

1                   A bill to be entitled  
2           An act relating to the beverage law; amending s.  
3           561.01, F.S.; defining the terms "barrel" and "craft  
4           brewery"; amending s. 561.221, F.S.; authorizing the  
5           transferring of malt beverages and other alcoholic  
6           beverages to a licensed facility in certain instances;  
7           authorizing craft breweries to sell and deliver a  
8           certain number of barrels of malt beverages to a  
9           licensed vendor if certain requirements are met;  
10          prohibiting certain manufacturers from delivering malt  
11          beverages; authorizing craft breweries to conduct  
12          tastings and sales of malt beverages at specified  
13          events; requiring the Division of Alcoholic Beverages  
14          and Tobacco of the Department of Business and  
15          Professional Regulation to issue a permit for such  
16          events; revising the findings by the division required  
17          for licensing of vendors as a manufacturer of malt  
18          beverages; amending s. 561.37, F.S.; removing  
19          manufacturers and brewers from a requirement to file a  
20          surety bond with the division; amending s. 561.5101,  
21          F.S.; providing that the come-to-rest requirement does  
22          not apply to craft breweries delivering malt  
23          beverages; amending s. 561.57, F.S.; providing that  
24          certain manufacturers are excluded from making  
25          specified deliveries; authorizing craft breweries that

26 deliver malt beverages to transport such beverages if  
27 certain requirements are met; amending s. 563.02,  
28 F.S.; conforming provisions to changes made by the  
29 act; amending s. 563.022, F.S.; revising the  
30 definition of the term "manufacturer" to exclude a  
31 craft brewery by a specified date; creating s.  
32 563.023, F.S.; providing for a distribution agreement  
33 between a beer distributor and a craft brewery;  
34 providing applicability; providing construction;  
35 providing for agreement restrictions; providing for  
36 termination of the agreement by a craft brewery and a  
37 distributor; providing for prohibited actions of craft  
38 breweries and distributors; providing for requirements  
39 relating to sales territories; providing for territory  
40 representation by distributors who enter into  
41 distribution agreements; requiring a craft brewery to  
42 repurchase its product upon termination of a  
43 distribution agreement; providing for actual damages,  
44 attorney fees, and costs; requiring arbitration of  
45 specified disputes; establishing arbitration hearing  
46 provisions; requiring all direct costs or fees of  
47 arbitration to be equally divided; requiring all  
48 indirect costs or fees to be paid by the party that  
49 incurs such costs or fees; providing that failure to  
50 participate in arbitration waives certain rights and

51 | that such party is deemed to consent to the decision  
52 | rendered by the arbitrator; providing construction;  
53 | creating s. 563.042, F.S.; providing definitions;  
54 | authorizing the transfer of beer or malt beverages  
55 | between a contract brewer and a contracting brewer in  
56 | a specified amount pursuant to a contract brewing  
57 | agreement; authorizing a contract brewer to contract  
58 | with more than one contracting brewer; requiring that  
59 | a contract brewer comply with specified laws;  
60 | providing that a contract brewer is responsible for  
61 | the payment of specified taxes; providing that title  
62 | remains with the contract brewer until beverages are  
63 | removed from licensed premises; requiring the contract  
64 | brewer and contracting brewer to maintain specified  
65 | records; providing that a licensed manufacturer  
66 | seeking to engage in contract brewing must meet  
67 | certain requirements; requiring contracting brewers'  
68 | malt beverages to remain separate and identifiable  
69 | from other tenants' beer at the contract brewer's  
70 | licensed premises; requiring a specified qualification  
71 | and the submitting of certain information before  
72 | engaging in alternating proprietorship brewing;  
73 | requiring host brewers and guest brewers to submit to  
74 | the division a specified report by a specified date  
75 | each month; requiring guest brewers to comply with

76 specified laws; providing that guest brewers are  
 77 responsible for payment of specified taxes; providing  
 78 that title of malt beverages remains with guest brewer  
 79 until such beverages are removed from the licensed  
 80 premises; prohibiting certain manufacturers and  
 81 vendors from engaging in contract brewing or  
 82 alternating proprietorship brewing; providing for the  
 83 adoption of rules and forms; providing an effective  
 84 date.

85

86 Be It Enacted by the Legislature of the State of Florida:

87

88 **Section 1. Subsections (22) and (23) are added to section**  
 89 **561.01, Florida Statutes, to read:**

90 561.01 Definitions.—As used in the Beverage Law:

91 (22) "Barrel" means a quantity of 31 gallons.

92 (23) "Craft brewery" means a manufacturer, whether  
 93 licensed within or without this state, that produces in total  
 94 less than 60,000 barrels of malt beverages per calendar year.

95 **Section 2. Subsection (2) and paragraph (a) of subsection**  
 96 **(3) of section 561.221, Florida Statutes, are amended to read:**

97 561.221 Licensing of manufacturers and distributors as  
 98 vendors and of vendors as manufacturers; conditions and  
 99 limitations.—

100 (2) (a) Notwithstanding s. 561.22, s. 561.42, or any other

101 provision of the Beverage Law, the division is authorized to  
102 issue vendor's licenses to a manufacturer of malt beverages,  
103 even if such manufacturer is also licensed as a distributor, for  
104 the sale of alcoholic beverages on property consisting of a  
105 single complex, which property shall include a brewery. However,  
106 such property may be divided by no more than one public street  
107 or highway.

108 (b) The licensed vendor premises shall be included on the  
109 sketch or diagram defining the licensed premises submitted with  
110 the manufacturer's license application pursuant to s.  
111 561.01(11). All sketch or diagram revisions by the manufacturer  
112 must be approved by the division, verifying that the vendor  
113 premises operated by the licensed manufacturer is owned or  
114 leased by the manufacturer and is located on the licensed  
115 manufacturing premises.

116 (c) Notwithstanding any other provision of the Beverage  
117 Law, a manufacturer holding multiple manufacturing licenses may  
118 transfer malt beverages to a licensed facility, as provided in  
119 ss. 563.022(14) (d) and 563.023(2) ~~s. 563.022(14) (d)~~, in an  
120 amount up to the yearly production amount at the receiving  
121 facility. Malt beverages and other alcoholic beverages that are  
122 manufactured under contract or by an alternating proprietorship  
123 by another licensed manufacturer, ~~including any malt beverages~~  
124 and that are owned in whole or in part by the manufacturer, may  
125 be transferred to the licensed facility, as provided in ss.

126 563.022(14)(d) and 563.023(2). Malt beverages and other  
127 alcoholic beverages that are not owned by the manufacturer and  
128 ~~but~~ are brewed by another manufacturer, must be obtained through  
129 a licensed distributor that is not also a licensed manufacturer,  
130 a licensed broker or sales agent, or a licensed importer.

131 (d) A craft brewery may sell and deliver up to 5,000  
132 barrels of malt beverages per year to a licensed vendor,  
133 provided that:

134 1. Any malt beverages sold and delivered under this  
135 subsection that are not otherwise registered by a licensed  
136 distributor shall be registered with the division by the craft  
137 brewery.

138 2. The craft brewery complies with ss. 561.42 and 561.423,  
139 as applicable, to the same extent as if the manufacturer was a  
140 distributor.

141 3. The craft brewery notifies the distributor of any self-  
142 distribution delivery by electronic or other means.

143 (e)-(d) A manufacturer possessing a vendor's license under  
144 this subsection that produces more than 60,000 barrels of malt  
145 beverages per year may not ~~is not permitted to~~ make deliveries  
146 under s. 561.57(1).

147 (f)-(e) The division may ~~is authorized to~~ issue up to eight  
148 vendor's licenses to a manufacturer of malt beverages pursuant  
149 to this subsection.

150 (g)1. A craft brewery licensed under this subsection may

151 conduct tastings and sales of malt beverages produced by the  
152 craft brewery at Florida fairs, trade shows, farmers markets,  
153 expositions, and festivals. A craft brewery must pay all entry  
154 fees and must have a brewery representative present during the  
155 event.

156 2. The division shall issue a permit to a craft brewery  
157 for the purposes provided in subparagraph 1. Any permit issued  
158 pursuant to this subparagraph is limited to the place and  
159 duration of the event.

160 (3) (a) Notwithstanding other provisions of the Beverage  
161 Law, any vendor licensed in this state may be licensed as a  
162 manufacturer of malt beverages upon a finding by the division  
163 that:

164 1. The vendor will be engaged in brewing malt beverages at  
165 a single location and in an amount which will not exceed 5,000  
166 barrels of beer ~~10,000 kegs~~ per year. ~~For purposes of this~~  
167 ~~subsection, the term "keg" means 15.5 gallons.~~

168 2. The malt beverages so brewed will be sold to consumers  
169 for consumption on the vendor's licensed premises or on  
170 contiguous licensed premises owned by the vendor.

171 **Section 3. Section 561.37, Florida Statutes, is amended to**  
172 **read:**

173 561.37 Bond for payment of taxes.—Each ~~manufacturer and~~  
174 ~~each~~ distributor shall file with the division a surety bond  
175 acceptable to the division in the sum of \$25,000 as surety for

176 the payment of all taxes, provided, however, that when in the  
177 discretion of the division the amount of business done by the  
178 ~~manufacturer or~~ distributor is of such volume that a bond of  
179 less than \$25,000 will be adequate to secure the payment of all  
180 taxes assessed or authorized by the Beverage Law, the division  
181 may accept a bond in a lesser sum than \$25,000, but in no event  
182 shall it accept a bond of less than \$10,000, and it may at any  
183 time in its discretion require any bond in an amount less than  
184 \$25,000 to be increased so as not to exceed \$25,000; ~~provided,~~  
185 ~~however, that the amount of bond required for a brewer shall be~~  
186 ~~\$20,000, except that where, in the discretion of the division,~~  
187 ~~the amount of business done by the brewer is of such volume that~~  
188 ~~a bond of less than \$20,000 will be adequate to secure the~~  
189 ~~payment of all taxes assessed or authorized by the Beverage Law,~~  
190 ~~the division may accept a bond in a lesser sum than \$20,000, but~~  
191 ~~in no event shall it accept a bond of less than \$10,000, and it~~  
192 ~~may at any time in its discretion require any bond in an amount~~  
193 ~~less than \$20,000 to be increased so as not to exceed \$20,000;~~  
194 ~~provided further that the amount of the bond required for a wine~~  
195 ~~or wine and cordial manufacturer shall be \$5,000, except that,~~  
196 ~~in the case of a manufacturer engaged solely in the experimental~~  
197 ~~manufacture of wines and cordials from Florida products, where~~  
198 ~~in the discretion of the division the amount of business done by~~  
199 ~~such manufacturer is of such volume that a bond of less than~~  
200 ~~\$5,000 will be adequate to secure the payment of all taxes~~



201 ~~assessed or authorized by the Beverage Law, the division may~~  
202 ~~accept a bond in a lesser sum than \$5,000, but in no event shall~~  
203 ~~it accept a bond of less than \$1,000 and it may at any time in~~  
204 ~~its discretion require a bond in an amount less than \$5,000 to~~  
205 ~~be increased so as not to exceed \$5,000;~~ provided, further, that  
206 the amount of bond required for a distributor who sells only  
207 beverages containing not more than 4.007 percent of alcohol by  
208 volume, in counties where the sale of intoxicating liquors,  
209 wines, and beers is prohibited, and to distributors who sell  
210 only beverages containing not more than 17.259 percent of  
211 alcohol by volume and wines regardless of alcoholic content, in  
212 counties where the sale of intoxicating liquors, wines, and  
213 beers is permitted, shall file with the division a surety bond  
214 acceptable to the division in the sum of \$25,000, as surety for  
215 the payment of all taxes; provided, however, that where in the  
216 discretion of the division the amount of business done by such  
217 distributor is of such volume that a bond of less than \$25,000  
218 will be adequate to secure the payment of all taxes assessed or  
219 authorized by the Beverage Law the division may accept a bond in  
220 a less sum than \$25,000 but in no event shall it accept a bond  
221 less than \$1,000 and it may at any time in its discretion  
222 require any bond in an amount less than \$25,000 to be increased  
223 so as not to exceed \$25,000; provided, further, that the amount  
224 of bond required for a distributor in a county having a  
225 population of 15,000 or less who procures a license by which his

226 | or her sales are restricted to distributors and vendors who have  
 227 | obtained licenses in the same county, shall be \$5,000.

228 |       **Section 4. Subsection (3) is added to section 561.5101,**  
 229 | **Florida Statutes, to read:**

230 |       561.5101 Come-to-rest requirement; exceptions; penalties.—

231 |       (3) This section does not apply to a craft brewery  
 232 | delivering malt beverages as provided in s. 561.221(2)(d).

233 |       **Section 5. Subsections (1) and (2) of section 561.57,**  
 234 | **Florida Statutes, are amended to read:**

235 |       561.57 Deliveries by licensees.—

236 |       (1) Vendors may ~~shall be permitted to~~ make deliveries away  
 237 | from their places of business of sales actually made at the  
 238 | licensed place of business; provided, telephone, electronic, or  
 239 | mail orders received at a vendor's licensed place of business is  
 240 | ~~shall be construed as~~ a sale actually made at the vendor's  
 241 | licensed place of business. Deliveries made by a vendor away  
 242 | from his or her place of business may be made in vehicles that  
 243 | are owned or leased by the vendor or in a third-party vehicle  
 244 | pursuant to a contract with a third party with whom the vendor  
 245 | has contracted to make deliveries, including, but not limited  
 246 | to, common carriers. By acceptance of an alcoholic beverage  
 247 | license, the vendor agrees that vehicles that are owned or  
 248 | leased by the vendor shall always be subject to inspection and  
 249 | search without a search warrant for the purpose of ascertaining  
 250 | that all provisions of the alcoholic beverage laws are complied

251 with by authorized employees of the division and also by  
252 sheriffs, deputy sheriffs, and police officers during business  
253 hours or other times the vehicle is being used to transport or  
254 deliver alcoholic beverages. A manufacturer possessing a  
255 vendor's license under s. 561.221(2) that produces more than  
256 60,000 barrels of malt beverages per year may not ~~is not~~  
257 ~~permitted to~~ make deliveries under this subsection.

258 (2) Deliveries made by a manufacturer or distributor away  
259 from his or her place of business may be made only in vehicles  
260 that are owned or leased by the licensee. However, a craft  
261 brewery that delivers malt beverages, as authorized by s.  
262 561.221(2)(d), may transport malt beverages if the vehicle used  
263 is owned or leased by the manufacturer or any person who has  
264 been disclosed in writing to the division. By acceptance of an  
265 alcoholic beverage license and the use of such vehicles, the  
266 licensee agrees that such vehicle shall always be subject to be  
267 inspected and searched without a search warrant, for the purpose  
268 of ascertaining that all provisions of the alcoholic beverage  
269 laws are complied with, by authorized employees of the division  
270 and also by sheriffs, deputy sheriffs, and police officers  
271 during business hours or other times the vehicle is being used  
272 to transport or deliver alcoholic beverages.

273 **Section 6. Subsection (2) of section 563.02, Florida**  
274 **Statutes, is amended to read:**

275 563.02 License fees; vendors; manufacturers and

276 distributors.-

277 (2) Each manufacturer engaged in the business of brewing  
 278 only malt beverages shall pay an annual state license tax of  
 279 \$3,000 for each plant or branch he or she may operate. However,  
 280 each manufacturer engaged in the business of brewing less than  
 281 60,000 barrels ~~10,000 kegs~~ of malt beverages annually pursuant  
 282 to s. 561.221(2), or for consumption on the premises pursuant to  
 283 s. 561.221(3), shall pay an annual state license tax of \$500 for  
 284 each plant or branch.

285 **Section 7. Paragraph (h) of subsection (2) of section**  
 286 **563.022, Florida Statutes, is amended to read:**

287 563.022 Relations between beer distributors and  
 288 manufacturers.-

289 (2) DEFINITIONS.-In construing this section, unless the  
 290 context otherwise requires, the word, phrase, or term:

291 (h) "Manufacturer" means any person who manufactures or  
 292 imports beer for distribution to distributors licensed in  
 293 Florida. Effective July 1, 2025, this term does not include a  
 294 craft brewery, as defined in s. 561.01.

295 **Section 8. Section 563.023, Florida Statutes, is created**  
 296 **to read:**

297 563.023 Relations between beer distributors and craft  
 298 breweries.-

299 (1) CRAFT BREWERY DISTRIBUTION AGREEMENTS.-

300 (a) A distribution agreement between a beer distributor

301 and a craft brewery providing for, and specifying the rights and  
302 duties of, a craft brewery and distributor with and in regard to  
303 the sale of products of the craft brewery in this state must be  
304 in writing. The terms of the agreement shall comply with, and  
305 conform to, this section.

306 (b) This section applies to any new distribution  
307 agreement, or the renewal of an existing distribution agreement,  
308 between a beer distributor and a craft brewery, as defined in s.  
309 561.01. Any existing distribution agreement between a beer  
310 distributor and a craft brewery renews upon July 1, 2026, or the  
311 renewal date set forth in the agreement, whichever occurs first.

312 (2) TRANSFER OF PRODUCTS.—The Beverage Law does not  
313 prohibit a craft brewery from shipping products to or between  
314 its breweries, between its breweries and the licensed premises  
315 of a vendor, as provided in s. 561.221(2), or products that it  
316 owns, without a distributor's license.

317 (3) AGREEMENT RESTRICTIONS.—A distribution agreement  
318 between a craft brewery and a distributor may not:

319 (a) Require the craft brewery or distributor to agree to  
320 renew the distribution agreement at the expiration of a term.

321 (b) Except as set forth in subsection (4) or subsection  
322 (8) of this section, authorize a craft brewery or distributor to  
323 terminate a distribution agreement without providing prior  
324 written notice of any alleged deficiency and giving the other  
325 party a reasonable opportunity to cure any alleged deficiency.

326 For purposes of this paragraph, a reasonable opportunity to cure  
327 is 60 days from receipt of notice of any alleged deficiency.

328 (c) Authorize the assignment of the distribution  
329 agreement, in part or in whole, without prior consent of the  
330 other party, which may not be unreasonably withheld, provided  
331 the assignee possesses the financial, technical, and operational  
332 skills necessary to perform under the distribution agreement.

333 (d) Authorize the craft brewery or distributor to  
334 unilaterally amend the distribution agreement, or any document  
335 referred to, or incorporated by reference in, the distribution  
336 agreement.

337 (e) Require a craft brewery or distributor to mediate or  
338 arbitrate disputes; however, the parties may resolve disputes by  
339 retaining an independent mediator or arbitrator, while equally  
340 sharing the cost.

341 (4) TERMINATION.—

342 (a) BY A CRAFT BREWERY.—

343 1. A craft brewery may terminate a distribution agreement  
344 with a distributor according to the terms of the agreement or in  
345 any of the following instances:

346 a. The assignment or attempted assignment by the  
347 distributor for the benefit of creditors, the institution of  
348 proceedings in bankruptcy by or against the distributor, the  
349 dissolution or liquidation of the distributor, the insolvency of  
350 the distributor, or the distributor's failure to pay for malt

351 beverages in accordance with this section.

352 b. The felony conviction of a distributor, or any of the  
353 distributor's owners who participate in the distributor's  
354 management, which, in the sole judgment of the craft brewery,  
355 may adversely affect the goodwill or interests of the craft  
356 brewery.

357 c. Fraudulent or discriminatory conduct of the distributor  
358 in any of its dealings with the craft brewery or the craft  
359 brewery's products.

360 d. Revocation or suspension, for more than 31 days, of the  
361 distributor's federal basic permit or any state or local license  
362 required of the distributor for the normal operation of its  
363 business.

364 e. Sale of malt beverages by a distributor outside its  
365 sales territory prescribed by the distribution agreement in  
366 accordance with s. 563.021.

367 f. A change by the distributor, without prior consent of  
368 the craft brewery, in ownership or possession of ownership  
369 interests, establishment of a trust or other ownership interest,  
370 entering into a buy-sell agreement, or granting an option to  
371 purchase an ownership interest; however, termination under this  
372 sub-subparagraph does not apply to the transfer, creation, sale,  
373 gift, or grant of an ownership interest, or option thereon, of a  
374 total aggregate of less than 10 percent of the existing  
375 ownership or possession of ownership interests of the

376 distributor or intrafamily transfer.

377 g. In the case of a craft brewery whose products represent  
378 5 percent or less of a distributor's gross annual sales, 45  
379 days' written notice of termination and payment to the  
380 distributor of reasonable compensation, which shall be  
381 equivalent to the fair market value of the distributor's total  
382 investment in the craft brewery's products subject to  
383 termination. For purposes of this sub-subparagraph, fair market  
384 value is calculated based on a multiple of the distributor's  
385 gross profits from the sale of the craft brewery's products 12  
386 months before written notice of termination. The fair market  
387 value must be based on an arm's length transaction, entered into  
388 without duress or threat of termination, and shall include all  
389 elements of value, including goodwill and going-concern value.  
390 If the parties are unable to agree on the fair market value, the  
391 dispute must be resolved pursuant to subsection (10).

392 2. Termination by a craft brewery may occur no more than  
393 once in a 36-month period and does not violate paragraph (5) (b).

394 3. This sub-subparagraph does not prohibit termination by  
395 a craft brewery by mutual consent of the parties.

396 (b) BY A DISTRIBUTOR.—

397 1. A distributor may terminate a distribution agreement  
398 according to the terms of the agreement, or in any of the  
399 following instances:

400 a. The assignment or attempted assignment by the craft



401 brewery for the benefit of creditors, the institution of  
402 proceedings in bankruptcy by or against the craft brewery, the  
403 dissolution or liquidation of the craft brewery, or the  
404 insolvency of the craft brewery.

405 b. The felony conviction of a craft brewery, or any of the  
406 craft brewery's owners who participate in the craft brewery's  
407 management, which, in the sole judgment of the distributor, may  
408 adversely affect the goodwill or interests of the distributor.

409 c. Fraudulent or discriminatory conduct of the craft  
410 brewery in any of its dealings with the distributor or the  
411 distributor's brands.

412 d. Revocation or suspension, for more than 31 days, of the  
413 craft brewery's federal basic permit or any state or local  
414 license required of the craft brewery for the normal operation  
415 of its business.

416 e. A change by the craft brewery, without prior consent of  
417 the distributor, in ownership or possession of ownership  
418 interests, establishment of a trust or other ownership interest,  
419 entering into a buy-sell agreement, or granting an option to  
420 purchase an ownership interest; however, termination under this  
421 sub-subparagraph does not apply to the transfer, creation, sale,  
422 gift, or grant of an ownership interest, or option thereon, of a  
423 total aggregate of less than 10 percent of the total existing  
424 ownership or possession of ownership interests of the craft  
425 brewery or intrafamily transfer.

426 f. In the case of a craft brewery whose products represent  
427 5 percent or less of a distributor's gross annual sales, 45  
428 days' written notice of termination and payment to the craft  
429 brewery of reasonable compensation, which shall be equivalent to  
430 five times the monthly average of purchases from the craft  
431 brewery during the 12-month period before the termination.

432 2. This subparagraph does not prohibit termination by a  
433 distributor by mutual consent of the parties.

434 (5) PROHIBITED ACTIONS.—A craft brewery or a distributor  
435 of malt beverages may not:

436 (a) Unreasonably discriminate or retaliate against the  
437 other party in the application or performance of the terms of a  
438 distribution agreement;

439 (b) Require or request payment, convey money or other  
440 consideration, or accept any sum of money or other consideration  
441 in exchange for the right to distribute the craft brewery's  
442 product in a designated territory; however, the following  
443 actions are not prohibited:

444 1. A request by a craft brewery to a distributor to pay or  
445 contribute any sum of money for or toward the cost of marketing  
446 the craft brewery's product if the money is spent by the craft  
447 brewery in a manner and at such times as agreed to in writing by  
448 the craft brewery and the distributor; and

449 2. Any payment pursuant to sub-subparagraph (4) (a) 1.g.;

450 (c) Unreasonably withhold timely consent to a proposed

451 sale or transfer, in part or whole, of the stock or assets of  
452 the craft brewery or distributor; and the craft brewery or  
453 distributor shall approve or disapprove such proposal within 30  
454 days' of receipt of written notice of the proposal and all  
455 requested information to enable it to pass upon the purchaser's  
456 or transferee's financial, technical, and operational skills  
457 necessary to perform under the distribution agreement; or

458 (d) Fail to give at least 30 days' written notice of a  
459 change in ownership or possession of an ownership interest,  
460 whether by sale, transfer, gift, or grant of an option.

461 (6) SALES TERRITORIES.—

462 (a) A distributor of malt beverages may not:

463 1. Refuse to enter into a distribution agreement with a  
464 craft brewery, in whole or in part, except for good cause and in  
465 good faith; or

466 2. Distribute a craft brewery's product 30 days' after  
467 receipt of notice of termination of a distribution agreement;  
468 however, any sums of money owed to the distributor, or another  
469 distributor assuming the obligation to distribute the craft  
470 brewery's product within the territory encompassed by the  
471 distribution agreement, is still be owed.

472 (b) A craft brewery may not enter into a contract with  
473 more than one distributor to sell any of its products within the  
474 same territory or area at the same time. This paragraph does not  
475 apply to contracts entered into before January 1, 2012, or the

476 future renewal of such contracts, to the extent the existing  
477 contract and the future renewal authorize different distributors  
478 to sell some, but not all, of the products.

479 (7) TERRITORY REPRESENTATION.—A distributor that enters  
480 into a distribution agreement, or renews such an agreement, with  
481 a craft brewery on or after July 1, 2025, must maintain a  
482 physical business address and personnel to ensure that:

483 (a) The product and brand of the craft brewery are  
484 reasonably represented in the territory of the distributor for  
485 which the distribution agreement applies.

486 (b) The reputation and trade name of the craft brewery are  
487 reasonably promoted and protected.

488 (c) The public is fully serviced.

489 (8) REPURCHASE OF PRODUCTS.—If a distribution agreement  
490 between a craft brewery and a distributor is terminated by  
491 either party pursuant to subsection (4), the craft brewery shall  
492 repurchase all of its product that remains in the distributor's  
493 inventory upon return by the distributor, provided that the  
494 "best by," "expiration," or other similar printed date is more  
495 than 30 days after the date of return of the product.

496 (9) DAMAGES, ATTORNEY FEES, COSTS.—A craft brewery or a  
497 distributor that violates this section shall be liable to the  
498 injured party for actual damages sustained as a result of the  
499 violation and reasonable attorney fees and costs.

500 (10) VOLUNTARY BINDING ARBITRATION.—

501 (a) If a craft brewery or distributor cannot agree on the  
502 fair market value as set forth in subsection (4), the parties  
503 shall arbitrate the dispute pursuant to chapter 44, Laws of  
504 Florida.

505 (b)1. If the parties fail to reach an agreement within 30  
506 days' of receipt of written notice of termination, either party  
507 may send within 35 days a written notice to the other party,  
508 declaring the intention to proceed with voluntary binding  
509 arbitration pursuant to s. 44.104. A voluntary binding  
510 arbitration hearing shall be held to determine the fair market  
511 value of the distributor's total investment in the craft  
512 brewery's product pursuant to the distribution agreement that is  
513 subject to termination. The hearing shall conclude not later  
514 than 45 days after the date the notice of intent to arbitrate is  
515 sent to a party. The arbitrators shall render a decision not  
516 later than 30 days after the conclusion of the hearing, unless  
517 this time period is extended by mutual agreement of the parties.  
518 The final decision may not enjoin or compel the conduct of  
519 either party.

520 2. For purposes of subparagraph 1., fair market value is  
521 the value that would be determined in an arm's length  
522 transaction, entered into without duress or threat of  
523 termination of an existing right, and shall include all elements  
524 of value, including goodwill and going-concern value.

525 (c) The compensation of the arbitrators and any other

526 direct costs or fees of voluntary binding arbitration held  
527 pursuant to this subsection shall be equally divided between the  
528 parties. Any indirect costs or fees shall be paid by the party  
529 that incurs such costs or fees.

530 (d) A party that fails to participate in voluntary binding  
531 arbitration pursuant to this subsection waives all rights the  
532 party would have had in the arbitration and is deemed to have  
533 consented to the decision rendered by the arbitrators.

534 (e) This subsection does not limit or prohibit a voluntary  
535 good-faith settlement agreement entered into by the parties.

536 **Section 9. Section 563.042, Florida Statutes, is created**  
537 **to read:**

538 563.042 Contract Brewing and Alternating Proprietorships.-

539 (1) Definitions.—As used in this section, the term:

540 (a) "Alternating proprietorship brewing" means an  
541 agreement between a host brewer and guest brewer pursuant to  
542 which the guest brewer manufactures malt beverages on the  
543 licensed premises of the host brewer.

544 (b) "Contract brewer" means a licensed manufacturer of  
545 malt beverages that brews malt beverages on its licensed  
546 premises for a contracting brewer.

547 (c) "Contract brewing" means an agreement between a  
548 contract brewer and a contracting brewer pursuant to which the  
549 contract brewer brews malt beverages on its licensed premises  
550 for a contracting brewer.

551 (d) "Contracting brewer" means a licensed manufacturer of  
552 malt beverages that contracts for the services of malt beverage  
553 brewing with a contract brewer.

554 (e) "Guest brewer" means a licensed manufacturer of malt  
555 beverages that brews malt beverages on the licensed premises of  
556 the host brewer.

557 (f) "Host brewer" means a licensed manufacturer of malt  
558 beverages that authorizes a guest brewer to brew malt beverages  
559 on its licensed premises.

560 (2) Notwithstanding any other provision of the Beverage  
561 Law, a contract brewer may transfer beer or malt beverages to a  
562 contracting brewer in an amount up to the yearly production  
563 amount at a contracting brewer's facility pursuant to a contract  
564 brewing agreement.

565 (3) A contract brewer may contract with one or more  
566 contracting brewer to manufacture beer or malt beverages for  
567 such contracting brewers. The contract brewer must comply with  
568 all federal and state laws related to the manufacturing of beer,  
569 including labeling laws, and is responsible for the payment of  
570 all federal and state taxes on any beer manufactured pursuant to  
571 this section upon removal of the beer from the manufacturer's  
572 licensed premises. Title to the malt beverages remains with the  
573 contract brewer until such beverages are removed from the  
574 licensed premises.

575 (4) Each entity engaged in the activities described in

576 this section must maintain records, including the agreement  
577 authorizing the manufacturing and transfer of malt beverages,  
578 records of the amount manufactured as part of the agreement, and  
579 all other records required by the division, to ensure compliance  
580 with the Beverage Law.

581 (5) A licensed manufacturer of malt beverages seeking to  
582 engage in contract brewing shall:

583 (a) Notify the division of its intent to operate as a  
584 contract brewer or contracting brewer, before engaging in  
585 contract brewing, and disclose the location of the licensed  
586 premises where the contract brewing will occur, using forms  
587 provided by the division. A contracting brewer may only engage  
588 in the manufacturing of malt beverages at its duly licensed  
589 premises and at the disclosed licensed premises of a contract  
590 brewer.

591 (b) Submit a full and complete report to the division by  
592 the 10th day of each month. Contract brewers shall report the  
593 volume of each label of malt beverages manufactured on its  
594 licensed premises. Contracting brewers shall report the volume  
595 of each label of malt beverages manufactured on the licensed  
596 premises of the contract brewer.

597 (c) Maintain all records required to be kept by a  
598 manufacturer of malt beverages pursuant to the Beverage Law.

599 (6) Each contracting brewer's malt beverages shall at all  
600 times remain separate and identifiable from the beer of all



601 other tenants at the contract brewer's licensed premises.

602 (7) Before engaging in alternating proprietorship brewing,  
603 each entity seeking to become a host brewer or a guest brewer  
604 must qualify as a brewer with the National Revenue Center of the  
605 Alcohol and Tobacco Tax and Trade Bureau within the United  
606 States Department of the Treasury and submit the following  
607 information to the division, on a form approved and provided by  
608 the division:

609 (a) The name of the host brewer.

610 (b) The name of the guest brewer.

611 (c) The location where the alternating proprietorship  
612 brewing will take place.

613 (d) The location where any product brewed pursuant to the  
614 alternating proprietorship brewing arrangement will be stored.

615 (e) The amount of malt beverages to be produced under the  
616 alternating proprietorship brewing arrangement.

617 (f) The timeframe in which the guest brewer will be  
618 manufacturing malt beverages on the host brewer's licensed  
619 premises.

620 (g) Proof of occupancy rights to the host brewer's  
621 licensed premises for the duration of the alternating  
622 proprietorship brewing arrangement.

623 (h) Any other information deemed by the division to be  
624 reasonably necessary to protect the health, safety, and welfare  
625 of the public, and to ensure that all applicable taxes on the

626 malt beverages produced pursuant to an alternating  
627 proprietorship brewing arrangement are remitted to the state for  
628 deposit into the State Treasury.

629 (8) Host brewers and guest brewers shall submit a full and  
630 complete report to the division by the 10th day of each month.  
631 Guest brewers shall report the volume of each label of malt  
632 beverages manufactured on each licensed premises. Host brewers  
633 shall report the volume of each label of malt beverages  
634 manufactured on the licensed premises of the host brewer.

635 (9) Guest brewers must comply with all federal and state  
636 laws related to the manufacturing of beer, including labeling  
637 laws, and is responsible for the payment of all federal and  
638 state taxes on any beer manufactured pursuant to this section  
639 upon removal of the beer from the manufacturer's licensed  
640 premises. Title to the malt beverages remains with the guest  
641 brewer until such beverages are removed from the licensed  
642 premises.

643 (10) Manufacturers or vendors licensed pursuant to s.  
644 561.221(3) may not engage in contract brewing or alternating  
645 proprietorship brewing.

646 (11) The division may adopt rules and forms pursuant to  
647 ss. 380.120.536(1) and 120.54 to implement this section.

648 **Section 10.** This act shall take effect July 1, 2025.