By Senator Brandes

24-01172A-21 20211792

A bill to be entitled

An act relating to the Beverage Law; amending s. 561.01, F.S.; defining the term "barrel"; amending s. 561.221, F.S.; authorizing manufacturers to transfer malt beverages that are owned in whole or in part by the manufacturer but are brewed by another manufacturer; authorizing manufacturers to sell, transport, or deliver malt beverages to vendors if certain requirements are met; revising requirements for vendors to be licensed as manufacturers; conforming provisions to changes made by the act; amending s. 561.42, F.S.; prohibiting certain entities from renting or loaning durable retailer advertising specialties; requiring that durable retailer advertising specialties be sold at a price not less than the actual cost to the industry member who initially purchased such items; prohibiting distributors of malt beverages from giving vendors draft equipment and tapping accessories at no charge; amending s. 561.57, F.S.; removing a provision that

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effective date.

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

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Section 1. Subsection (23) is added to section 561.01,

prohibits a manufacturer possessing a vendor's license

from making specified deliveries; amending s. 563.022,

F.S., relating to bonds for tax payments; providing an

F.S.; revising construction; repealing s. 561.37,

24-01172A-21 20211792

Florida Statutes, to read:

561.01 Definitions.—As used in the Beverage Law:

(23) "Barrel" means 31 gallons.

Section 2. Paragraphs (c) and (d) of subsection (2) and paragraph (a) of subsection (3) of section 561.221, Florida Statutes, are amended, and a new paragraph (e) and paragraph (f) are added to subsection (2) of that section, to read:

561.221 Licensing of manufacturers and distributors as vendors and of vendors as manufacturers; conditions and limitations.—

(2)

(c) Notwithstanding any other provision of the Beverage Law, a manufacturer holding multiple manufacturing licenses may transfer malt beverages to a licensed facility, as provided in s. 563.022(14)(d), in an amount up to the yearly production amount at the receiving facility. Malt beverages and other alcoholic beverages manufactured by another licensed manufacturer, including any malt beverages that are owned in whole or in part by the manufacturer but are browed by another manufacturer, must be obtained through a licensed distributor or a manufacturer authorized to deliver malt beverages under paragraph (e) or paragraph (f). A manufacturer may also transfer to their licensed facility any malt beverages that are owned in whole or in part by the manufacturer but are browed by another manufacturer that is not also a licensed manufacturer, a licensed broker or sales agent, or a licensed importer.

(d) A manufacturer possessing a vendor's license under this subsection is not permitted to make deliveries under s. 561.57(1).

24-01172A-21 20211792

(e) A manufacturer licensed under this subsection which does not have an existing distribution agreement with a distributor pursuant to s. 563.022 for the territory where the manufacturer intends to sell, transport, or deliver malt beverages to vendors may sell, transport, or deliver to vendors from the manufacturer's licensed premises malt beverages that have been brewed by the manufacturer if:

- 1. The manufacturer complies with the requirements of ss. 561.42 and 561.423, as applicable, to the same extent as if the manufacturer were a distributor; and
- 2. The manufacturer produces less than 20,000 barrels of malt beverages annually.
- (f) A manufacturer licensed under this subsection which has an existing distribution agreement with a distributor pursuant to s. 563.022 may sell, transport, or deliver to vendors from the manufacturer's licensed premises malt beverages that have been brewed by the manufacturer if:
- 1. The distributor has rejected or refused to deliver to vendors the specific product line or brand extension of malt beverages which the manufacturer intends to deliver;
- 2. The delivery to a single vendor does not exceed 2 barrels; or
- 3. In a delivery to a single vendor which exceeds 2 barrels, the manufacturer obtains permission from the distributor for the delivery of any malt beverages to a licensed vendor in the distributor's sales territory.
- (3) (a) Notwithstanding other provisions of the Beverage Law, any vendor licensed in this state may be licensed as a manufacturer of malt beverages upon a finding by the division

24-01172A-21 20211792

that:

1. The vendor will be engaged in brewing malt beverages at a single location and in an amount which will not exceed <u>5,000</u> barrels <u>10,000 kegs</u> per year. For purposes of this subsection, the term "keg" means <u>15.5 gallons</u>.

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

Section 3. Paragraphs (b) and (f) of subsection (14) of section 561.42, Florida Statutes, are amended to read:

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

- (14) The division shall adopt reasonable rules governing promotional displays and advertising. Such rules may not conflict with or be more stringent than the federal regulations pertaining to such promotional displays and advertising furnished to vendors by distributors, manufacturers, importers, primary American sources of supply, or brand owners or registrants, or any sales agent or sales person thereof; however:
- (b) Without limitation in total dollar value of such items provided to a vendor, a manufacturer, distributor, importer, brand owner, or brand registrant of malt beverage, or any sales agent or sales person thereof, may rent, loan without charge for an indefinite duration, or sell durable retailer advertising specialties such as clocks, pool table lights, and the like,

24-01172A-21 20211792

which bear advertising matter; however, such items may be sold only at price not less than the actual cost to the industry member who initially purchased the items.

(f) A distributor of malt beverages may sell to a vendor draft equipment and tapping accessories at a price not less than the cost to the industry member who initially purchased them, except there is no required charge, and the distributor may exchange any parts that are not compatible with a competitor's system and are necessary to dispense the distributor's brands. A distributor of malt beverages may furnish to a vendor at no charge replacement parts of nominal intrinsic value, including, but not limited to, washers, gaskets, tail pieces, hoses, hose connections, clamps, plungers, and tap markers.

Section 4. Subsection (1) of section 561.57, Florida Statutes, is amended to read:

561.57 Deliveries by licensees.-

(1) Vendors shall be permitted to make deliveries away from their places of business of sales actually made at the licensed place of business; provided, telephone, electronic, or mail orders received at a vendor's licensed place of business shall be construed as a sale actually made at the vendor's licensed place of business. Deliveries made by a vendor away from his or her place of business may be made in vehicles that are owned or leased by the vendor or in a third-party vehicle pursuant to a contract with a third party with whom the vendor has contracted to make deliveries, including, but not limited to, common carriers. By acceptance of an alcoholic beverage license, the vendor agrees that vehicles that are owned or leased by the vendor shall always be subject to inspection and search without

24-01172A-21 20211792

a search warrant for the purpose of ascertaining that all provisions of the alcoholic beverage laws are complied with by authorized employees of the division and also by sheriffs, deputy sheriffs, and police officers during business hours or other times the vehicle is being used to transport or deliver alcoholic beverages. A manufacturer possessing a vendor's license under s. 561.221(2) is not permitted to make deliveries under this subsection.

Section 5. Paragraph (d) of subsection (14) of section 563.022, Florida Statutes, is amended to read:

563.022 Relations between beer distributors and manufacturers.—

- (14) MANUFACTURER; PROHIBITED INTERESTS.-
- (d) Nothing in the Beverage Law shall be construed to prohibit a manufacturer from shipping products to or between its breweries without a distributor's license or between its breweries and the licensed premises of a vendor pursuant to s. 561.221(2), or from shipping products that the manufacturer owns, without a distributor's license.
 - Section 6. <u>Section 561.37</u>, Florida Statutes, is repealed. Section 7. This act shall take effect July 1, 2021.