A bill to be entitled 1 2 An act relating to distilled spirits; amending s. 3 565.03, F.S.; providing definitions; revising 4 provisions with respect to the licensure and operation 5 of distilleries; providing requirements for craft 6 distilleries; providing for the sale of distilled 7 spirits by licensed distilleries under certain 8 conditions; providing reporting requirements; 9 prohibiting the shipment of certain distilled spirits; prohibiting the transfer of a distillery license under 10 certain conditions; prohibiting a craft distillery 11 12 from having its ownership affiliated with another 13 distillery under certain conditions; providing requirements relating to the payment of taxes; 14 15 providing for applicability; providing rulemaking 16 authority; providing for nonseverability; providing an effective date. 17 18 19 Be It Enacted by the Legislature of the State of Florida: 20 Section 1. Section 565.03, Florida Statutes, is amended to 21 22 read: 23 565.03 License fees; manufacturers, distributors, brokers, 24 sales agents, and importers of alcoholic beverages; vendor 25 licenses and fees; craft distilleries.-26 (1)As used in this section, the term: 27 "Craft distillery" means a licensed distillery that (a) produces 75,000 or fewer gallons per calendar year of distilled 28

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29	spirits on its premises and has notified the division in writing				
30	of its decision to qualify as a craft distillery.				
31	(b) "Distillery" means a Each liquor manufacturer <u>of</u>				
32	distilled spirits.				
33	(2)(a) A distillery authorized to do business under the				
34	Beverage Law shall pay an annual state license tax for each				
35	plant or branch <u>operating</u> he or she operates in the state, as				
36	follows:				
37	1. If engaged in the business of manufacturing distilled				
38	spirits distilling spirituous liquors and nothing else, a state				
39	license tax of \$4,000.				
40	2. If engaged in the business of rectifying and blending				
41	spirituous liquors and nothing else, a state license tax of				
42	\$4,000.				
43	(b) Persons licensed <u>under this section who are</u> hereunder				
44	in the business of distilling spirituous liquors may also engage				
45	in the business of rectifying and blending spirituous liquors				
46	without the payment of an additional license tax.				
47	(c) A craft distillery licensed under this section may				
48	sell distilled spirits, produced on its premises in this state				
49	to consumers in factory-sealed containers for off-premises				
50	consumption, at its souvenir gift shop. Such sales are				
51	authorized only on private property contiguous to the licensed				
52	distillery premises in this state and included on the sketch or				
53	diagram defining the licensed premises submitted with the				
54	distillery's license application. All sketch or diagram				
55	revisions by the distillery shall require the division's				
56	approval verifying that the souvenir gift shop location operated				

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57 by the licensed distillery are owned or leased by the distillery 58 and on property contiguous to the distillery's production 59 building in this state. A craft distillery or licensed 60 distillery may not sell any factory-sealed individual containers 61 of spirits except in face-to-face sales transactions with 62 consumers who are making a purchase of two or fewer individual 63 containers, that comply with the container limits in s. 565.10, 64 per calendar year for the consumer's personal use and not for 65 resale and who are present at the distillery's licensed premises 66 in this state. 67 1. A craft distillery must report to the division within 5 68 days after it reaches the production limitations provided in 69 paragraph (1)(a). Any retail sales to consumers at the craft 70 distillery's licensed premises are prohibited beginning the day 71 after it reaches the production limitation. 72 2. A craft distillery may only ship, arrange to ship, or 73 deliver any of its distilled spirits to consumers within the 74 state in a face-to-face transaction at the distillery property. 75 However, a craft distiller licensed under this section may ship, 76 arrange to ship, or deliver such spirits to manufacturers of 77 distilled spirits, wholesale distributors of distilled spirits, 78 state or federal bonded warehouses, and exporters. 79 3. Except as provided in subparagraph 4., it is unlawful to transfer a distillery license for a distillery that produces 80 81 75,000 or fewer gallons per calendar year of distilled spirits 82 on its premises or any ownership interest in such license to an 83 individual or entity that has a direct or indirect ownership interest in any distillery licensed in this state; another 84

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85 <u>state, territory, or country; or by the United States government</u> 86 <u>to manufacture, blend, or rectify distilled spirits for beverage</u> 87 <u>purposes.</u>

88 <u>4. A craft distillery shall not have its ownership</u> 89 <u>affiliated with another distillery, unless such distillery</u> 90 <u>produces 75,000 or fewer gallons per calendar year of distilled</u> 91 <u>spirits on its premises.</u>

92 (3) (2) Distributors authorized to do business under the 93 Beverage Law, unless otherwise provided, shall pay a state license tax of \$4,000 for each and every establishment or branch 94 95 they may operate or conduct in the state. However, in counties 96 having a population of 15,000 or less according to the latest 97 state or federal census, the state license tax for a restricted license shall be \$1,000, but the holder of such a license shall 98 99 be permitted to sell only to vendors and distributors licensed in the same county, and such license shall contain such 100 restrictions. In such counties, licenses without such 101 restrictions may be obtained as in other counties, but the tax 102 for a license without such restrictions shall be the same as in 103 other counties. Warehouses of a licensed distributor used solely 104 105 for storage and located in the county in which the license is 106 issued to such distributor shall not be construed to be separate 107 establishments or branches.

108 <u>(4)(3)</u> Each broker or sales agent and each importer <u>of</u> 109 <u>alcoholic beverages</u>, as defined in s. 561.14(4) and (5), 110 respectively, shall pay an annual state license tax of \$500.

111 (5) A craft distillery making sales under paragraph (2) (c) 112 is responsible for submitting any beverages excise taxes under

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113 the Beverage Law in its monthly report to the division with any 114 tax payments due to the state. The division may adopt rules to administer this 115 (6) 116 section. 117 Section 2. The Legislature declares that it would not have 118 enacted any of the provisions of this act individually and 119 expressly finds them not to be severable. If a court of 120 competent jurisdiction determines any provision of this act to 121 be in conflict with any law of this state, a federal law or 122 regulation, the State Constitution, or the United States 123 Constitution, or otherwise invalid for any reason, it is the 124 intent of the Legislature that all of the provisions of this act 125 are void, that such invalidity voids only the changes made by 126 this act, and that no other provision of law shall be affected. 127 Section 3. This act shall take effect July 1, 2013.

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