A bill to be entitled 1 2 An act relating to distilled spirits; amending s. 3 565.03, F.S.; providing definitions; revising 4 provisions with respect to the licensure and operation 5 of distilleries; providing requirements for craft 6 distilleries; providing for the sale of distilled 7 spirits by licensed distilleries under certain 8 conditions; providing reporting requirements; 9 prohibiting the shipment of certain distilled spirits; prohibiting the transfer of a distillery license under 10 certain conditions; prohibiting a craft distillery 11 12 from having its ownership affiliated with another 13 distillery under certain conditions; providing requirements relating to the payment of taxes; 14 15 providing for applicability; providing rulemaking 16 authority; providing for nonseverability; providing an effective date. 17 18 19 Be It Enacted by the Legislature of the State of Florida: 20 Section 1. Section 565.03, Florida Statutes, is amended to 21 22 read: 23 565.03 License fees; manufacturers, distributors, brokers, 24 sales agents, and importers of alcoholic beverages; vendor 25 licenses and fees; craft distilleries.-26 (1)As used in this section, the term:

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produces 75,000 or fewer gallons per calendar year of distilled

"Craft distillery" means a licensed distillery that

CODING: Words stricken are deletions; words underlined are additions.

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(a)

spirits on its premises and has notified the division in writing of its decision to qualify as a craft distillery.

(b) "Distillery" means a Each liquor manufacturer of distilled spirits.

- (2) (a) A distillery authorized to do business under the Beverage Law shall pay an annual state license tax for each plant or branch operating he or she operates in the state, as follows:
- 1. If engaged in the business of <u>manufacturing distilled</u> spirits distilling spirituous liquors and nothing else, a state license tax of \$4,000.
- 2. If engaged in the business of rectifying and blending spirituous liquors and nothing else, a state license tax of \$4,000.
- (b) Persons licensed <u>under this section who are hereunder</u> in the business of distilling spirituous liquors may also engage in the business of rectifying and blending spirituous liquors without the payment of an additional license tax.
- (c) A craft distillery licensed under this section may sell to consumers, at its souvenir gift shop, spirits distilled on its premises in this state in factory-sealed containers that are filled at the distillery for off-premises consumption. Such sales are authorized only on private property contiguous to the licensed distillery premises in this state and included on the sketch or diagram defining the licensed premises submitted with the distillery's license application. All sketch or diagram revisions by the distillery shall require the division's approval verifying that the souvenir gift shop location operated

by the licensed distillery are owned or leased by the distillery and on property contiguous to the distillery's production building in this state. A craft distillery or licensed distillery may not sell any factory-sealed individual containers of spirits except in face-to-face sales transactions with consumers who are making a purchase of two or fewer individual containers, that comply with the container limits in s. 565.10, per calendar year for the consumer's personal use and not for resale and who are present at the distillery's licensed premises in this state.

- 1. A craft distillery must report to the division within 5 days after it reaches the production limitations provided in paragraph (1)(a). Any retail sales to consumers at the craft distillery's licensed premises are prohibited beginning the day after it reaches the production limitation.
- 2. A craft distillery may only ship, arrange to ship, or deliver any of its distilled spirits to consumers within the state in a face-to-face transaction at the distillery property. However, a craft distiller licensed under this section may ship, arrange to ship, or deliver such spirits to manufacturers of distilled spirits, wholesale distributors of distilled spirits, state or federal bonded warehouses, and exporters.
- 3. Except as provided in subparagraph 4., it is unlawful to transfer a distillery license for a distillery that produces 75,000 or fewer gallons per calendar year of distilled spirits on its premises or any ownership interest in such license to an individual or entity that has a direct or indirect ownership interest in any distillery licensed in this state; another

state, territory, or country; or by the United States government to manufacture, blend, or rectify distilled spirits for beverage purposes.

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- 4. A craft distillery shall not have its ownership affiliated with another distillery, unless such distillery produces 75,000 or fewer gallons per calendar year of distilled spirits on its premises.
- (3) Distributors authorized to do business under the Beverage Law, unless otherwise provided, shall pay a state license tax of \$4,000 for each and every establishment or branch they may operate or conduct in the state. However, in counties having a population of 15,000 or less according to the latest state or federal census, the state license tax for a restricted license shall be \$1,000, but the holder of such a license shall be permitted to sell only to vendors and distributors licensed in the same county, and such license shall contain such restrictions. In such counties, licenses without such restrictions may be obtained as in other counties, but the tax for a license without such restrictions shall be the same as in other counties. Warehouses of a licensed distributor used solely for storage and located in the county in which the license is issued to such distributor shall not be construed to be separate establishments or branches.
- $\underline{(4)}$  Each broker or sales agent and each importer of alcoholic beverages, as defined in s. 561.14(4) and (5), respectively, shall pay an annual state license tax of \$500.
- (5) A craft distillery making sales under paragraph (2)(c) is responsible for submitting any beverages excise taxes under

the	Beverage	Law	in	its	monthly	report	to	the	division	with	an
tax	payments	due	to	the	state.						

(6) The division may adopt rules to administer this section.

Section 2. The Legislature declares that it would not have enacted any of the provisions of this act individually and expressly finds them not to be severable. If a court of competent jurisdiction determines any provision of this act to be in conflict with any law of this state, a federal law or regulation, the State Constitution, or the United States

Constitution, or otherwise invalid for any reason, it is the intent of the Legislature that all of the provisions of this act are void, that such invalidity voids only the changes made by this act, and that no other provision of law shall be affected.

Section 3. This act shall take effect July 1, 2013.