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By the Committee on Commerce and Tourism; and Senators Brandes and Stewart

577-02470-19 2019220c1 A bill to be entitled

An act relating to the Beverage Law; repealing s. 564.05, F.S., relating to limitations on the size of individual wine containers; repealing s. 564.055, F.S., relating to limitations on the size of individual cider containers; amending s. 564.09, F.S.; revising provisions that authorize a restaurant to allow patrons to remove partially consumed bottles of wine from a restaurant for off-premises consumption; amending s. 565.03, F.S.; redefining the terms "branded product" and "craft distillery"; revising the requirements for the sale of branded products by a licensed craft distillery to consumers; deleting a provision that prohibits a craft distillery from selling more than six individual containers of a branded product to a consumer; revising requirements relating to the shipping of distilled spirits to consumers by a craft distillery; providing that it is unlawful to transfer a distillery license, or ownership in a distillery license, for certain distilleries to certain individuals or entities; prohibiting a craft distillery from having its ownership affiliated with certain other distilleries; authorizing a craft distillery to transfer specified distilled spirits from certain locations to its souvenir gift shop; requiring a craft distillery making certain transfers of distilled spirits to submit certain excise taxes with its monthly report to the Division of Alcoholic Beverages and Tobacco of the

577-02470-19 2019220c1

Department of Business and Professional Regulation; amending s. 561.221, F.S.; authorizing the division to issue vendor's licenses to certain distilleries for the sale of alcoholic beverages on the licensed premises, on a seaport facility's licensed premises, or at an airport terminal; requiring that the licensed vendor premises be included on certain sketches and diagrams under certain circumstances; requiring that all revisions to a sketch or diagram be approved by the division; capping the number of vendor's licenses the division is authorized to issue to a distillery; requiring the division to issue permits to distilleries for conducting tastings and sales at certain events; requiring distilleries to pay entry fees and to have a representative present at such events; 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. Section 564.05, Florida Statutes, is repealed.

Section 2. Section 564.055, Florida Statutes, is repealed.

Section 3. Section 564.09, Florida Statutes, is amended to read:

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564.09 Restaurants; off-premises consumption of wine.—
Notwithstanding any other provision of law, a restaurant
licensed to sell wine on the premises may permit a patron to
remove one unsealed bottle of wine for consumption off the
premises if the patron has purchased a full course meal
consisting of a salad or vegetable, entree, a beverage, and

577-02470-19 2019220c1

bread and consumed a portion of the bottle of wine with such meal on the restaurant premises. A partially consumed bottle of wine that is to be removed from the premises must be securely resealed by the licensee or its employees before removal from the premises. The partially consumed bottle of wine shall be placed in a bag or other container that is secured in such a manner that it is visibly apparent if the container has been subsequently opened or tampered with, and a dated receipt for the bottle of wine and full course meal shall be provided by the licensee and attached to the container. If transported in a motor vehicle, the container with the resealed bottle of wine must be placed in a locked glove compartment, a locked trunk, or the area behind the last upright seat of a motor vehicle that is not equipped with a trunk.

Section 4. Paragraphs (a) and (b) of subsection (1), paragraphs (b) and (c) of subsection (2), and subsection (5) of section 565.03, Florida Statutes, are amended to read:

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

- (1) As used in this section, the term:
- (a) "Branded product" means any distilled spirits product manufactured on site, or manufactured on site and blended on site with other distilled spirits, which requires a federal certificate and label approval by the Federal Alcohol Administration Act or federal regulations.
- (b) "Craft distillery" means a licensed distillery that produces 250,000 75,000 or fewer gallons per calendar year of distilled spirits on its premises and is designated as a craft

577-02470-19 2019220c1

 $\underline{\text{distillery by }}$ has notified the division $\underline{\text{upon notification}}$ in writing of its decision to qualify as a craft distillery.

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- (b) A licensed distillery or craft distillery may Persons licensed under this section who are 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 which is not licensed as a vendor under s. 561.221 may sell to consumers under its craft distillery license, at its souvenir gift shop, up to 75,000 gallons per calendar year of branded products distilled on its premises in this state in factory-sealed containers that are filled at the distillery for off-premises consumption by consumers. Such sales are authorized only on private property owned or leased by the craft distillery which is contiguous to the craft distillery's licensed distillery premises approved by the division 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 is owned or leased by the distillery and on property contiguous to the distillery's production building in this state.
- 1. A craft distillery may not sell <u>under its craft</u>

 <u>distillery license</u> any factory-sealed individual containers of spirits <u>to consumers in this state</u> except in face-to-face sales transactions with such consumers at the craft distillery's

577-02470-19 2019220c1

licensed premises. Such containers must be in compliance with the container limits in s. 565.10 who are making a purchase of no more than six individual containers of each branded product.

- 2. Each container sold in face-to-face transactions with consumers must 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.
- 2.3. A craft distillery must report to the division within 5 days after it reaches the production limitations provided in paragraph (1)(b). Any retail sales to consumers <u>under its craft distillery license</u> at the craft distillery's licensed premises are prohibited beginning the day after it reaches the production limitation.
- 3.4. A craft distillery that has not been issued a vendor's license under s. 561.221 may not ship or arrange to ship any of its distilled spirits to consumers in this state and may sell and deliver only to 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 deliver such spirits to manufacturers of distilled spirits, wholesale distributors of distilled spirits, state or federal bonded warehouses, and exporters, or consumers located outside of this state; however, all such shipments must comply with the laws where such products are scheduled to be delivered for personal or commercial use.
- $\underline{4.5.}$ Except as provided in subparagraph 6., it is unlawful to transfer a distillery license for a distillery that produces 250,000 $\overline{75,000}$ or fewer gallons per calendar year of distilled

577-02470-19 2019220c1

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.

- 5.6. A craft distillery shall not have its ownership affiliated with another distillery, unless such distillery produces 250,000 75,000 or fewer gallons per calendar year of distilled spirits 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 distilled spirits that it manufactures from its federal bonded space, nonbonded space at its licensed premises, or storage areas to its souvenir gift shop.
- (5) A craft distillery may transfer distilled spirits to any of its retail areas pursuant to paragraph (2)(c) or s.

 561.221 and making sales under paragraph (2)(c) is responsible for submitting any excise taxes due to the state on distilled spirits on beverages under the Beverage Law with in its monthly report to the division with any tax payments due to the state.

Section 5. Subsection (4) is added to section 561.221, Florida Statutes, to read:

- 561.221 Licensing of manufacturers and distributors as vendors and of vendors as manufacturers; conditions and limitations.—
- (4) (a) Notwithstanding s. 561.22, s. 561.42, or any other provision of the Beverage Law, the division may issue vendor's licenses for the sale of alcoholic beverages:

577-02470-19 2019220c1

On a distillery's licensed premises;

- 2. On a seaport facility's premises; or
- 3. At an airport terminal, as defined in s. 561.01(13),

to a distillery licensed under s. 565.03, even if such distillery is also licensed as a distributor.

(b) If the vendor's license is for the sale of alcoholic beverages on a distillery's licensed premises, the licensed vendor premises must be included on the sketch or diagram defining the licensed premises submitted with the distillery's license application pursuant to s. 565.03(c). All sketch or diagram revisions by the distillery must be approved by the division, verifying that the vendor premises operated by the licensed distillery is owned or leased by the distillery and is located on the licensed distillery premises.

- (c) The division may issue up to eight vendor's licenses to a distillery pursuant to this subsection.
- (d) The division shall, upon request, issue permits to a distillery to conduct tasting and sales of distilled spirits produced by the distillery at fairs, trade shows, expositions, and festivals in this state. The distillery shall pay all entry fees and shall have a representative of the craft distillery present during the event. The permit is limited to the length of the event.
 - Section 6. This act shall take effect July 1, 2019.