

By Senator Hutson

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1 A bill to be entitled
2 An act relating to craft distilleries; amending s.
3 565.02, F.S.; defining the terms "destination
4 entertainment venue" and "common ownership";
5 authorizing craft distilleries to be licensed as
6 specified vendors under certain circumstances;
7 providing requirements for such licenses; providing
8 requirements for craft distilleries for such licenses;
9 prohibiting the licensee from taking certain actions;
10 requiring certain alcoholic beverages to be obtained
11 through a licensed distributor that meets specified
12 criteria; providing construction; amending s. 565.03,
13 F.S.; redefining the terms "branded product" and
14 "craft distillery"; prohibiting a distillery from
15 operating as a craft distillery until certain
16 requirements are met; authorizing persons to have
17 common ownership in craft distilleries under certain
18 circumstances; defining the term "common ownership";
19 requiring a minimum percentage of a craft distillery's
20 total finished branded products to be distilled in
21 this state and contain one or more Florida
22 agricultural products; revising the requirements and
23 prohibitions on the sale of branded products to
24 consumers by a licensed craft distillery; revising the
25 circumstances for which a craft distillery must report
26 certain information about the production of distilled
27 spirits to the Division of Alcoholic Beverages and
28 Tobacco of the Department of Business and Professional
29 Regulation; revising prohibitions on the shipment of

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30 certain products by a craft distillery; revising
31 prohibitions on the transfer of a craft distillery
32 license or ownership interest in such license;
33 revising prohibitions relating to affiliated
34 ownerships of craft distilleries; authorizing a craft
35 distillery to transfer specified distilled spirits
36 from certain locations to its souvenir gift shop and
37 tasting room; making technical changes; amending s.
38 565.17, F.S.; authorizing craft distilleries to
39 conduct spirituous beverage tastings under certain
40 circumstances; requiring the division to issue permits
41 to craft distilleries to conduct tastings and sales at
42 certain locations; specifying requirements for
43 distilleries for such permits; providing an effective
44 date.

45
46 Be It Enacted by the Legislature of the State of Florida:

47
48 Section 1. Present subsection (12) of section 565.02,
49 Florida Statutes, is redesignated as subsection (13), and a new
50 subsection (12) is added to that section, to read:

51 565.02 License fees; vendors; clubs; caterers; and others.—

52 (12) (a) As used in this subsection, the term:

53 1. "Destination entertainment venue" means a venue that:

54 a. Is located in a designated community redevelopment area
55 authorized under an adopted community redevelopment plan to
56 support urban redevelopment and economic development;

57 b. Is owned by a person or a consortium of persons having a
58 direct or indirect ownership interest in a craft distillery

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59 located within the destination entertainment venue;

60 c. Is adjacent to and served by multimodal transportation
61 options, including, at a minimum, bicycle and pedestrian trails
62 included on an adopted city or county trails map and mass
63 transit routes established by a city, county, or regional
64 transportation authority; and

65 d. Is located within a contiguous area of at least 15
66 acres, including associated parking and stormwater requirements
67 as required by local law, regulation, or ordinance, and that
68 contains:

69 (I) At least one indoor event venue with a minimum capacity
70 of 150 people which is fully serviced by a connected onsite
71 kitchen;

72 (II) At least one outdoor event venue with a minimum
73 capacity of 1,000 people which has regularly occurring live
74 entertainment on a stage that is at least 12 feet deep and 16
75 feet wide; and

76 (III) One or more licensed craft distilleries sharing
77 common ownership.

78 2. "Common ownership" has the same meaning as in s.
79 565.03(2)(b).

80 (b) Notwithstanding any other provisions of the Beverage
81 Law, upon the payment of the appropriate fees, a craft
82 distillery licensed in this state may be licensed as a vendor
83 only for consumption on the premises of alcoholic beverages
84 manufactured by other manufacturers and acquired through a
85 distributor. The issuance of a license under this paragraph is
86 not subject to any quota or limitation, except that the craft
87 distillery must be:

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88 1. Located on property within a destination entertainment
89 venue; and

90 2. In operation and open for tours during normal business
91 hours at least 5 days a week.

92 (c) The vendor license may be issued only for the premises
93 included on the licensed premises sketch on file with the
94 division under s. 565.03 for the craft distillery, including its
95 souvenir gift shop or tasting room.

96 (d) No more than three craft distilleries may be licensed
97 as a vendor in a community redevelopment area under this
98 subsection. Craft distilleries licensed as a vendor under this
99 subsection must be located within the same destination
100 entertainment venue and must share a common ownership, and the
101 combined total amount of branded products distilled, blended, or
102 rectified by the distilleries must total at least 50,000 gallons
103 of branded products per calendar year.

104 (e) Except as otherwise provided in this paragraph, a craft
105 distillery licensed as a vendor under this subsection shall be
106 treated as a vendor and is subject to all provisions relating to
107 such vendors licensed to sell alcoholic beverages for
108 consumption on premises. A craft distillery licensed as a vendor
109 may not make package sales for off-premises consumption or make
110 any delivery or shipment of alcoholic beverages away from the
111 destination entertainment venue or the craft distillery, unless
112 such shipment or delivery is authorized for a craft distillery
113 under s. 565.03.

114 (f) Alcoholic beverages manufactured by another licensed
115 manufacturer, including branded products manufactured at another
116 craft distillery location sharing common ownership, must be

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117 obtained through a licensed distributor that is not also a
118 licensed manufacturer, a licensed broker or sales agent, or a
119 licensed importer.

120 (g) Nothing in s. 561.42 or any other provision of the
121 Beverage Law prohibits a vendor from leasing its licensed
122 premises within a destination entertainment venue. The terms of
123 the lease must be based on the fair market value for comparable
124 property.

125 Section 2. Paragraphs (a) and (b) of subsection (1) and
126 subsections (2) and (5) of section 565.03, Florida Statutes, are
127 amended to read:

128 565.03 License fees; manufacturers, distributors, brokers,
129 sales agents, and importers of alcoholic beverages; vendor
130 licenses and fees; distilleries and craft distilleries.—

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

132 (a) "Branded product" means any distilled spirits product
133 that:

134 1. Is owned by a craft distillery;

135 2. Contains distilled spirits that are manufactured by
136 distilling, rectifying, or blending by the craft distillery on
137 its licensed premises; and

138 3. Has ~~manufactured on-site, which requires~~ a federal
139 certificate and label approval by the Federal Government Alcohol
140 ~~Administration Act or federal regulations.~~

141 (b) "Craft distillery" means a licensed distillery in this
142 state which distills, rectifies, or blends 250,000 ~~that produces~~
143 75,000 ~~or fewer~~ gallons or less of distilled spirits per
144 calendar year ~~of distilled spirits on the distillery its~~
145 premises ~~and has notified the division in writing of its~~

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146 ~~decision to qualify as a craft distillery.~~

147 (2) (a) A distillery may not operate as a craft distillery
148 until the distillery has provided to the division written
149 notification that it meets the criteria specified in paragraph
150 (1) (b). Upon the division's receipt of the notification and its
151 verification that the distillery meets all such criteria, the
152 division shall add the designation of craft distiller on the
153 distillery's license.

154 (b) A person may not share common ownership in more than 10
155 craft distilleries, provided that no more than:

156 1. Four of the distilleries each distill, rectify, or blend
157 250,000 gallons or less of distilled spirits per calendar year;
158 and

159 2. Six of the distilleries each distill, rectify, or blend
160 50,000 gallons or less of distilled spirits per calendar year.

161
162 As used in this paragraph, the term "common ownership" means
163 having a direct or indirect financial interest in two or more
164 distilleries by the same person.

165 (c) A minimum of 60 percent of a craft distillery's total
166 finished branded products must be distilled in this state and
167 contain one or more Florida agricultural products.

168 (d) A distillery or a craft distillery authorized to do
169 business under the Beverage Law shall pay an annual state
170 license tax for each plant or branch operating in the state, as
171 follows:

172 1. A distillery engaged in the business of manufacturing
173 distilled spirits: \$4,000.

174 2. A craft distillery engaged in the business of

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175 manufacturing distilled spirits: \$1,000.

176 3. A person engaged in the business of rectifying and
177 blending spirituous liquors and nothing else: \$4,000.

178 ~~(e)-(b)~~ A licensed distillery or licensed craft distillery
179 may ~~Persons licensed under this section who are in the business~~
180 ~~of distilling spirituous liquors may also~~ engage in the business
181 of rectifying or ~~and~~ blending spirituous liquors without the
182 payment of an additional license tax.

183 ~~(f)-(e)~~ A craft distillery licensed under this section may
184 sell directly to consumers up to 75,000 gallons per calendar
185 year of, ~~at its souvenir gift shop,~~ branded products that are
186 manufactured by the craft distillery distilled on its premises.
187 A craft distillery may sell branded products directly to
188 consumers by the drink for consumption on the premises or by the
189 package in factory-sealed containers for consumption off the
190 premises in this state in factory-sealed containers that are
191 ~~filled at the distillery for off-premises consumption.~~ Such
192 sales are authorized only in the craft distillery's souvenir
193 gift shop or tasting room located on private property contiguous
194 to the licensed ~~distillery~~ premises. Branded products sold to
195 consumers must have been distilled, rectified, or blended on the
196 distillery premises that is located contiguous to the craft
197 distillery's souvenir gift shop or tasting room. The souvenir
198 gift shop or tasting room must be in this state and included on
199 the sketch or diagram defining the licensed premises submitted
200 with the distillery's license application. All sketch or diagram
201 revisions by the distillery shall require the division's
202 approval verifying that the locations of the souvenir gift shops
203 and tasting rooms ~~shop location~~ operated by the licensed

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204 distillery are ~~is~~ owned or leased by the distillery and on
205 property contiguous to the distillery's production building in
206 this state.

207 1. Except as authorized under s. 565.17(2), a craft
208 distillery may not sell any factory-sealed individual containers
209 of spirits to consumers except in face-to-face sales
210 transactions with such consumers at the craft distillery's
211 licensed premises. Such branded products must be in compliance
212 with the container limits under s. 565.10 and be intended for
213 personal consumption rather than for resale ~~who are making a~~
214 ~~purchase of no more than six individual containers of each~~
215 ~~branded product.~~

216 2. ~~Each container sold in face-to-face transactions with~~
217 ~~consumers must comply with the container limits in s. 565.10,~~
218 ~~per calendar year for the consumer's personal use and not for~~
219 ~~resale and who are present at the distillery's licensed premises~~
220 ~~in this state.~~

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

228 3.4. A craft distillery may not ship or arrange to ship any
229 of its branded products or any other alcoholic beverages that it
230 manufactures by distilling, rectifying, or blending ~~distilled~~
231 ~~spirits to consumers and may sell and deliver only to consumers~~
232 ~~within the state in a face-to-face transaction at the distillery~~

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233 ~~property.~~ However, a craft distillery ~~distiller~~ licensed under
234 this section may ship, arrange to ship, or deliver such spirits
235 to any manufacturers of distilled spirits, wholesale
236 distributors of distilled spirits, state or federal bonded
237 warehouses, or ~~and~~ exporters.

238 ~~4.5.~~ Except as provided in subparagraph 5. ~~subparagraph 6.,~~
239 it is unlawful to transfer a craft distillery license ~~for a~~
240 ~~distillery that produces 75,000 or fewer gallons per calendar~~
241 ~~year of distilled spirits on its premises~~ or any ownership
242 interest in such license to an individual or entity that has a
243 direct or indirect ownership interest in any distillery that
244 distills, rectifies, or blends 250,000 gallons or more per
245 calendar year of distilled spirits under any license issued
246 ~~licensed~~ in this state; in another state, territory, or country;
247 or by the United States Government to distill ~~manufacture,~~
248 blend, or rectify distilled spirits for beverage purposes.

249 ~~5.6.~~ Except as provided in paragraph (b), a craft
250 distillery may ~~shall~~ not have its ownership affiliated with
251 another distillery, unless such distillery is owned by an
252 individual or entity that distills, rectifies, or blends 250,000
253 gallons or less per calendar year of distilled spirits ~~produces~~
254 ~~75,000 or fewer gallons per calendar year of distilled spirits~~
255 ~~on each of its premises in this state or in another state,~~
256 ~~territory, or country.~~

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

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262 (5) A craft distillery making sales under paragraph (2) (f)
263 ~~paragraph (2) (e)~~ is responsible for submitting any excise taxes
264 due to the state on distilled spirits on beverages under the
265 Beverage Law with ~~in~~ its monthly report to the division ~~with any~~
266 ~~tax payments due to the state.~~

267 Section 3. Section 565.17, Florida Statutes, is amended to
268 read:

269 565.17 Beverage tastings by distributors, craft
270 distilleries, and vendors.-

271 (1) A licensed distributor of spirituous beverages, a craft
272 distillery as defined in s. 565.03, or any vendor, ~~is~~ authorized
273 to conduct spirituous beverage tastings upon any licensed
274 premises authorized to sell spirituous beverages by package or
275 for consumption on premises without being in violation of s.
276 561.42, provided that the conduct of the spirituous beverage
277 tasting shall be limited to and directed toward the general
278 public of the age of legal consumption.

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

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