42, provided that the conduct of the spirituous beverage tasting shall be limited to and directed toward the general public of the age of legal consumption.

(2) Craft distilleries may conduct tastings and sales of distilled spirits produced by the craft distilleries at Florida fairs, trade shows, farmers markets, expositions, and festivals. The division shall issue permits to craft distilleries for such tastings and sales. A craft distillery must pay all entry fees and must have a distillery representative present during the event. The permit is limited to the duration and physical location of the event.

Section 4. This act shall take effect July 1, 2021.

Delete everything before the enacting clause and insert:

A bill to be entitled An act relating to the craft distilleries; amending s. 565.02, F.S.; defining the term "destination entertainment venue"; authorizing craft distilleries to be licensed as specified vendors under certain

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243 circumstances; providing requirements for such 244 licenses; providing requirements for craft 245 distilleries for such licenses; prohibiting a licensee 246 from taking certain actions; requiring certain 247 alcoholic beverages to be obtained through a licensed 248 distributor; amending s. 565.03, F.S.; redefining the 249 terms "branded product" and "craft distillery"; 250 prohibiting a distillery from operating as a craft 2.51 distillery until certain requirements are met; 252 authorizing persons to have common ownership in craft 253 distilleries under certain circumstances; defining the 254 term "common ownership"; requiring a minimum 255 percentage of a craft distillery's total finished 256 branded products to be distilled in this state and 2.57 contain one or more Florida agricultural products 258 after a specified date; revising the requirements and 259 prohibitions on the sale of branded products to 260 consumers by a licensed craft distillery; revising the 261 circumstances for which a craft distillery must report 262 certain information about the production of distilled 263 spirits to the Division of Alcoholic Beverages and 264 Tobacco of the Department of Business and Professional 265 Regulation; revising prohibitions on the shipment of 266 certain products by a craft distillery; revising 267 prohibitions on the transfer of a craft distillery 268 license or ownership interest in such license; 269 revising prohibitions relating to affiliated ownership 270 of craft distilleries; authorizing a craft distillery to transfer specified distilled spirits from certain 271

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272 locations to its souvenir gift shop and tasting room; 273 making technical changes; amending s. 565.17, F.S.; 274 authorizing craft distilleries to conduct spirituous 275 beverage tastings under certain circumstances; 276 requiring the division to issue permits to craft 277 distilleries to conduct tastings and sales at certain 278 locations; specifying requirements for distilleries 279 for such permits; providing an effective date.