Committee on Regulated Industries

CS/CS/HB 347 — Alcoholic Beverages

by Regulatory Affairs Committee; Business and Professional Regulation Subcommittee; and Rep. Renuart and others (CS/CS/SB 642 by Appropriations Committee; Regulated Industries Committee; and Senator Hays)

The bill permits craft distilleries to sell the distilled spirits they produce on their licensed premises to consumers for off premises consumption. The bill defines a “craft distillery” to mean a licensed distillery that produces 75,000 or fewer gallons of distilled spirits on its premises per calendar year.

The craft distilleries’ sales must be made at the souvenir shop that is located on private property contiguous to the licensed distillery premises. The distilled spirits must be sold in factory-sealed containers that are filled at the craft distillery for off-premises consumption. Craft distilleries and licensed distilleries may sell distilled spirits only in face-to-face transactions with consumers making the purchases for personal use and not for resale. The craft distillery may sell no more than two containers per customer.

The bill requires that craft distilleries must cease making sales to consumers on the day after they reach the 75,000 gallon production limitation. The craft distilleries may not ship to consumers within the state. However, the craft distillery may ship, arrange to ship, or deliver to manufacturers of distilled spirits, wholesale distributors, bonded warehouses, and exporters.

The bill prohibits the transfer of a craft distillery license, including the transfer of an ownership interest in the license, to any individual or entity with a direct or indirect interest in another distillery. However, the bill permits a craft distillery to have its ownership interest affiliated with another distiller if the other distiller produces 75,000 gallons or fewer of distilled spirits on its licensed premises per calendar year. The bill authorizes the division to adopt rules to administer the craft distillery provisions of the bill.

The bill allows the board of county commissioners in a county where the voters have approved the sale of intoxicating liquors, wines, and beers by package only in a prior election, to order an election, no more frequently than every two years, on the sole question of whether the sale by the drink for consumption on the premises for alcoholic beverages should be allowed. The bill requires the board to order the second election upon a majority vote of the board of county commissioners or after a petition signed by one-tenth of the registered voters in the county.

The bill provides severability clauses for the provisions of the bill.

If approved by the Governor, these provisions take effect July 1, 2013.
Vote: Senate 36-0; House 111-4