

1 A bill to be entitled

2 An act relating to malt beverages; amending s. 402.82,
3 F.S.; conforming provisions; prohibiting electronic
4 benefits transfer cards from being used or accepted to
5 purchase an alcoholic beverage; amending s. 561.221,
6 F.S.; providing requirements for a licensed
7 manufacturer of malt beverages to sell such beverages
8 directly to consumers; providing operation
9 requirements for a taproom; prohibiting a manufacturer
10 from holding a vendor's license at specified premises;
11 providing requirements for a licensed manufacturer to
12 obtain a vendor's license; specifying circumstances
13 under which a manufacturer may sell alcoholic
14 beverages under its vendor's license; requiring a
15 manufacturer to complete certain reports; providing
16 applicability; providing requirements for a brewpub to
17 be licensed as a manufacturer or vendor; providing
18 requirements for a brewpub to sell alcoholic beverages
19 to consumers; amending s. 561.42, F.S.; deleting a
20 prohibition against certain entities conducting
21 tastings; amending s. 561.5101, F.S.; conforming a
22 cross-reference; amending s. 561.57, F.S.; deleting
23 restrictions on the vehicle required of a vendor to
24 transport alcoholic beverages; requiring a vendor or
25 authorized person who transports alcoholic beverages
26 to have a specified invoice or sales ticket; deleting

27 provisions related to vehicle permits for vendors;
28 amending s. 562.07, F.S.; conforming provisions;
29 amending s. 562.34, F.S.; providing that possessing
30 and transporting a growler is lawful; amending s.
31 563.022, F.S.; revising the definition of the term
32 "franchise agreement"; defining the term "primary
33 manufacturer"; requiring a franchise agreement to
34 include specified terms and provisions; providing
35 standards by which manufacturers may not renew
36 franchise agreements; prohibiting a primary
37 manufacturer from discontinuing or failing to renew a
38 franchise agreement without meeting certain
39 requirements; revising requirements for the burden of
40 proof during an action related to certain
41 terminations, cancellations, nonrenewals, or
42 discontinuances of franchise agreements; providing
43 notice requirements for certain terminations,
44 cancellations, nonrenewals, or discontinuances of a
45 franchise agreement; authorizing limited self-
46 distribution for specified manufacturers; providing
47 requirements for such self-distribution; requiring a
48 manufacturer to pay compensation after cancellation or
49 termination of an agreement; deleting the remedy of
50 declaratory judgment for an action brought under s.
51 563.022; revising provisions related to the repurchase
52 of inventory upon termination of an agreement;

53 amending s. 563.06, F.S.; defining the term "growler";
54 providing requirements for growlers; creating s.
55 563.09, F.S.; authorizing a licensed distributor or
56 manufacturer of malt beverages to conduct a malt
57 beverage tasting; providing requirements and
58 limitations; amending s. 565.03, F.S.; revising the
59 definition of the term "distillery"; deleting
60 restrictions on the sale of individual containers to
61 consumers in a face-to-face transaction; repealing s.
62 565.04, F.S., relating to restrictions on the sale by
63 certain licensed alcoholic beverage vendors of
64 merchandise other than specifically authorized types
65 of merchandise and restrictions on direct access to
66 such a vendor's place of business; providing
67 construction and severability; providing an effective
68 date.

69

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

71

72 Section 1. Paragraph (a) of subsection (4) of section
73 402.82, Florida Statutes, is amended to read:

74 402.82 Electronic benefits transfer program.—

75 (4) Use or acceptance of an electronic benefits transfer
76 card is prohibited at the following locations or for the
77 following activities:

78 (a) The purchase of an alcoholic beverage as defined in s.

79 561.01 and sold pursuant to the Beverage Law ~~An establishment~~
 80 ~~licensed under the Beverage Law to sell distilled spirits as a~~
 81 ~~vendor and restricted as to the types of products that can be~~
 82 ~~sold under ss. 565.04 and 565.045 or a bottle club as defined in~~
 83 ~~s. 561.01.~~

84 Section 2. Subsections (2) and (3) of section 561.221,
 85 Florida Statutes, are amended to read:

86 561.221 Retail exceptions to manufacturing licenses;
 87 brewing exceptions to vendor licenses ~~Licensing of manufacturers~~
 88 ~~and distributors as vendors and of vendors as manufacturers;~~
 89 conditions and limitations.-

90 (2) A manufacturer of malt beverages that is licensed and
 91 engaged in the manufacture of malt beverages in this state may
 92 sell directly to consumers in face-to-face transactions, which,
 93 notwithstanding s. 561.57(1), requires the physical presence of
 94 the consumer to make payment for and take receipt of the
 95 beverages on the licensed manufacturing premises, as follows:

96 (a) At a taproom, a manufacturer may sell malt beverages
 97 brewed by the manufacturer to consumers for on-premises or off-
 98 premises consumption without obtaining a vendor's license. A
 99 manufacturer of malt beverages shall comply with the following
 100 requirements related to a taproom:

101 1. The taproom must be a room or rooms located on the
 102 licensed manufacturing premises consisting of a single complex
 103 that includes a brewery. Such premises may be divided by no more
 104 than one public street or highway. The taproom shall be included

105 on the sketch or diagram defining the licensed premises
106 submitted with the manufacturer's license application pursuant
107 to s. 561.01(11). All sketch or diagram revisions by the
108 manufacturer must be approved by the division, verifying that
109 the taproom operated by the licensed manufacturer is owned or
110 leased by the manufacturer and is located on the licensed
111 manufacturing premises.

112 2. At least 70 percent by volume of the malt beverages
113 sold or given to consumers per calendar year in the taproom must
114 be brewed on the licensed manufacturing premises. No more than
115 30 percent by volume of the malt beverages sold or given per
116 calendar year to consumers in the taproom may be brewed by the
117 manufacturer at other manufacturing premises and shipped to the
118 licensed manufacturing premises pursuant to s. 563.022(14)(d).

119 3. Malt beverages may be sold to consumers in the taproom
120 for off-premises consumption in authorized containers pursuant
121 to s. 563.06(6) and (7).

122 4. A manufacturer of malt beverages is responsible for
123 paying applicable excise taxes to the division and submitting
124 applicable reports pursuant to ss. 561.50 and 561.55 with
125 respect to the amount of malt beverages sold or given to
126 consumers in the taproom each month.

127 5. This paragraph does not preclude a licensed
128 manufacturer of malt beverages that operates a taproom from
129 holding a permanent public food service establishment license
130 under chapter 509 at the taproom.

131 6. A manufacturer may not hold a vendor's license at a
132 licensed manufacturing premises that operates a taproom pursuant
133 to this paragraph.

134 (b) In lieu of a taproom, on or after July 1, 2015, the
135 division may ~~is authorized to~~ issue vendor's licenses to a
136 manufacturer of malt beverages at no more than two licensed
137 manufacturing premises for which the manufacturer has an
138 interest, directly or indirectly, in the license if the
139 manufacturer meets the following requirements:

140 1. A licensed manufacturer may obtain one vendor's license
141 at no more than two of the licensed manufacturing premises for
142 which the manufacturer has an interest, directly or indirectly,
143 in the license. Any additional licensed manufacturing premises,
144 for which the manufacturer has an interest, directly or
145 indirectly, in the license, may operate a taproom without a
146 vendor's license pursuant to paragraph (a).

147 2. The vendor's license must be located on the licensed
148 manufacturing premises consisting of a single complex that
149 includes a brewery. Such premises may be divided by no more than
150 one public street or highway. The licensed vendor premises shall
151 be included on the sketch or diagram defining the licensed
152 premises submitted with the manufacturer's license application
153 pursuant to s. 561.01(11). All sketch or diagram revisions by
154 the manufacturer must be approved by the division, verifying
155 that the vendor premises operated by the licensed manufacturer
156 is owned or leased by the manufacturer and is located on the

157 licensed manufacturing premises.

158 3. The manufacturer may sell alcoholic beverages under its
 159 vendor's license as follows:

160 a. Malt beverages manufactured on the licensed
 161 manufacturing premises or at another licensed manufacturing
 162 premises for which the manufacturer has an interest, directly or
 163 indirectly, in the license for:

164 (I) On-premises consumption.

165 (II) Off-premises consumption in authorized containers
 166 pursuant to s. 563.06(6).

167 (III) Off-premises consumption in growlers pursuant to s.
 168 563.06(7).

169 b. Malt beverages manufactured exclusively by other
 170 manufacturers for:

171 (I) On-premises consumption.

172 (II) Off-premises consumption in authorized containers
 173 pursuant to s. 563.06(6).

174 (III) Off-premises consumption in growlers pursuant to s.
 175 563.06(7).

176 c. Any wine or liquor for on-premises or off-premises
 177 consumption as authorized under its vendor's license.

178 4. A manufacturer of malt beverages pursuant to this
 179 paragraph is responsible for paying applicable excise taxes to
 180 the division and submitting applicable reports pursuant to ss.
 181 561.50 and 561.55 with respect to the amount of malt beverages
 182 manufactured and sold pursuant to its vendor's license or given

183 to consumers.

184 5. This paragraph does not preclude a licensed
185 manufacturer of malt beverages with a vendor's license from
186 holding a permanent public food service establishment license
187 under chapter 509 on the licensed manufacturing premises.

188 6. An entity that applies for a manufacturer's and
189 vendor's license at more than two licensed manufacturing
190 premises pursuant to this paragraph before March 15, 2015, or
191 that is issued a manufacturer's and vendor's license at more
192 than two licensed manufacturing premises pursuant to this
193 paragraph before July 1, 2015, may maintain the licenses
194 previously obtained or received based on such application, but
195 may not obtain or apply for an additional vendor's license.
196 However, except as to the allowance for manufacturers holding a
197 vendor's license at more than two licensed manufacturing
198 premises before July 1, 2015, a vendor's license held by a
199 manufacturer of malt beverages pursuant to this paragraph,
200 regardless of when first obtained, is subject to subparagraphs
201 1.-5.

202 7. An entity with direct or indirect interests in vendor
203 licenses issued to not more than two licensed manufacturing
204 premises under this paragraph may not be related, directly or
205 indirectly, to any other entity with direct or indirect interest
206 in other vendor licenses issued to other separate manufacturing
207 premises. This subparagraph prohibits the creation of a chain of
208 more than two vendor licensed manufacturing premises under

209 common control of entities with direct or indirect interests in
 210 such vendor licensed manufacturing premises. This subparagraph
 211 does not prohibit the purchase or ownership of stock in a
 212 publicly traded corporation where the licensee does not have and
 213 does not obtain a controlling interest in the corporation. An
 214 entity lawfully operating more than two licensed manufacturing
 215 premises with vendor licenses pursuant to subparagraph 6. may
 216 exceed the limit of two licenses with the actual number of
 217 manufacturing premises with vendor licenses operated by the
 218 ~~entity, even if such manufacturer is also licensed as a~~
 219 ~~distributor, for the sale of alcoholic beverages on property~~
 220 ~~consisting of a single complex, which property shall include a~~
 221 ~~brewery and such other structures which promote the brewery and~~
 222 ~~the tourist industry of the state. However, such property may be~~
 223 ~~divided by no more than one public street or highway.~~

224 (3) The division may issue a manufacturer's license and a
 225 vendor's license to a brewpub. To operate as a brewpub, the
 226 following requirements must be met:

227 (a) ~~Notwithstanding other provisions of the Beverage Law,~~
 228 ~~any vendor licensed in this state may be licensed as a~~
 229 ~~manufacturer of malt beverages upon a finding by the division~~
 230 ~~that:~~

231 ~~1.~~ The brewpub must ~~vendor will~~ be engaged in brewing malt
 232 beverages at the licensed brewpub premises ~~a single location and~~
 233 in an amount that does ~~which will~~ not exceed 10,000 kegs per
 234 calendar year. For purposes of this paragraph ~~subsection~~, the

235 term "keg" means 15.5 gallons.

236 (b) A brewpub may sell the following alcoholic beverages
 237 in a face-to-face transaction with a consumer:

238 1. Malt beverages manufactured on the licensed brewpub
 239 premises for:

240 a. On-premises consumption.

241 b. Off premises consumption in growlers, pursuant to s.
 242 563.06(7).

243 2. Malt beverages manufactured by other manufacturers for:

244 a. On-premises consumption.

245 b. Off premises consumption in growlers if the brewpub
 246 holds a valid quota license pursuant to s. 563.06(7).

247 3. Wine or liquor for on-premises consumption as
 248 authorized under its vendor's license.

249 (c) A brewpub may not ship malt beverages to or between
 250 licensed brewpub premises owned by the licensed entity. A
 251 brewpub is not a manufacturer for the purposes of s.
 252 563.022(14)(d).

253 (d) A brewpub may not distribute malt beverages.

254 (e) A brewpub must hold a permanent public food service
 255 establishment license under chapter 509.

256 ~~2. The malt beverages so brewed will be sold to consumers~~
 257 ~~for consumption on the vendor's licensed premises or on~~
 258 ~~contiguous licensed premises owned by the vendor.~~

259 ~~(f)-(b) As a manufacturer, a brewpub is~~ Any vendor which is
 260 ~~also licensed as a manufacturer of malt beverages pursuant to~~

261 ~~this subsection shall be~~ responsible for payment of applicable
262 excise taxes to the division and applicable reports pursuant to
263 ss. 561.50 and 561.55 with respect to the amount of malt
264 beverages ~~beverage~~ manufactured each month ~~and shall pay~~
265 ~~applicable excise taxes thereon to the division by the 10th day~~
266 ~~of each month for the previous month.~~

267 (g) ~~(e)~~ A ~~It shall be unlawful for any~~ licensed distributor
268 of malt beverages or any officer, agent, or other representative
269 thereof may not ~~to~~ discourage or prohibit a brewpub ~~any vendor~~
270 licensed ~~as a manufacturer~~ under this subsection from offering
271 malt beverages brewed for consumption on the licensed premises
272 of the brewpub ~~vendor~~.

273 (h) ~~(d)~~ A ~~It shall be unlawful for any~~ manufacturer of malt
274 beverages or any officer, agent, or other representative thereof
275 may not ~~to~~ take any action to discourage or prohibit a any
276 distributor of the manufacturer's product from distributing such
277 product to a brewpub ~~licensed vendor which is also~~ licensed ~~as a~~
278 ~~manufacturer of malt beverages~~ pursuant to this subsection.

279 Section 3. Paragraph (e) of subsection (14) of section
280 561.42, Florida Statutes, is amended to read:

281 561.42 Tied house evil; financial aid and assistance to
282 vendor by manufacturer, distributor, importer, primary American
283 source of supply, brand owner or registrant, or any broker,
284 sales agent, or sales person thereof, prohibited; procedure for
285 enforcement; exception.—

286 (14) The division shall adopt reasonable rules governing

287 promotional displays and advertising, which rules shall not
 288 conflict with or be more stringent than the federal regulations
 289 pertaining to such promotional displays and advertising
 290 furnished to vendors by distributors, manufacturers, importers,
 291 primary American sources of supply, or brand owners or
 292 registrants, or any broker, sales agent, or sales person
 293 thereof; however:

294 ~~(c) Manufacturers, distributors, importers, brand owners,~~
 295 ~~or brand registrants of beer, and any broker, sales agent, or~~
 296 ~~sales person thereof, shall not conduct any sampling activities~~
 297 ~~that include tasting of their product at a vendor's premises~~
 298 ~~licensed for off-premises sales only.~~

299 Section 4. Subsection (1) of section 561.5101, Florida
 300 Statutes, is amended to read:

301 561.5101 Come-to-rest requirement; exceptions; penalties.—

302 (1) For purposes of inspection and tax-revenue control,
 303 all malt beverages, except those manufactured and sold by the
 304 same licensee, pursuant to s. 561.221(2) or (3) ~~s. 561.221(3),~~
 305 must come to rest at the licensed premises of an alcoholic
 306 beverage wholesaler in this state before being sold to a vendor
 307 by the wholesaler. The prohibition contained in this subsection
 308 does not apply to the shipment of malt beverages commonly known
 309 as private labels. The prohibition contained in this subsection
 310 shall not prevent a manufacturer from shipping malt beverages
 311 for storage at a bonded warehouse facility, provided that such
 312 malt beverages are distributed as provided in this subsection or

313 to an out-of-state entity.

314 Section 5. Subsections (3) and (4) of section 561.57,
315 Florida Statutes, are amended to read:

316 561.57 Deliveries by licensees.—

317 (3) A licensed vendor may transport alcoholic beverage
318 purchases from a distributor's place of business to the vendor's
319 licensed premises or off-premises storage permitted by the
320 division, ~~if the vehicle used to transport the alcoholic~~
321 ~~beverages is owned or leased by the vendor or any person who has~~
322 ~~been disclosed on a license application filed by the vendor and~~
323 ~~approved by the division and a valid vehicle permit has been~~
324 ~~issued for such vehicle. A vehicle owned or leased by a person~~
325 ~~disclosed on a license application filed by the vendor and~~
326 ~~approved by the division under this subsection must be operated~~
327 ~~by such person when transporting alcoholic beverage purchases~~
328 ~~from a distributor's place of business to the vendor's licensed~~
329 ~~premises or off-premises storage.~~

330 (4) Any vendor or a person who is authorized by a vendor
331 to transport alcoholic beverages under this subsection shall
332 possess an invoice or sales ticket that meets the requirements
333 of s. 561.55 and related administrative rules when possessing
334 such beverages in a vehicle and transporting the alcoholic
335 beverages. ~~A vehicle permit may be obtained by a licensed vendor~~
336 ~~or any person authorized in subsection (3) upon application and~~
337 ~~payment of a fee of \$5 per vehicle to the division. The~~
338 ~~signature of the person authorized in subsection (3) must be~~

339 ~~included on the vehicle permit application. Such permit remains~~
340 ~~valid and does not expire unless the vendor or any person~~
341 ~~authorized in subsection (3) disposes of his or her vehicle, or~~
342 ~~the vendor's alcoholic beverage license is transferred,~~
343 ~~anceled, not renewed, or is revoked by the division, whichever~~
344 ~~occurs first. The division shall cancel a vehicle permit issued~~
345 ~~to a vendor upon request from the vendor. The division shall~~
346 ~~cancel a vehicle permit issued to any person authorized in~~
347 ~~subsection (3) upon request from that person or the vendor. By~~
348 ~~acceptance of a vehicle permit, the vendor or any person~~
349 ~~authorized in subsection (3) agrees that such vehicle is always~~
350 ~~subject to inspection and search without a search warrant, for~~
351 ~~the purpose of ascertaining that all provisions of the alcoholic~~
352 ~~beverage laws are complied with, by authorized employees of the~~
353 ~~division and also by sheriffs, deputy sheriffs, and police~~
354 ~~officers during business hours or other times that the vehicle~~
355 ~~is being used to transport or deliver alcoholic beverages. A~~
356 ~~vehicle permit issued under this subsection and invoices or~~
357 ~~sales tickets for alcoholic beverages purchased and transported~~
358 ~~must be carried in the vehicle used by the vendor or any person~~
359 ~~authorized in subsection (3) when the vendor's alcoholic~~
360 ~~beverages are being transported or delivered.~~

361 Section 6. Section 562.07, Florida Statutes, is amended to
362 read:

363 562.07 Illegal transportation of beverages.—It is unlawful
364 for alcoholic beverages to be transported in quantities of more

365 than 12 bottles except as follows:

366 (1) By common carriers;

367 ~~(2) In the owned or leased vehicles of licensed vendors or~~
 368 ~~any persons authorized in s. 561.57(3) transporting alcoholic~~
 369 ~~beverage purchases from the distributor's place of business to~~
 370 ~~the vendor's licensed place of business or off-premises storage~~
 371 ~~and to which said vehicles are carrying a permit and invoices or~~
 372 ~~sales tickets for alcoholic beverages purchased and transported~~
 373 ~~as provided for in the alcoholic beverage law;~~

374 (2)~~(3)~~ By individuals who possess such beverages not for
 375 resale within the state;

376 (3)~~(4)~~ By licensed manufacturers, distributors, or vendors
 377 transporting ~~delivering~~ alcoholic beverages under s. 561.57 ~~away~~
 378 ~~from their place of business in vehicles which are owned or~~
 379 ~~leased by such licensees; and~~

380 (4)~~(5)~~ By a vendor, distributor, pool buying agent, or
 381 salesperson of wine and spirits as outlined in s. 561.57(5).

382 Section 7. Subsections (1) and (3) of section 562.34,
 383 Florida Statutes, are amended to read:

384 562.34 Containers; seizure and forfeiture.—

385 (1) A ~~It shall be unlawful for any person~~ may not ~~to~~ have
 386 in her or his possession, custody, or control any cans, jugs,
 387 jars, bottles, vessels, or any other type of containers which
 388 are being used, are intended to be used, or are known by the
 389 possessor to have been used to bottle or package alcoholic
 390 beverages; however, this subsection does ~~provision shall~~ not

391 apply to a ~~any~~ person properly licensed to bottle or package
 392 such alcoholic beverages, a ~~or to any~~ person intending to
 393 dispose of such containers to a person, firm, or corporation
 394 properly licensed to bottle or package such alcoholic beverages,
 395 or a person who has in her or his possession, custody, or
 396 control one or more growlers as defined in s. 563.06(7).

397 (3) ~~A It shall be unlawful for any person may not to~~
 398 transport any cans, jugs, jars, bottles, vessels, or any other
 399 type of containers intended to be used to bottle or package
 400 alcoholic beverages; however, this subsection does ~~section shall~~
 401 not apply to a ~~any~~ firm or corporation holding a license to
 402 manufacture or distribute such alcoholic beverages; a ~~and shall~~
 403 ~~not apply to any~~ person transporting such containers to a ~~any~~
 404 person, firm, or corporation holding a license to manufacture or
 405 distribute such alcoholic beverages; or a person transporting
 406 one or more growlers as defined in s. 563.06(7).

407 Section 8. Section 563.022, Florida Statutes, is amended
 408 to read:

409 563.022 Relations between beer distributors and
 410 manufacturers.—

411 (1) LEGISLATIVE FINDINGS AND INTENT.—

412 (a) Regulation of business relations between beer
 413 distributors and manufacturers is necessary and appropriate in
 414 the public interest.

415 (b) This section is enacted pursuant to authority of the
 416 state under the provisions of the Twenty-First Amendment to the

417 United States Constitution to promote the public's interest in
418 fair, efficient, and competitive distribution of malt beverage
419 products by regulation and encouragement of manufacturers and
420 distributors to conduct their business relations toward these
421 ends by:

422 1. Assuring that the beer distributor is free to manage
423 its business enterprise, including the distributor's right to
424 independently establish its selling prices;

425 2. Assuring the manufacturer and the public of service
426 from a distributor who will devote reasonable efforts and
427 resources to sales and distribution of the manufacturer's
428 products, which distributor has been granted the right to sell
429 and distribute and to maintain a satisfactory sales level; and

430 3. Establishing and maintaining an orderly system of
431 distribution of beer to the public.

432 (c) This section shall govern all relations between
433 manufacturers and their distributors to the full extent
434 consistent with the constitutions and laws of this state and the
435 United States.

436 (d) In order to promote the intention and policies
437 announced herein, the provisions of this section shall be
438 liberally construed.

439 (2) DEFINITIONS.—In construing this section, unless the
440 context otherwise requires, the word, phrase, or term:

441 (a) "Designated member" means the spouse, child,
442 grandchild, parent, brother, or sister of a deceased individual

443 who owned an interest in a distributor, who is entitled to
444 inherit the deceased individual's ownership interest in the
445 distributor under the terms of the deceased individual's will or
446 other testamentary device, or who is entitled to inherit such
447 ownership interest under the laws of intestate succession of
448 this state. With respect to an incapacitated individual owning
449 an ownership interest in a distributor, the term means the
450 person appointed by a court as the conservator of such
451 individual's property. The term also includes the appointed and
452 qualified personal representative and the testamentary trustee
453 of a deceased individual owning an ownership interest in a
454 distributor.

455 (b) "Distributor" or "wholesaler" means any person, firm,
456 association, corporation, or company which is a distributor
457 licensed to sell and distribute beer at wholesale to persons who
458 are licensed to sell beer.

459 (c) "Franchise agreement" or "agreement" means a written
460 contract or agreement, ~~either expressed or implied, whether oral~~
461 ~~or written,~~ for a definite ~~or indefinite~~ period of time in which
462 a manufacturer grants to a beer distributor the right to
463 purchase, resell, and distribute a specified ~~any~~ brand or brands
464 offered by the manufacturer.

465 (d) "Franchisee" means a beer distributor to whom a
466 franchise is offered or granted.

467 (e) "Franchisor" means a beer manufacturer who grants a
468 franchise to a beer distributor.

469 (f) "Fraud" includes actual fraud or constructive fraud as
 470 normally defined, in addition to the following:

471 1. A misrepresentation in any manner, whether
 472 intentionally false or arising from gross negligence, of a
 473 material fact.

474 2. A promise or representation not made honestly and in
 475 good faith.

476 3. An intentional failure to disclose a material fact.

477 4. Any artifice employed to deceive another.

478 (g) "Good faith" means honesty in fact in the conduct or
 479 transaction concerned as defined and interpreted under s.
 480 671.201(20).

481 (h) "Manufacturer" means any person who manufactures or
 482 imports beer for distribution to distributors licensed in
 483 Florida.

484 (i) "Person" means a natural person, corporation,
 485 association, partnership, trust, or other business entity and,
 486 in case of a business entity, shall include any other entity in
 487 which it has a majority interest or it effectively controls, as
 488 well as the individual officers, directors, and other persons in
 489 active control of the activities of each such entity. The term
 490 also includes heirs, assigns, personal representatives, and
 491 guardians.

492 (j) "Primary manufacturer" means a manufacturer that
 493 provides more than 50 percent by volume of the malt beverages
 494 purchased by and delivered to a distributor per calendar year.

495 (k)~~(j)~~ "Reasonable qualifications" means the standard of
496 the reasonable criteria established and consistently used by the
497 respective manufacturer for Florida distributors that entered
498 into, continued, or renewed an agreement with the manufacturer
499 during a period of 24 months prior to the proposed transfer of
500 the distributor's business, or for Florida distributors that
501 have changed managers or designated managers during a period of
502 24 months prior to the proposed change in manager or successor
503 manager of the distributor's business.

504 (l)~~(k)~~ "Retaliatory action" includes, but is not limited
505 to, the refusal of a primary manufacturer to continue an
506 agreement or a material reduction in the quality of service or
507 quantity of products available to a distributor under an
508 agreement which refusal or reduction is not made in good faith.

509 (m)~~(l)~~ "Sale" includes the issuance, transfer, agreement
510 for transfer, exchange, pledge, hypothecation, or mortgage in
511 any manner or form, whether by transfer in trust or otherwise,
512 of beer or of any franchise related thereto for a consideration
513 and any option, subscription, or other contract, or
514 solicitation, looking to a sale, or offer or attempt to sell in
515 any form, whether in oral or written form, for a consideration.

516 (n)~~(m)~~ "Transfer of a distributor's business" means the
517 voluntary sale, assignment, or other transfer of the business or
518 control of the business of the distributor, including the sale
519 or other transfer of stock or assets by merger, consolidation,
520 or dissolution.

521 (3) FRANCHISE REQUIREMENTS.—Each franchise agreement
522 entered into between a manufacturer and distributor shall:

523 (a) Be negotiated and executed in good faith by both
524 parties such that obligations and considerations are met during
525 the term of the agreement. The agreement shall provide that the
526 distributor and manufacturer agree with respect to all aspects
527 of the agreement, that both parties will act in good faith
528 during the course of the agreement, and that the distributor
529 agrees to not unfairly allocate its resources and efforts to a
530 competitor brand.

531 (b) Include all territorial assignments.

532 (c) Have a term of no more than 5 years if the
533 manufacturer is not the primary manufacturer for the
534 distributor. An agreement entered into before July 1, 2015, that
535 has no definite term shall expire on June 30, 2020.

536 (d) Be substantially similar with regard to terms and
537 conditions to all other franchise agreements between the
538 manufacturer and its other distributors.

539 (e) Include provisions for the recovery of actual damages
540 by the distributor pursuant to subsection (18), if the
541 manufacturer terminates or cancels the agreement before
542 expiration of the term of the agreement without good cause as
543 defined in subsections (8) and (11). Damages shall not be
544 awarded for failure to renew an agreement upon completion of the
545 term of the previous agreement if the manufacturer is not a
546 primary manufacturer.

547 (f) Explicitly state that the manufacturer's trademarks
 548 are the manufacturer's exclusive property and shall be used in
 549 accordance with the manufacturer's standards and under the
 550 manufacturer's direction, and that the use of such a trademark
 551 by the distributor provides no rights beyond those expressly
 552 provided in the agreement.

553 (g) Permit modification of the agreement at any time
 554 during the term of the agreement if both the manufacturer and
 555 distributor agree, provide such modification in writing, and
 556 sign the modified agreement.

557 (4)(3) APPLICATION.—A Any person who engages directly or
 558 indirectly in purposeful franchise agreements ~~or contracts~~ in
 559 connection with the sale of beer to beer distributors within
 560 this state shall be subject to the provisions of this section
 561 and shall be subject to the jurisdiction of the courts of this
 562 state for violations of this section in accordance with the
 563 provisions of the laws of this state.

564 (5)(4) UNLAWFUL ACTS AND PRACTICES.—Unfair methods of
 565 competition and unfair or deceptive acts or practices in the
 566 conduct of the manufacturing, importing, distribution, sale,
 567 wholesaling, and franchising of beer, as defined in subsection
 568 (6) (5), are declared to be unlawful. ~~Any person who violates~~
 569 ~~any provision of this section shall not be subject to the~~
 570 ~~criminal penalties set forth in the Beverage Law on account of~~
 571 ~~such violation.~~

572 (6)(5) UNFAIR AND PROHIBITED ACTS.—

573 (a) It shall be deemed a violation of subsection (5) ~~(4)~~
 574 for any manufacturer or distributor to engage in any action
 575 which is in bad faith or unconscionable and which causes damage
 576 in terms of law or equity to any of the parties or to the
 577 public.

578 (b) It shall be deemed a violation of subsection (5) ~~(4)~~
 579 for a manufacturer or officer, agent, or other representative
 580 thereof:

581 1. To coerce or compel, or attempt to coerce or compel,
 582 any beer distributor to order or accept delivery of any beer or
 583 any other commodity or commodities which such beer distributor
 584 has not voluntarily ordered.

585 2. To refuse to deliver in reasonable quantities and
 586 within a reasonable time after receipt of the distributor's
 587 order to any distributor having a franchise ~~or contractual~~
 588 agreement for the distribution and sale of beer sold by such
 589 manufacturer, beer covered by such franchise agreement ~~or~~
 590 ~~contract~~. However, the failure to deliver any such beer shall
 591 not be considered a violation of this section if such failure is
 592 due to prudent and reasonable restriction on extension of credit
 593 by the manufacturer to the distributor, an act of God, work
 594 stoppage or delay due to a strike or labor difficulty, a bona
 595 fide shortage of materials, freight embargo, or other cause over
 596 which the manufacturer, or any agent thereof, shall have no
 597 control whatsoever.

598 3. To coerce or compel, or attempt to coerce or compel, a

599 beer distributor to enter into any agreement, ~~whether written or~~
600 ~~oral~~, supplementary to an existing franchise with such
601 manufacturer or officer, agent, or other representative thereof,
602 or to do any other act prejudicial to such distributor, by
603 threatening to cancel any franchise ~~or any contractual~~ agreement
604 existing between such manufacturer and such distributor.
605 However, notice in good faith to a beer distributor of such
606 distributor's violation or breach of any terms or provisions of
607 such franchise ~~or contractual~~ agreement shall not constitute a
608 violation of this section if such notice is in writing, is
609 mailed by registered or certified mail to such distributor at
610 his or her current business address, and contains the specific
611 facts as to the distributor's violation or breach of such
612 franchise ~~or contractual~~ agreement.

613 4. To terminate or, ~~cancel, fail to renew, or refuse to~~
614 ~~continue~~ the franchise ~~or selling~~ agreement of any such
615 distributor without good cause as defined in subsections (8) ~~(7)~~
616 and (11) ~~(10)~~. ~~The nonrenewal of a franchise or selling~~
617 ~~agreement without good cause shall constitute an unfair~~
618 ~~termination or cancellation regardless of the specified time~~
619 ~~period of such franchise or selling agreement.~~

620 5. If the manufacturer is a primary manufacturer for the
621 distributor, to fail to renew, or refuse to continue the
622 franchise agreement of any such distributor, without good cause
623 as defined in subsections (8) and (11). Such nonrenewal of a
624 franchise agreement constitutes an unfair termination or

625 cancellation for any time period specified in such franchise
626 agreement. If the manufacturer is not a primary manufacturer for
627 the distributor, the manufacturer is not required to renew or
628 continue the franchise agreement following the term of the
629 franchise agreement.

630 ~~6.5.~~ To willfully discriminate, either directly or
631 indirectly, in price offered to franchisees where the effect of
632 such discrimination is likely to substantially lessen
633 competition.

634 ~~7.6.~~ To prevent or attempt to prevent, by agreement
635 ~~contract~~ or otherwise, any beer distributor from changing the
636 capital structure of his or her distributorship or the means by
637 or through which he or she finances the operation of his or her
638 distributorship, provided that the distributor at all times
639 meets capital standards which are reasonable in light of
640 generally accepted capital standards within the manufacturer's
641 beer distribution system. Nothing in this subparagraph
642 diminishes the right of a manufacturer to prohibit public
643 ownership of its franchises.

644 ~~8.7.~~ To prevent or attempt to prevent, by agreement
645 ~~contract~~ or otherwise, any beer distributor or any officer,
646 member partner, or stockholder of any beer distributor from
647 selling or transferring any part of the interest of any of them
648 to any other person or persons or party or parties. However, no
649 distributor, officer, partner, or stockholder shall have the
650 right to sell, transfer, or assign the franchise or power of

651 management or control thereunder without the written consent of
652 the manufacturer, distributor, or wholesaler, except that such
653 consent shall not be unreasonably withheld.

654 a. No manufacturer shall unreasonably withhold or delay
655 its approval of any assignment, sale, or transfer of the stock
656 of a distributor or of all or any portion of a distributor's
657 assets, a distributor's voting stock, the voting stock of any
658 parent corporation, or the beneficial ownership or control of
659 any other entity owning or controlling a distributor, including
660 the distributor's rights and obligations under the terms of an
661 agreement, whenever the person or persons to be substituted meet
662 reasonable qualifications. Upon the death of one of the partners
663 of a partnership operating the business of a distributor, no
664 manufacturer shall deny the surviving partner or partners of
665 such partnership the right to become a successor-in-interest to
666 the agreement between the manufacturer and such partnership,
667 provided that the survivor has been active in the management of
668 the partnership and is otherwise capable of carrying on the
669 business of the partnership, and provided further that such
670 right is consistent with the rights and desires of the heirs or
671 devisees of the deceased partner.

672 b. Notwithstanding the provisions of subparagraph a., upon
673 the death of a distributor, no manufacturer shall deny approval
674 for any transfer of ownership to a designated member of the
675 family of an owner of a distributor; provided, however, that any
676 subsequent transfer of such ownership by such designated member

677 shall thereafter be subject to the provisions of subparagraph a.

678 ~~9.8.~~ To obtain money, goods, services, anything of value,
679 or any other benefit from any person in exchange for having
680 coerced or compelled a beer distributor to do business with such
681 other person.

682 ~~10.9.~~ To require a beer distributor to assent to a
683 release, assignment, novation, waiver, or estoppel which would
684 relieve any person from liability imposed by this section.

685 ~~11.10.~~ To restrict or inhibit, directly or indirectly, the
686 right of free association among manufacturers or distributors of
687 beer for any lawful purpose.

688 ~~12.11.~~ To fix or maintain the price at which a distributor
689 may resell beer.

690 ~~13.12.~~ To coerce or attempt to coerce any distributor to
691 accept delivery of any beer or other commodity ordered by a
692 distributor if the order was properly canceled by the
693 distributor.

694 ~~14.13.~~ To change a distributor's quota of a brand or
695 brands if the change is not made in good faith.

696 ~~15.14.~~ To require a distributor, by any means, to
697 participate in or contribute to any local or national
698 advertising fund controlled directly or indirectly by a
699 manufacturer.

700 ~~16.15.~~ To take any retaliatory action against a
701 distributor that files a complaint regarding an alleged
702 violation by the manufacturer of state or federal law or an

703 administrative rule.

704 ~~17.16.~~ To require or prohibit, without good cause provided
 705 in writing, any change in the manager or successor manager of
 706 any distributor who has been approved by the manufacturer as of
 707 June 4, 1987. Should a distributor change an approved manager or
 708 successor manager, a manufacturer shall not require or prohibit
 709 the change unless the person fails to meet the reasonable
 710 written standards for Florida distributors of the manufacturer
 711 which standards have been provided to the distributor.

712 ~~(7)-(6)~~ MANUFACTURER'S GOOD FAITH DISTRIBUTOR'S
 713 ~~RESIGNATION, CANCELLATION, TERMINATION, FAILURE TO RENEW, OR~~
 714 ~~REFUSAL TO CONTINUE.-~~

715 ~~(a) Notwithstanding any agreement and except as otherwise~~
 716 ~~provided for in this section,~~ A manufacturer shall not cause a
 717 ~~distributor to resign from an agreement, or cancel or~~
 718 ~~terminate, fail to renew, or refuse to continue under an~~
 719 agreement unless the manufacturer has ~~complied with all of the~~
 720 ~~following:~~

721 ~~1.(a) Has~~ Satisfied the applicable notice requirements of
 722 subsection ~~(10); (9).~~

723 ~~2.(b) Has~~ Acted in good faith; ~~and.~~

724 ~~3.(c) Has~~ Good cause for the cancellation ~~or,~~ termination,
 725 ~~nonrenewal, discontinuance, or forced resignation.~~

726 (b) If a manufacturer is a primary manufacturer for the
 727 distributor, the manufacturer shall not discontinue or fail to
 728 renew an agreement with the distributor unless the manufacturer

729 has:

730 1. Satisfied the applicable notice requirements of
 731 subsection (10);

732 2. Acted in good faith; and

733 3. Good cause for the discontinuance or nonrenewal.

734 (8)(7) GOOD CAUSE.—Notwithstanding any agreement, good
 735 cause shall exist for the purposes of a termination,
 736 cancellation, nonrenewal, or discontinuance under subsection (7)
 737 paragraph (6)(c) when all of the following occur:

738 (a) There is a failure by the distributor to comply with a
 739 provision of the agreement which is both reasonable and of
 740 material significance to the business relationship between the
 741 distributor and the manufacturer.

742 (b) The manufacturer first acquired knowledge of the
 743 failure described in paragraph (a) not more than 18 months
 744 before the date notification was given pursuant to subsection
 745 (10)(6).

746 (c) The distributor was given written notice by the
 747 manufacturer of failure to comply with the agreement.

748 (d) The distributor was afforded a reasonable opportunity
 749 to assert good faith efforts to comply with the agreement within
 750 the time limits provided for in paragraph (e).

751 (e) The distributor has been afforded 15 ~~30~~ days in which
 752 to submit a plan of corrective action to comply with the
 753 agreement and an additional 30 ~~90~~ days to cure such
 754 noncompliance in accordance with the plan or to sell his or her

755 distributorship consistent with the provisions of this section.

756 (9)~~(8)~~ BURDEN OF PROOF.—For each good faith termination
 757 ~~or~~ cancellation by a manufacturer, or nonrenewal~~,~~ or
 758 discontinuance by a primary manufacturer of the distributor, the
 759 manufacturer shall provide prima facie evidence ~~have the burden~~
 760 ~~of~~ showing that it has acted in good faith, that the notice
 761 requirements under this section have been complied with, and
 762 that there was good cause for the termination, cancellation,
 763 nonrenewal, or discontinuance. After the manufacturer provides
 764 such prima facie evidence, the burden of proof is shifted to the
 765 distributor to prove that the manufacturer has not met statutory
 766 and contractual requirements.

767 (10)~~(9)~~ NOTICE.—Notwithstanding any agreement and except
 768 as otherwise provided in this section, for each good faith
 769 termination or cancellation by a manufacturer, or nonrenewal or
 770 discontinuance by a primary manufacturer of the distributor, the
 771 manufacturer shall furnish written notice ~~of the termination,~~
 772 ~~cancellation, nonrenewal, or discontinuance of an agreement to~~
 773 the distributor at least 30 ~~not less than 90~~ days before the
 774 effective date of the termination, cancellation, nonrenewal, or
 775 discontinuance; in no event shall the contractual term of any
 776 such franchise ~~or selling~~ agreement expire without the written
 777 consent of the beer distributor involved before ~~prior to the~~
 778 expiration of at least 30 ~~90~~ days after ~~following~~ such written
 779 notice. The notice shall be by certified mail and shall contain
 780 all of the following:

781 (a) A statement of intention to terminate, cancel, not
782 renew, or discontinue the agreement.

783 (b) A statement of the reason for the termination,
784 cancellation, nonrenewal, or discontinuance.

785 (c) The date on which the termination, cancellation,
786 nonrenewal, or discontinuance takes effect.

787 (11)~~(10)~~ CONDITIONS AND NOTICE REQUIRED.—Notwithstanding
788 subsections (7) ~~(6)~~ and (10) ~~(9)~~, a manufacturer may terminate,
789 cancel, fail to renew, or discontinue an agreement for good
790 cause immediately without notice ~~after not less than 15 days'~~
791 ~~written notice given in the manner and containing the~~
792 ~~information required by subsection (9)~~, if any of the following
793 occur:

794 (a) Insolvency of the distributor, the filing of any
795 petition by or against the distributor under any bankruptcy or
796 receivership law, or the dissolution or liquidation of the
797 wholesaler which materially affects the distributor's ability to
798 remain in business.

799 (b) Suspension or revocation of the distributor's license
800 by the division or by the Federal Bureau of Alcohol, Tobacco and
801 Firearms whereby the distributor cannot distribute beer for more
802 than 60 days.

803 (c) The distributor, or a partner or an individual who
804 owns 10 percent or more of the partnership or stock of a
805 corporate distributor, has been convicted of a felony under the
806 United States Code or the laws of any state which reasonably may

807 adversely affect the good will or interest of the distributor or
808 manufacturer. However, an existing stockholder or stockholders,
809 partner or partners, a designated member or members, or the
810 distributor itself, if incorporated, shall have, subject to the
811 provisions of this section, the right to purchase the
812 partnership interest or the stock of the offending partner or
813 stockholder, and if the sale is completed within 15 days of the
814 conviction of the offending partner or stockholder, the right of
815 termination, cancellation, nonrenewal, or discontinuance of the
816 distributorship agreement shall not apply.

817 (d) There was fraudulent conduct on the part of the
818 distributor relating to a material matter in dealings with the
819 manufacturer or its products.

820 (e) The principal of the distributor intentionally and
821 willfully sells the manufacturer's products to a retailer or
822 retailers located outside a distributor's territory, but only if
823 the manufacturer has assigned exclusive territories to its
824 distributors in Florida.

825 (f) The distributor fails to pay for the manufacturer's
826 products ordered and delivered in accordance with terms
827 established with the manufacturer and has continued to fail to
828 make payment within 15 business days after receipt of notice of
829 the delinquency and demand for immediate payment.

830 (g) The distributor sells, transfers, or assigns the
831 franchise or control thereunder without the written consent of
832 the manufacturer.

833 (12)~~(11)~~ DISCONTINUANCE OF PRODUCTION OR DISTRIBUTION.—
834 Notwithstanding subsections (7), (10), and (11) ~~(6), (9), and~~
835 ~~(10)~~, a manufacturer may terminate, cancel, not renew, or
836 discontinue an agreement upon not less than 30 days' prior
837 written notice if the supplier discontinues production or
838 discontinues distribution throughout this state of all the
839 brands sold by the manufacturer to the distributor. Nothing in
840 this section shall prohibit a manufacturer, upon not less than
841 30 days' notice, to completely discontinue the distribution
842 throughout this state of any particular brand or package of
843 beer. This subsection does not prohibit a manufacturer from
844 conducting test marketing of a new brand of beer or from
845 conducting the test marketing of a brand of beer which is not
846 currently being sold in this state, provided that the
847 manufacturer has notified the division in writing of its plans
848 to test market. The notice shall describe the market area in
849 which the test shall be conducted, the name or names of the
850 distributor or distributors who will be selling the beer, the
851 name or names of the brand of beer being tested, and the period
852 of time during which the testing will take place. A market
853 testing period shall not exceed 18 months.

854 (13)~~(12)~~ REASONABLE EFFORT REQUIRED.—The distributor shall
855 devote such efforts and resources, as required in the agreement
856 between the distributor and the manufacturer, to sales and
857 distribution of all the manufacturer's products which the
858 distributor has been granted the right and has agreed to sell

859 and distribute so long as such requirements are reasonable. In
860 the absence of such an agreement, the distributor shall devote
861 reasonable efforts and resources.

862 (14)~~(13)~~ WAIVER PROHIBITED.—A distributor shall not waive
863 any of the rights granted in any provision of this section.
864 Nothing in this section shall be construed to limit or prohibit
865 good faith dispute settlements voluntarily entered into by the
866 parties.

867 (15)~~(14)~~ MANUFACTURER; PROHIBITED INTERESTS.—

868 (a) This subsection applies to:

- 869 1. A manufacturer;
870 2. Any officer, director, agent, or employee of a
871 manufacturer; or
872 3. An affiliate of any manufacturer, regardless of whether
873 the affiliation is corporate or by management, direction, or
874 control.

875 (b) Except as provided in paragraph (c), no entity or
876 person specified in paragraph (a) may have an interest in the
877 license, business, assets, or corporate stock of a licensed
878 distributor nor shall such entity sell directly to any vendor in
879 this state other than to vendors who are licensed pursuant to s.
880 561.221(2).

881 (c) Any entity described in paragraph (a) may financially
882 assist a proposed distributor in acquiring ownership of the
883 distributorship through participation in a limited partnership
884 arrangement in which the entity described in paragraph (a) is a

885 limited partner and the proposed distributor seeking to acquire
886 ownership of the distributorship is the general partner. Such
887 limited partnership arrangements may exist for no longer than 8
888 years from their creation and shall not be extended or renewed
889 by means of a transfer of full ownership to an entity described
890 in paragraph (a) followed by the creation of a new limited
891 partnership or by any other means. In any such arrangement for
892 financial assistance, the federal basic permit and distributor's
893 license issued by the division shall be issued in the name of
894 the distributor and not in the name of an entity described in
895 paragraph (a). If, after the creation of a limited partnership
896 pursuant to this paragraph, an entity described in paragraph (a)
897 acquires title to the distributorship which was the subject of
898 the limited partnership, the entity described in paragraph (a)
899 shall divest itself of the distributorship within 180 days, and
900 the distributorship shall be ineligible for limited partnership
901 financing for 20 years thereafter. No entity described in
902 paragraph (a) shall enter into a limited partnership arrangement
903 with a licensed distributor whose distributorship existed and
904 was operated prior to the creation of such limited partnership
905 arrangement.

906 (d) Nothing in the Beverage Law shall be construed to
907 prohibit a manufacturer from shipping products to or between the
908 licensed premises of its breweries without a distributor's
909 license. A manufacturer that holds a valid manufacturer's
910 license may deliver, directly to any licensed vendor, up to

911 10,000 total kegs per calendar year of malt beverages
912 manufactured by the manufacturer and to which it owns the brand
913 rights, subject to the following requirements:

914 1. The manufacturer shall use only its vehicles to deliver
915 malt beverages to a licensed vendor.

916 2. A manufacturer of malt beverages that is permitted
917 limited self-distribution pursuant to this paragraph is
918 responsible for payment of applicable excise taxes to the
919 division and applicable reports pursuant to ss. 561.50 and
920 561.55 with respect to the amount of malt beverages manufactured
921 and sold to vendors. The reports shall clearly distinguish
922 between malt beverages self-distributed by the manufacturer and
923 malt beverages sold directly to consumers by the manufacturer
924 pursuant to s. 561.221(2).

925 (e) Notwithstanding the provisions of paragraph (b), any
926 entity named in paragraph (a) may have an interest in the
927 license, business, assets, or corporate stock of a licensed
928 distributor for a maximum of 180 consecutive days as the result
929 of a judgment of foreclosure against the distributor or for 180
930 consecutive days after acquiring title pursuant to the written
931 request of the licensed distributor. Under either of these
932 circumstances, manufacturer ownership of an interest in the
933 license, business, assets, or corporate stock of a licensed
934 distributor shall only be for 180 days and only for the purpose
935 of facilitating an orderly transfer of the distributorship to an
936 owner not affiliated with a manufacturer.

937 (f) Notwithstanding the provisions of paragraph (b), any
 938 entity named in paragraph (a) may have a security interest in
 939 the inventory or property of its licensed distributors to secure
 940 payment for said inventory or other loans for other purposes.

941 ~~(16)-(15)~~ AGREEMENTS SUBJECT TO SECTION.—The provisions of
 942 this section shall apply to all written or oral agreements
 943 between a manufacturer and beer distributor in existence on July
 944 1, 2015 ~~June 4, 1987~~, as well as agreements entered into or
 945 renewed after July 1, 2015 ~~June 4, 1987~~.

946 ~~(17)-(16)~~ AGREEMENTS BINDING ON SUCCESSOR.—A successor to a
 947 manufacturer that continues in business as a manufacturer shall
 948 be bound by all terms and conditions of each agreement of the
 949 manufacturer in effect on the date of succession.

950 ~~(18)-(17)~~ ~~REASONABLE~~ COMPENSATION FOR TERMINATION OR
 951 CANCELLATION WITHOUT GOOD CAUSE.—Upon termination or
 952 cancellation of the agreement without good cause:

953 (a) Any manufacturer which, without good cause, cancels
 954 or, ~~terminates, or fails to renew~~ any agreement, or lawfully
 955 denies approval of, or unreasonably withholds consent to, any
 956 assignment, transfer, or sale of a distributor's business assets
 957 or voting stock or other equity securities, shall pay
 958 compensation for actual damages to such distributor with whom it
 959 has an agreement, and other injured parties. A primary
 960 manufacturer that fails to renew an agreement pursuant to
 961 subparagraph (6) (b) 5. shall pay compensation for actual damages
 962 to a distributor with whom it has such agreement, and other

963 injured parties. Actual damages shall reflect damages suffered
964 by the distributor or injured party, including: a written
965 contract

- 966 1. Lost profits anticipated from prior sales.
- 967 2. Incidental and consequential damages.
- 968 3. Costs expended and not previously recovered during the
969 duration of the agreement before cancellation or termination.

970 ~~reasonable compensation for the diminished value of the~~
971 ~~distributor's business or of any ancillary business or both~~
972 ~~which has been negatively affected by the act of the~~
973 ~~manufacturer. "Ancillary business" means a business owned by a~~
974 ~~wholesaler, a controlling stockholder of a wholesaler, or a~~
975 ~~controlling partner of a wholesaler, the assets of which are~~
976 ~~primarily used in transporting, storing, or marketing the brand~~
977 ~~or brands of malt beverage of the supplier with whom the~~
978 ~~wholesaler has an agreement; or a business owned by a~~
979 ~~wholesaler, a controlling stockholder of a wholesaler, or a~~
980 ~~controlling partner of a wholesaler which recycles returnable~~
981 ~~beverage containers; or any other business owned by a~~
982 ~~wholesaler, a controlling stockholder of a wholesaler, or a~~
983 ~~controlling partner of a wholesaler, which business is primarily~~
984 ~~operated to benefit the wholesaler's ability to handle the brand~~
985 ~~or brands of malt beverage of the supplier with whom the~~
986 ~~wholesaler has an agreement. "Controlling stockholder" or~~
987 ~~"controlling partner" shall mean a person with an ownership~~
988 ~~interest in the wholesaler of 50 percent or more. The value of~~

989 ~~the distributor's business or ancillary business shall include,~~
 990 ~~but not be limited to, its goodwill.~~

991 (b) In the event the manufacturer and the beer distributor
 992 are unable to mutually agree on the ~~reasonable~~ compensation to
 993 be paid for the actual damages ~~value of the distributor's~~
 994 ~~business, as defined herein,~~ the matter may, by agreement of the
 995 parties, be submitted to a neutral arbitrator to be selected by
 996 the parties and the claim settled in accordance with the rules
 997 provided by the American Arbitration Association. Arbitration
 998 costs shall be paid one-half by the distributor and one-half by
 999 the manufacturer. The award of the arbitrator shall be final and
 1000 binding on the parties.

1001 (19) ~~(18)~~ REMEDIES.—

1002 (a) During the 30 ~~90~~-day period provided in subsection
 1003 (10) ~~(9)~~ or during the ~~15~~-day period provided in subsection
 1004 ~~(10)~~, either party, in appropriate circumstances, may bring
 1005 action in the appropriate circuit court of this state to shorten
 1006 the notice period so provided or to extend it pending a final
 1007 determination of such proceedings on the merits.

1008 (b) In any action brought under this section, the court
 1009 shall have authority to grant temporary, preliminary, and final
 1010 injunctive relief. If the court grants injunctive relief, bond
 1011 shall not be required to be posted.

1012 (c) In addition to temporary, preliminary, or final
 1013 injunctive relief, any person who shall be aggrieved or injured
 1014 in his or her business or property by reason of anything

1015 forbidden in this section may bring an action therefor in the
 1016 appropriate circuit court of this state and, if successful shall
 1017 recover the damages sustained and the costs of such action,
 1018 including a reasonable attorney's fee.

1019 ~~(d) Without regard and in addition to any other remedy or~~
 1020 ~~relief to which a person is entitled, anyone aggrieved by a~~
 1021 ~~violation of this section may bring an action to obtain a~~
 1022 ~~declaratory judgment that an act, action, or practice violates~~
 1023 ~~this section and to enjoin a manufacturer or distributor who has~~
 1024 ~~violated, is violating, or is otherwise likely to violate this~~
 1025 ~~section.~~

1026 (d)~~(e)~~ When such action is one of common or general
 1027 interest to many persons or when the parties are numerous and it
 1028 is impracticable to bring them all before the court, one or more
 1029 persons may bring a class action for the benefit of the whole,
 1030 including actions for injunctive relief.

1031 (e)~~(f)~~ In an action for money damages, only if a judge or
 1032 jury finds that the defendant acted maliciously, the judge or
 1033 jury may award punitive damages as permitted by Florida law.

1034 (f)~~(g)~~ The remedies provided in this subsection shall be
 1035 in addition to any other civil remedies provided by law or in
 1036 equity. Nothing contained in this subsection shall give rise to
 1037 or foreclose any claim which would otherwise exist against the
 1038 manufacturer or distributor by any proposed purchaser of the
 1039 distributor's business.

1040 (20)~~(19)~~ CONTRACTS AND THE VALIDITY THEREOF.—No

1041 manufacturer shall effect any sale to a distributor in Florida
1042 except pursuant to a written agreement ~~contract~~ between the
1043 manufacturer and the distributor which agreement ~~contract~~ is
1044 consistent with the provisions of this section.

1045 ~~(21)-(20)~~ REPURCHASE OF INVENTORY UPON TERMINATION.—

1046 (a) Whenever any beer distributor enters into a franchise
1047 agreement with a manufacturer wherein the distributor agrees to
1048 maintain an inventory of beer and the franchise is subsequently
1049 terminated in accordance with this section and any circuit court
1050 injunction requested by the distributor has been denied or
1051 dissolved, the manufacturer shall repurchase the inventory as
1052 provided in this section. If the distributor has any outstanding
1053 debts to the manufacturer, then the repurchase amount may be
1054 credited to the distributor's account.

1055 (b) The manufacturer shall repurchase that inventory
1056 previously purchased from him or her and held by the distributor
1057 on the date of termination of the agreement ~~contract~~. The
1058 manufacturer shall pay fair market value for the inventory being
1059 repurchased and 100 percent of the actual distributor cost,
1060 including freight and reasonable storage and handling costs, of
1061 all unsold beer. For the purposes of this paragraph, the term
1062 "fair market value" means the amount a willing manufacturer,
1063 under no compulsion to sell, would be willing to accept, and a
1064 willing distributor, under no compulsion to purchase, would be
1065 willing to pay for the malt beverages.

1066 (c) Upon payment within a reasonable time of the

1067 repurchase amount to the distributor, the title and right of
 1068 possession to the repurchased inventory shall be transferred to
 1069 the manufacturer.

1070 (d) The provisions of this section shall not require the
 1071 repurchase from a distributor of:

1072 1. Any inventory which the distributor desires to keep,
 1073 provided the distributor has a contractual right to do so.

1074 2. Any inventory which was ordered by the distributor on
 1075 or after the date of receipt of the notification of termination
 1076 of the franchise ~~or contractual~~ agreement.

1077 3. Any inventory which was acquired by the distributor
 1078 from any source other than the manufacturer.

1079 4. Any inventory which the distributor failed to sell by
 1080 the "best by" date.

1081 (e) If any manufacturer shall fail or refuse to repurchase
 1082 any inventory covered under the provisions of this section
 1083 within 60 days after termination of an agreement ~~a distributor's~~
 1084 ~~contract~~, he or she shall be civilly liable for 100 percent of
 1085 the current wholesale price of the inventory plus any freight
 1086 charges paid by the distributor, the distributor's reasonable
 1087 attorney's fees, court costs, and interest on the current
 1088 wholesale price computed at the legal interest rate provided in
 1089 s. 687.01 from the 61st day after termination.

1090 (22) ~~(21)~~ INDEMNIFICATION.—A manufacturer shall fully
 1091 indemnify and hold harmless its distributor against any losses,
 1092 including, but not limited to, court costs and reasonable

1093 attorney's fees or damages arising out of complaints, claims, or
 1094 lawsuits, including, but not limited to, strict liability,
 1095 negligence, misrepresentation, or express or implied warranty
 1096 where the complaint, claim, or lawsuit relates to the
 1097 manufacture or packaging of beer or other functions by the
 1098 manufacturer which are beyond the control of the distributor.
 1099 The distributor must mail written notice to the manufacturer on
 1100 a prompt and timely basis after receipt of notice of a
 1101 complaint, claim, or lawsuit in order for the manufacturer to be
 1102 liable under this subsection with respect to such complaint,
 1103 claim, or lawsuit.

1104 Section 9. Subsections (1) and (6) of section 563.06,
 1105 Florida Statutes, are amended, present subsection (7) is
 1106 renumbered as subsection (8) and amended, and a new subsection
 1107 (7) is added to that section, to read:

1108 563.06 Malt beverages; imprint on individual container;
 1109 size of containers; growlers; exemptions.-

1110 (1) ~~On and after October 1, 1959,~~ All taxable malt
 1111 beverages packaged in individual containers possessed by any
 1112 person in the state for the purpose of sale or resale in the
 1113 state, except operators of railroads, sleeping cars, steamships,
 1114 buses, and airplanes engaged in interstate commerce and licensed
 1115 under this section, shall have imprinted thereon in clearly
 1116 legible fashion by any permanent method the word "Florida" or
 1117 "FL" and no other state name or abbreviation of any state name
 1118 in not less than 8-point type. The word "Florida" or "FL" shall

1119 appear first or last, if imprinted in conjunction with any
 1120 manufacturer's code. A facsimile of the imprinting and its
 1121 location as it will appear on the individual container shall be
 1122 submitted to the division for approval.

1123 (6) With the exception of growlers as defined in
 1124 subsection (7), all malt beverages packaged in individual
 1125 containers sold or offered for sale by vendors at retail in this
 1126 state shall be in individual containers containing no more than
 1127 32 ounces of such malt beverages; ~~provided, however, that~~
 1128 nothing contained in this section shall affect malt beverages
 1129 packaged in bulk, ~~or~~ in kegs, or in barrels or in any individual
 1130 container containing 1 gallon or more of such malt beverage
 1131 regardless of individual container type.

1132 (7) (a) As used in the Beverage Law, the term "growler"
 1133 means any container between 32 ounces and 128 ounces in size
 1134 that was originally manufactured to hold malt beverages.

1135 (b) A growler may be filled or refilled with:

1136 1. A malt beverage manufactured by a manufacturer that
 1137 holds a valid manufacturer's license and operates a taproom
 1138 pursuant to s. 561.221(2) (a), if the manufacturer filling the
 1139 growler is the same manufacturer that brewed the malt beverage
 1140 and is filling the growler in the taproom.

1141 2. A malt beverage manufactured by a manufacturer that
 1142 holds a valid manufacturer's license and a valid vendor's
 1143 license pursuant to s. 561.221(2) (b) or (3), if the manufacturer
 1144 filling the growler is the same manufacturer that brewed the

1145 malt beverage and is filling the growler pursuant to its
1146 vendor's license.

1147 3. A malt beverage manufactured by a manufacturer, if the
1148 manufacturer filling the growler holds a valid manufacturer's
1149 license pursuant to s. 561.221(2)(b) or (3) and a valid quota
1150 license at that location pursuant to ss. 561.20(1) and
1151 565.02(1)(a)-(f).

1152 4. A malt beverage manufactured by a manufacturer and sold
1153 by a vendor if:

1154 a. The vendor filling the growler holds a valid quota
1155 license at that location pursuant to ss. 561.20(1) and
1156 565.02(1)(a)-(f); or

1157 b. The vendor filling the growler obtains at least 80
1158 percent of its annual gross revenues from the sale of malt
1159 beverages and the vendor does not also hold a manufacturer's
1160 license.

1161 (c) A growler must have an unbroken seal or be incapable
1162 of being immediately consumed.

1163 (d) A growler must be clearly labeled as containing an
1164 alcoholic beverage and provide the name of the manufacturer, the
1165 brand, the volume, the percentage of alcohol by volume, and the
1166 required label information for alcoholic beverages under 27
1167 C.F.R. s. 16.21. If a growler being refilled has an existing
1168 label or other identifying mark from a manufacturer or brand,
1169 that label shall be covered sufficiently to indicate the
1170 manufacturer and brand of the malt beverage placed in the

1171 growler.

1172 (e) A growler must be clean before being filled.

1173 (f) A licensee authorized to fill growlers may not use
 1174 growlers for purposes of distribution or sale outside of the
 1175 licensed manufacturing premises or licensed vendor premises.

1176 (8)(7) A Any person, firm, or corporation or an agent,
 1177 officer, or employee thereof who violates, its agents, officers
 1178 or employees, violating any of the provisions of this section
 1179 commits, shall be guilty of a misdemeanor of the first degree,
 1180 punishable as provided in s. 775.082 or s. 775.083, and the
 1181 license, if any, shall be subject to revocation or suspension by
 1182 the division.

1183 Section 10. Section 563.09, Florida Statutes, is created
 1184 to read:

1185 563.09 Malt beverage tastings by distributors and
 1186 manufacturers.—

1187 (1) A licensed distributor of malt beverages or a
 1188 manufacturer of malt beverages may conduct a malt beverage
 1189 tasting subject to the following requirements:

1190 (a) Tastings may only be conducted in the interior of a
 1191 licensed vendor premises authorized to sell alcoholic beverages
 1192 as follows:

1193 1. By package, if the premises consists of at least 10,000
 1194 square feet or more of interior space.

1195 2. By package, if the premises is licensed pursuant to s.
 1196 565.02(1)(a), regardless of the interior square footage of the

1197 premises.

1198 3. For consumption on the premises.

1199 (b) The malt beverage tasting must be limited to and

1200 directed toward members of the general public who are of the age

1201 of legal consumption.

1202 (c) Samples may be:

1203 1. No more than 3 ounces for each product sampled.

1204 2. Served in a cup, glass, or other open container.

1205 (d) The manufacturer or distributor may purchase the malt

1206 beverages used in the tastings from the vendor at no more than

1207 retail price.

1208 (e) The manufacturer or distributor conducting the tasting

1209 shall:

1210 1. Provide all of the malt beverages used for the tasting.

1211 2. Not pay a vendor a fee or compensation of any kind,

1212 including the provision of any malt beverage at no or reduced

1213 cost.

1214 3. Be responsible for applicable reports and shall pay

1215 applicable excise taxes thereon to the division. If the

1216 manufacturer or distributor contracts with a third party to

1217 conduct the tasting, the manufacturer or distributor remains

1218 responsible for the recordkeeping requirements and excise tax

1219 payments.

1220 4. Properly dispose of malt beverages provided for the

1221 tastings which remain unconsumed after a tasting.

1222 (2) This section does not preclude a vendor from

1223 conducting a malt beverage tasting on its licensed vendor
 1224 premises using malt beverages from its own inventory.

1225 (3) This section is supplemental to and does not supersede
 1226 any special act or ordinance.

1227 Section 11. Subsections (1) and (2) of section 565.03,
 1228 Florida Statutes, are amended to read:

1229 565.03 License fees; manufacturers, distributors, brokers,
 1230 sales agents, and importers of alcoholic beverages; vendor
 1231 licenses and fees; craft distilleries.-

1232 (1) As used in this section, the term:

1233 (a) "Craft distillery" means a licensed distillery that
 1234 produces 75,000 or fewer gallons per calendar year of distilled
 1235 spirits on its premises and has notified the division in writing
 1236 of its decision to qualify as a craft distillery.

1237 (b) "Distillery" means a manufacturer that distills ethyl
 1238 alcohol or ethanol to create ~~of~~ distilled spirits.

1239 (2) (a) A distillery authorized to do business under the
 1240 Beverage Law shall pay an annual state license tax for each
 1241 plant or branch operating in the state, as follows:

1242 1. If engaged in the business of manufacturing distilled
 1243 spirits, a state license tax of \$4,000.

1244 2. If engaged in the business of rectifying and blending
 1245 spirituous liquors and nothing else, a state license tax of
 1246 \$4,000.

1247 (b) Persons licensed under this section who are in the
 1248 business of distilling spirituous liquors may also engage in the

1249 business of rectifying and blending spirituous liquors without
1250 the payment of an additional license tax.

1251 (c) A craft distillery licensed under this section may
1252 sell to consumers, at its souvenir gift shop, spirits distilled
1253 on its premises in this state in factory-sealed containers that
1254 are filled at the distillery for off-premises consumption. Such
1255 sales are authorized only on private property contiguous to the
1256 licensed distillery premises in this state and included on the
1257 sketch or diagram defining the licensed premises submitted with
1258 the distillery's license application. All sketch or diagram
1259 revisions by the distillery shall require the division's
1260 approval verifying that the souvenir gift shop location operated
1261 by the licensed distillery is owned or leased by the distillery
1262 and on property contiguous to the distillery's production
1263 building in this state. A craft distillery or licensed
1264 distillery may not sell any factory-sealed individual containers
1265 of spirits except in face-to-face sales transactions with
1266 consumers who are making a purchase of ~~two or fewer~~ individual
1267 containers, that comply with the container limits in s. 565.10,
1268 ~~per calendar year~~ for the consumer's personal use and not for
1269 resale and who are present at the distillery's licensed premises
1270 in this state.

1271 1. A craft distillery must report to the division within 5
1272 days after it reaches the production limitations provided in
1273 paragraph (1) (a). Any retail sales to consumers at the craft
1274 distillery's licensed premises are prohibited beginning the day

1275 after it reaches the production limitation.

1276 2. A craft distillery may only ship, arrange to ship, or
 1277 deliver any of its distilled spirits to consumers within the
 1278 state in a face-to-face transaction at the distillery property.
 1279 However, a craft distiller licensed under this section may ship,
 1280 arrange to ship, or deliver such spirits to manufacturers of
 1281 distilled spirits, wholesale distributors of distilled spirits,
 1282 state or federal bonded warehouses, and exporters.

1283 3. Except as provided in subparagraph 4., it is unlawful
 1284 to transfer a distillery license for a distillery that produces
 1285 75,000 or fewer gallons per calendar year of distilled spirits
 1286 on its premises or any ownership interest in such license to an
 1287 individual or entity that has a direct or indirect ownership
 1288 interest in any distillery licensed in this state; another
 1289 state, territory, or country; or by the United States government
 1290 to manufacture, blend, or rectify distilled spirits for beverage
 1291 purposes.

1292 4. A craft distillery shall not have its ownership
 1293 affiliated with another distillery, unless such distillery
 1294 produces 75,000 or fewer gallons per calendar year of distilled
 1295 spirits on its premises.

1296 Section 12. Section 565.04, Florida Statutes, is repealed.

1297 Section 13. If any provision of s. 561.221(2), Florida
 1298 Statutes, as amended by this act, is held invalid, or if the
 1299 application of that subsection to any person or circumstance is
 1300 held invalid, the invalidity does not affect other provisions or

HB 107

2015

1301 applications of this act which can be given effect without the
1302 invalid provision or application, and to this end s. 561.221(2),
1303 Florida Statutes, is severable.

1304 Section 14. This act shall take effect July 1, 2015.