Senator Steube moved the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Section 565.03, Florida Statutes, is amended to read:

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

1. As used in this section, the term:
2. (a) “Branded product” means any distilled spirits product
manufactured on site, which requires a federal certificate and label approval by the Federal Alcohol Administration Act or federal regulations.

(b) "Craft distillery" means a licensed distillery that has notified the division in writing of its decision to qualify as a craft distillery and that:

1. Produces 250,000 gallons or fewer gallons per calendar year of distilled spirits on its premises; and
2. Sells up to 50,000 gallons per calendar year of distilled spirits to consumers at its souvenir gift shop in accordance with this section and has notified the division in writing of its decision to qualify as a craft distillery.

(c) "Distillery" means a manufacturer of distilled spirits.

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

1. A distillery engaged in the business of manufacturing distilled spirits: a state license tax of $4,000.
2. A craft distillery engaged in the business of manufacturing distilled spirits: $1,000.
3. A distillery engaged in the business of rectifying and blending spirituous liquors and nothing else: a state license tax of $4,000.

(b) Persons licensed under this section who are in the business of distilling spirituous liquors may also engage in the business of rectifying and blending spirituous liquors without the payment of an additional license tax.

(c) A craft distillery licensed under this section may sell
up to 50,000 gallons per calendar year to consumers, at its souvenir gift shop, branded products distilled on its premises in this state in factory-sealed containers that are filled at the distillery for off-premises consumption. Such sales are authorized only on private property contiguous to the licensed distillery premises in this state and included on the sketch or diagram defining the licensed premises submitted with the distillery’s license application. All sketch or diagram revisions by the distillery shall require the division’s approval verifying that the souvenir gift shop location operated by the licensed distillery is owned or leased by the distillery and on property contiguous to the distillery’s production building in this state.

1. A craft distillery may not sell any factory-sealed individual containers of spirits except in face-to-face sales transactions with consumers who are making a purchase of no more than six individual containers of each branded product:

   a. Two individual containers of each branded product;

   b. Three individual containers of a single branded product and up to one individual container of a second branded product;

   or

   c. Four individual containers of a single branded product.

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

3. A craft distillery must report to the division within 5 days after it reaches the production limitations provided in
paragraph (1)(b). Any retail sales to consumers at the craft distillery’s licensed premises are prohibited beginning the day after it reaches the production limitation.

4. A craft distillery may not ship or arrange to ship any of its distilled spirits to consumers and may sell and deliver only to consumers within the state in a face-to-face transaction at the distillery property. However, a craft distiller licensed under this section may ship, arrange to ship, or deliver such spirits to manufacturers of distilled spirits, wholesale distributors of distilled spirits, state or federal bonded warehouses, and exporters.

5. Except as provided in subparagraph 6., it is unlawful to transfer a distillery license for a craft distillery that produces 75,000 or fewer gallons per calendar year of distilled spirits on its premises or any direct or indirect ownership interest in such license to an individual or entity that has a direct or indirect ownership interest in any distillery licensed in this state; in another state, territory, or country; or by the United States government to manufacture, blend, or rectify distilled spirits for beverage purposes.

6. A craft distillery may not have its ownership interest affiliated directly or indirectly with any individual or entity that has a direct or indirect ownership interest in any distillery licensed in this state; in another state, territory, or country; or by the United States government to manufacture, blend, or rectify distilled spirits for beverage purposes, unless such distillery is a craft distillery produces 75,000 or fewer gallons per calendar year of distilled spirits on each of its premises in this state or in another state.
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7. A craft distillery may transfer up to 50,000 gallons per calendar year of distilled spirits it manufactures from its federal bonded space, a nonbonded space at its licensed premises, or its storage areas to its souvenir gift shop.

(3) Distributors authorized to do business under the Beverage Law, unless otherwise provided, shall pay a state license tax of $4,000 for each and every establishment or branch they may operate or conduct in the state. However, in counties having a population of 15,000 or less according to the latest state or federal census, the state license tax for a restricted license shall be $1,000, but the holder of such a license shall be permitted to sell only to vendors and distributors licensed in the same county, and such license shall contain such restrictions. In such counties, licenses without such restrictions may be obtained as in other counties, but the tax for a license without such restrictions shall be the same as in other counties. Warehouses of a licensed distributor used solely for storage and located in the county in which the license is issued to such distributor shall not be construed to be separate establishments or branches.

(4) Each broker or sales agent and each importer of alcoholic beverages, as defined in s. 561.14(4) and (5), respectively, shall pay an annual state license tax of $500.

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

(6) Upon the request of a craft distillery licensed in this territory, or country.
state, the Department of Transportation shall install
directional signs for the craft distillery on the rights-of-way
of interstate highways and primary and secondary roads in
accordance with Florida’s Highway Guide Sign Program as provided
in chapter 14-51, Florida Administrative Code. A craft
distillery licensed in this state that requests placement of a
directional sign through the department’s permit process shall
pay all associated costs.

(7) The division may adopt rules to administer this
section.

Section 2. This act shall take effect upon becoming a law.

================= T I T L E  A M E N D M E N T ================
And the title is amended as follows:
Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to craft distilleries; amending s.
565.03, F.S.; revising the definition of the term
“craft distillery”; revising license taxes for
distilleries or craft distilleries authorized to do
business under the Beverage Law; revising limitations
on retail sales by craft distilleries to consumers;
revising the prohibitions of license transfers and
ownership interest affiliations for craft distilleries
under certain circumstances; authorizing craft
distilleries to transfer to their souvenir gift shops
up to a specified amount of distilled spirits under
certain circumstances; providing an effective date.