

By Senator Steube

23-00220-17

2017166\_\_

1                   A bill to be entitled  
2           An act relating to alcoholic beverages; amending s.  
3           561.221, F.S.; providing that the ownership,  
4           management, operation, or control of up to three  
5           vendor's licenses for the sale of alcoholic beverages  
6           by a certified Florida Craft Distillery is not  
7           prohibited under specified laws; requiring the  
8           Division of Alcoholic Beverages and Tobacco to issue  
9           permits to certified Florida Craft Distilleries to  
10          conduct certain tastings and sales; requiring such  
11          distilleries to pay entry fees and have a  
12          representative present during certain events;  
13          authorizing the transfer of wine and distilled spirits  
14          to vendors by specified wineries and distilleries  
15          under certain circumstances; requiring the division to  
16          approve certain storage areas; requiring wineries and  
17          distilleries to report all such transfers to the  
18          division and to include them in monthly excise tax  
19          payments; amending s. 565.03, F.S.; redefining the  
20          term "craft distillery"; providing license fees for  
21          craft distilleries; specifying authorized products for  
22          sale by craft distilleries; providing limitations on  
23          retail sales by craft distilleries to consumers;  
24          authorizing craft distilleries to transfer distilled  
25          spirits under certain conditions; requiring the  
26          division to approve certain storage areas; requiring  
27          distilleries to report all such transfers to the  
28          division and to include them in monthly excise tax  
29          payments; deleting certain prohibitions on the  
30          transfer of a distillery license and affiliated  
31          ownership; authorizing craft distilleries to apply for  
32          a sales room location under certain circumstances;

23-00220-17

2017166\_\_

33 amending s. 565.17, F.S.; authorizing craft  
34 distilleries to conduct tastings under certain  
35 circumstances; providing an effective date.  
36

37 Be It Enacted by the Legislature of the State of Florida:  
38

39 Section 1. Subsection (1) of section 561.221, Florida  
40 Statutes, is amended to read:

41 561.221 Licensing of manufacturers and distributors as  
42 vendors and of vendors as manufacturers; conditions and  
43 limitations.-

44 (1) (a) Nothing contained in s. 561.22, s. 561.42, or any  
45 other provision of the Beverage Law prohibits the ownership,  
46 management, operation, or control of not more than three  
47 vendor's licenses for the sale of alcoholic beverages by a  
48 manufacturer of wine or a certified Florida Craft Distillery ~~who~~  
49 ~~is~~ licensed and engaged in the manufacture of wine or distilled  
50 spirits in this state, even if such manufacturer is also  
51 licensed as a distributor; provided that ~~no~~ such vendor's  
52 license is not ~~shall be~~ owned, managed, operated, or controlled  
53 by any licensed manufacturer of wine or any craft distillery  
54 unless the licensed premises of the vendor are situated on  
55 property contiguous to the manufacturing premises of the  
56 licensed manufacturer of wine or distilled spirits or in its  
57 sales room pursuant to s. 565.03.

58 (b) The Division of Alcoholic Beverages and Tobacco shall  
59 issue permits to a certified Florida Farm Winery or a certified  
60 Florida Craft Distillery to conduct tasting and sales of wine or  
61 distilled spirits produced by certified Florida Farm Wineries or

23-00220-17

2017166\_\_

62 certified Florida Craft Distilleries at Florida fairs, trade  
63 shows, expositions, and festivals. The certified Florida Farm  
64 Winery or certified Florida Craft Distillery shall pay all entry  
65 fees and shall have a winery or distillery representative  
66 present during the event. The permit is limited to the length of  
67 the event.

68 (c) A certified Florida Farm Winery or certified Florida  
69 Craft Distillery may transfer wine or distilled spirits produced  
70 at such winery or distillery, respectively, out of its federal  
71 bonded space or nonbonded space at its licensed premises or  
72 storage areas to its vendor's licensed premises or approved  
73 sales room. The division shall approve the storage areas,  
74 provided that each is included in the winery's or distillery's  
75 current state tax bond. All such transfers of wine or distilled  
76 spirits shall be reported to the division pursuant to s. 561.55  
77 and included in the winery's or distillery's excise tax payment  
78 to the state each month.

79 Section 2. Paragraph (b) of subsection (1) and paragraphs  
80 (a) and (c) of subsection (2) of section 565.03, Florida  
81 Statutes, are amended to read:

82 565.03 License fees; manufacturers, distributors, brokers,  
83 sales agents, and importers of alcoholic beverages; vendor  
84 licenses and fees; craft distilleries.—

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

86 (b) "Craft distillery" means a licensed distillery that  
87 produces 250,000 ~~75,000~~ or fewer gallons per calendar year of  
88 distilled spirits on its premises and is certified by ~~has~~  
89 ~~notified~~ the division upon notification in writing of its  
90 decision to qualify as a craft distillery.

23-00220-17

2017166\_\_

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

94 1. If engaged in the business of manufacturing distilled  
95 spirits, a state license tax of \$4,000. For a craft distillery  
96 manufacturing distilled spirits, a state license tax shall be  
97 \$1,000, provided it is distilling and bottling all of its  
98 distilled products in containers approved for sale.

99 2. If engaged in the business of rectifying and blending  
100 spirituous liquors and nothing else, a state license tax of  
101 \$4,000.

102 (c) A craft distillery licensed under this section may sell  
103 to consumers, at its souvenir gift shop, branded products  
104 distilled and bottled on its premises in this state in factory-  
105 sealed containers approved for sale ~~that are filled at the~~  
106 ~~distillery~~ for off-premises consumption. Such sales are  
107 authorized only on ~~private~~ property owned or leased by the  
108 distillery which is contiguous to the licensed distillery  
109 premises and at one other approved sales room located in the  
110 same county as the distillery's production building which shall  
111 be an extension of the craft distillery's licensed premises ~~in~~  
112 ~~this state~~ and included on the sketch or diagram defining the  
113 licensed premises submitted with the distillery's license  
114 application. All sketch or diagram revisions by the distillery  
115 shall require local zoning approval and the division's approval  
116 verifying that the souvenir gift shop location and all areas  
117 used and operated by the licensed distillery are ~~is~~ owned or  
118 leased by the distillery and on property contiguous to the  
119 distillery's production building in this state or within the

23-00220-17

2017166\_\_

120 extended licensed premises.

121 1. A craft distillery licensed under this section may not  
122 sell any factory-sealed individual containers of spirits except  
123 in face-to-face sales transactions at the craft distillery's  
124 licensed premises with consumers who are making a purchase ~~of no~~  
125 ~~more than:~~

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

127 b. ~~Three individual containers of a single branded product~~  
128 ~~and up to one individual container of a second branded product;~~  
129 ~~or~~

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

131 2. Each container sold in face-to-face transactions with  
132 consumers must comply with the container limits in s. 565.10~~7~~  
133 ~~per calendar year for the consumer's personal use and not for~~  
134 ~~resale and who are present at the distillery's licensed premises~~  
135 ~~in this state.~~

136 3. A craft distillery licensed under this section must  
137 report to the division within 5 days after it reaches the  
138 production limitations provided in paragraph (1)(b). Any retail  
139 sales to consumers at the craft distillery's licensed premises  
140 are prohibited beginning the day after it reaches the production  
141 limitation unless it has been issued a vendor's license at each  
142 craft distillery and additional sales room authorized in s.  
143 561.221.

144 4. A craft distillery licensed under this section may not  
145 ship or arrange to ship any of its distilled spirits to  
146 consumers and may sell and deliver only to consumers within the  
147 state in a face-to-face transaction at the distillery property.  
148 However, a craft distiller licensed under this section may ship,

23-00220-17

2017166\_\_

149 arrange to ship, or deliver such spirits to manufacturers of  
150 distilled spirits, wholesale distributors of distilled spirits,  
151 state or federal bonded warehouses, and exporters.

152 5. A craft distillery may transfer distilled spirits it  
153 manufactures from its federal bonded space or nonbonded space at  
154 its licensed premises or storage areas to its souvenir gift shop  
155 and additional sales room. The division shall approve all  
156 storage areas requested by the craft distillery which are  
157 included in its current state bond. All such transfers of  
158 distilled spirits shall be reported to the division pursuant to  
159 s. 561.55 and included in the excise tax payment due the state  
160 ~~Except as provided in subparagraph 6., it is unlawful to~~  
161 ~~transfer a distillery license for a distillery that produces~~  
162 ~~75,000 or fewer gallons per calendar year of distilled spirits~~  
163 ~~on its premises or any ownership interest in such license to an~~  
164 ~~individual or entity that has a direct or indirect ownership~~  
165 ~~interest in any distillery licensed in this state; another~~  
166 ~~state, territory, or country; or by the United States government~~  
167 ~~to manufacture, blend, or rectify distilled spirits for beverage~~  
168 ~~purposes.~~

169 6. A craft distillery may include a sales room location  
170 authorized by this subsection on its original license  
171 application or by an amendment to its license application on  
172 forms prescribed by the division shall not have its ownership  
173 ~~affiliated with another distillery, unless such distillery~~  
174 ~~produces 75,000 or fewer gallons per calendar year of distilled~~  
175 ~~spirits on each of its premises in this state or in another~~  
176 ~~state, territory, or country.~~

177 Section 3. Section 565.17, Florida Statutes, is amended to

23-00220-17

2017166\_\_

178 read:

179           565.17 Beverage tastings by distributors and vendors.—A  
180 licensed distributor of spirituous beverages, or any vendor or  
181 craft distillery, is authorized to conduct spirituous beverage  
182 tastings upon any licensed premises authorized to sell  
183 spirituous beverages by package or for consumption on premises  
184 without being in violation of s. 561.42, provided that the  
185 conduct of the spirituous beverage tasting shall be limited to  
186 and directed toward the general public of the age of legal  
187 consumption.

188           Section 4. This act shall take effect upon becoming a law.