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LEGISLATIVE ACTION

Senate

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House

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Floor: WD/2R

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05/04/2017 01:22 PM

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Senator Steube moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 565.03, Florida Statutes, is amended to
read:

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

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

(a) "Branded product" means any distilled spirits product



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12 manufactured on site, which requires a federal certificate and
13 label approval by the Federal Alcohol Administration Act or
14 federal regulations.

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

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

20 2. Sells up to 50,000 gallons per calendar year of
21 distilled spirits to consumers at its souvenir gift shop in
22 accordance with this section and has notified the division in
23 writing of its decision to qualify as a craft distillery.

24 (c) "Distillery" means a manufacturer of distilled spirits.

25 (2) (a) A distillery or a craft distillery authorized to do
26 business under the Beverage Law shall pay an annual state
27 license tax for each plant or branch operating in the state, as
28 follows:

29 1. A distillery ~~if~~ engaged in the business of manufacturing
30 distilled spirits: ~~a state license tax of \$4,000.~~

31 2. A craft distillery engaged in the business of
32 manufacturing distilled spirits: \$1,000.

33 ~~3.2. A distillery~~ ~~if~~ engaged in the business of rectifying
34 and blending spirituous liquors and nothing else: ~~a state~~
35 ~~license tax of \$4,000.~~

36 (b) Persons licensed under this section who are in the
37 business of distilling spirituous liquors may also engage in the
38 business of rectifying and blending spirituous liquors without
39 the payment of an additional license tax.

40 (c) A craft distillery licensed under this section may sell



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41 up to 50,000 gallons per calendar year to consumers, at its
42 souvenir gift shop, branded products distilled on its premises
43 in this state in factory-sealed containers that are filled at
44 the distillery for off-premises consumption. Such sales are
45 authorized only on private property contiguous to the licensed
46 distillery premises in this state and included on the sketch or
47 diagram defining the licensed premises submitted with the
48 distillery's license application. All sketch or diagram
49 revisions by the distillery shall require the division's
50 approval verifying that the souvenir gift shop location operated
51 by the licensed distillery is owned or leased by the distillery
52 and on property contiguous to the distillery's production
53 building in this state.

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

58 ~~a. Two individual containers of each branded product;~~

59 ~~b. Three individual containers of a single branded product~~
60 ~~and up to one individual container of a second branded product;~~

61 ~~or~~

62 ~~c. Four individual containers of a single branded product.~~

63 2. Each container sold in face-to-face transactions with
64 consumers must comply with the container limits in s. 565.10,
65 per calendar year for the consumer's personal use and not for
66 resale and who are present at the distillery's licensed premises
67 in this state.

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



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

73 4. A craft distillery may not ship or arrange to ship any
74 of its distilled spirits to consumers and may sell and deliver
75 only to consumers within the state in a face-to-face transaction
76 at the distillery property. However, a craft distiller licensed
77 under this section may ship, arrange to ship, or deliver such
78 spirits to manufacturers of distilled spirits, wholesale
79 distributors of distilled spirits, state or federal bonded
80 warehouses, and exporters.

81 5. Except as provided in subparagraph 6., it is unlawful to
82 transfer a distillery license for a craft distillery ~~that~~
83 ~~produces 75,000 or fewer gallons per calendar year of distilled~~
84 ~~spirits on its premises~~ or any direct or indirect ownership
85 interest in such license to an individual or entity that has a
86 direct or indirect ownership interest in any distillery licensed
87 in this state; in another state, territory, or country; or by
88 the United States government to manufacture, blend, or rectify
89 distilled spirits for beverage purposes.

90 6. A craft distillery may ~~shall~~ not have its ownership
91 interest affiliated directly or indirectly with any individual
92 or entity that has a direct or indirect ownership interest in
93 any ~~another~~ distillery licensed in this state; in another state,
94 territory, or country; or by the United States government to
95 manufacture, blend, or rectify distilled spirits for beverage
96 purposes, unless such distillery is a craft distillery ~~produces~~
97 ~~75,000 or fewer gallons per calendar year of distilled spirits~~
98 ~~on each of its premises in this state or in another state,~~



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99 ~~territory, or country.~~

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

104 (3) Distributors authorized to do business under the
105 Beverage Law, unless otherwise provided, shall pay a state
106 license tax of \$4,000 for each and every establishment or branch
107 they may operate or conduct in the state. However, in counties
108 having a population of 15,000 or less according to the latest
109 state or federal census, the state license tax for a restricted
110 license shall be \$1,000, but the holder of such a license shall
111 be permitted to sell only to vendors and distributors licensed
112 in the same county, and such license shall contain such
113 restrictions. In such counties, licenses without such
114 restrictions may be obtained as in other counties, but the tax
115 for a license without such restrictions shall be the same as in
116 other counties. Warehouses of a licensed distributor used solely
117 for storage and located in the county in which the license is
118 issued to such distributor shall not be construed to be separate
119 establishments or branches.

120 (4) Each broker or sales agent and each importer of
121 alcoholic beverages, as defined in s. 561.14(4) and (5),
122 respectively, shall pay an annual state license tax of \$500.

123 (5) A craft distillery making sales under paragraph (2)(c)
124 is responsible for submitting any excise taxes on beverages
125 under the Beverage Law in its monthly report to the division
126 with any tax payments due to the state.

127 (6) Upon the request of a craft distillery licensed in this



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128 state, the Department of Transportation shall install
129 directional signs for the craft distillery on the rights-of-way
130 of interstate highways and primary and secondary roads in
131 accordance with Florida's Highway Guide Sign Program as provided
132 in chapter 14-51, Florida Administrative Code. A craft
133 distillery licensed in this state that requests placement of a
134 directional sign through the department's permit process shall
135 pay all associated costs.

136 (7) The division may adopt rules to administer this
137 section.

138 Section 2. This act shall take effect upon becoming a law.
139

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

141 And the title is amended as follows:

142 Delete everything before the enacting clause
143 and insert:

144 A bill to be entitled
145 An act relating to craft distilleries; amending s.
146 565.03, F.S.; revising the definition of the term
147 "craft distillery"; revising license taxes for
148 distilleries or craft distilleries authorized to do
149 business under the Beverage Law; revising limitations
150 on retail sales by craft distilleries to consumers;
151 revising the prohibitions of license transfers and
152 ownership interest affiliations for craft distilleries
153 under certain circumstances; authorizing craft
154 distilleries to transfer to their souvenir gift shops
155 up to a specified amount of distilled spirits under
156 certain circumstances; providing an effective date.