

LEGISLATIVE ACTION

Senate House

Comm: RCS 04/03/2013

The Committee on Regulated Industries (Thrasher) recommended 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.-

- (1) As used in this section, the term:
- (a) "Craft distillery" means a licensed distillery that produces 75,000 or fewer gallons per calendar year of distilled

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spirits on its premises and that has notified the division in writing of its status as a craft distillery.

- (b) "Distillery" means a manufacturer of distilled spirits.
- (2) (1) (a) A distillery Each liquor manufacturer authorized to do business under the Beverage Law to distill, rectify, or blend spirituous liquors shall pay an annual state license tax of \$4,000 for each plant or branch operating he or she operates in the state, as follows:
- 1. If engaged in the business of distilling spirituous liquors and nothing else, a state license tax of \$4,000.
- 2. If engaged in the business of rectifying and blending spirituous liquors and nothing else, a state license tax of \$4,000.
- (b) Persons licensed hereunder 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.
- (3) A craft distillery licensed under this section may sell spirits distilled on its premises in this state to consumers in factory-sealed containers that are filled at the distillery for consumption at its souvenir gift shop. 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 which has been submitted with the distillery's license application. All sketch or diagram revisions by the distillery require the division's approval. Before approval, the division shall verify that the souvenir gift shop operated by the licensed distillery is owned or leased by the distillery and is on property contiguous to the

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distillery's production building in this state.

- (a) A craft distillery or licensed distillery may not sell any factory-sealed individual containers of spirits except in a face-to-face sales transaction on the distillery's premises in this state with a consumer who purchases no more than two individual containers that comply with container limits in s. 565.10, for the consumer's personal use and not for resale.
- (b) A craft distillery may not ship, arrange to ship, or deliver any of its distilled spirits to consumers within this state except in a face-to-face transaction on the distillery's premises. However, a craft distillery 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.
- (c) Except as provided in paragraph (d), it is unlawful to transfer a distillery license for a distillery that produces 75,000 gallons or fewer per calendar year of distilled spirits on its premises, or to transfer an ownership interest in such license, to an individual or entity that has any direct or indirect ownership interest in a distillery licensed by this state, another state, a territory, the United States government, or another country to manufacture, blend, or rectify distilled spirits for beverage purposes.
- (d) A craft distillery may not have its ownership affiliated with another distillery unless such distillery produces 75,000 gallons or fewer of distilled spirits on its premises per calendar year.
- (e) A craft distillery must report to the division within 5 days after it reaches the production limitations provided in

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paragraph (1)(a). Any sale to a consumer at the craft distillery's licensed premises is prohibited beginning on the day after the craft distillery reaches the production limitation for the year. A craft distillery that sells spirits under this subsection shall submit any beverages excise taxes under the Beverage Law in its monthly report to the division with any tax payments due to the state.

(4) 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.

- (5) 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.
- (6) The division may adopt rules to administer this section.

Section 2. Subsection (1) of section 561.14, Florida



Statutes, is amended to read:

561.14 License and registration classification.-Licenses and registrations referred to in the Beverage Law shall be classified as follows:

(1) Manufacturers licensed to manufacture alcoholic beverages and distribute the same at wholesale to licensed distributors and to no one else within the state, unless authorized by statute. Persons engaged in the business of distilling, rectifying, or blending spirituous liquors licensed under s. 565.03(2) $\frac{565.03(1)}{(a)1}$ and $\frac{(b)}{(b)}$ shall sell and distribute such beverages at wholesale only to other manufacturers and to licensed distributors and to no one else within this state.

Section 3. The Legislature declares that it would not have individually enacted any of the provisions of this act and expressly finds the provisions not to be severable. If a court of competent jurisdiction determines any provision of this act to be in conflict with any law of this state, a federal law or regulation, the State Constitution, or the United States Constitution, or to be otherwise invalid for any reason, it is the intent of the Legislature that all of the provisions of this act be void, that such invalidity void only the changes made by this act, and that no other law be affected.

Section 4. This act shall take effect July 1, 2013.

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========= T I T L E A M E N D M E N T ==========

126 And the title is amended as follows:

> Delete everything before the enacting clause and insert:

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A bill to be entitled An act relating to distilled spirits; amending s. 565.03, F.S.; providing definitions; revising provisions regarding a state license tax involved with the operation of distilleries; providing requirements for craft distilleries under certain conditions; prohibiting the shipment of certain distilled spirits; restricting license transferability and ownership affiliation; providing reporting requirements; providing requirements relating to the payment of taxes; providing for the adoption of rules; amending s. 561.14, F.S.; conforming a cross-reference; declaring that the provisions of this act are not severable; providing an effective date.