

By the Committee on Regulated Industries; and Senator Hutson

580-01309-21

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1                   A bill to be entitled  
2                   An act relating to craft distilleries; amending s.  
3                   565.02, F.S.; defining the term "destination  
4                   entertainment venue"; authorizing craft distilleries  
5                   to be licensed as specified vendors under certain  
6                   circumstances; providing requirements for such  
7                   licenses; providing requirements for craft  
8                   distilleries for such licenses; prohibiting a licensee  
9                   from taking certain actions; requiring certain  
10                  alcoholic beverages to be obtained through a licensed  
11                  distributor; amending s. 565.03, F.S.; redefining the  
12                  terms "branded product" and "craft distillery";  
13                  prohibiting a distillery from operating as a craft  
14                  distillery until certain requirements are met;  
15                  authorizing persons to have common ownership in craft  
16                  distilleries under certain circumstances; defining the  
17                  term "common ownership"; requiring a minimum  
18                  percentage of a craft distillery's total finished  
19                  branded products to be distilled in this state and  
20                  contain one or more Florida agricultural products  
21                  after a specified date; revising the requirements and  
22                  prohibitions on the sale of branded products to  
23                  consumers by a licensed craft distillery; revising the  
24                  circumstances for which a craft distillery must report  
25                  certain information about the production of distilled  
26                  spirits to the Division of Alcoholic Beverages and  
27                  Tobacco of the Department of Business and Professional  
28                  Regulation; revising prohibitions on the shipment of  
29                  certain products by a craft distillery; revising

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prohibitions on the transfer of a craft distillery license or ownership interest in such license; revising prohibitions relating to affiliated ownership of craft distilleries; authorizing a craft distillery to transfer specified distilled spirits from certain locations to its souvenir gift shop and tasting room; making technical changes; amending s. 565.17, F.S.; authorizing craft distilleries to conduct spirituous beverage tastings under certain circumstances; requiring the division to issue permits to craft distilleries to conduct tastings and sales at certain locations; specifying requirements for distilleries for such permits; providing an effective date.

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

Section 1. Present subsection (12) of section 565.02, Florida Statutes, is redesignated as subsection (13), and a new subsection (12) is added to that section, to read:

565.02 License fees; vendors; clubs; caterers; and others.—

(12) (a) As used in this subsection, the term "destination entertainment venue" means a venue that:

1. Is located in a designated community redevelopment area authorized under an adopted community redevelopment plan to support urban redevelopment and economic development;

2. Is owned by any person licensed as a craft distillery located within the destination entertainment venue;

3. Is adjacent to and served by multimodal transportation options, including, at a minimum, bicycle and pedestrian trails

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59     included on an adopted city or county trails map and mass  
60     transit routes established by a city, county, or regional  
61     transportation authority; and

62         4. Is located within a contiguous area of at least 15  
63         acres, including associated parking and stormwater requirements  
64         as required by local law, regulation, or ordinance, and that  
65         contains:

66             a. At least one indoor event venue with a minimum capacity  
67             of 150 people which is fully serviced by a connected onsite  
68             kitchen;

69             b. At least one outdoor event venue with a minimum capacity  
70             of 1,000 people which has regularly occurring live entertainment  
71             on a stage that is at least 12 feet deep and 16 feet wide; and

72             c. One or more licensed craft distilleries sharing  
73             identical ownership.

74         (b) Notwithstanding any other provisions of the Beverage  
75         Law, upon the payment of the appropriate fees, a craft  
76         distillery licensed in this state may be licensed as a vendor  
77         only for consumption on the premises of alcoholic beverages  
78         manufactured by other manufacturers and acquired through a  
79         distributor. The issuance of a license under this paragraph is  
80         not subject to any quota or limitation, except that the craft  
81         distillery must be:

82             1. Located on property within a destination entertainment  
83             venue; and

84             2. In operation and open for tours during normal business  
85             hours at least 5 days a week.

86         (c) The vendor license may be issued only for the premises  
87         included on the licensed premises sketch on file with the

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88 division under s. 565.03 for the craft distillery, including its  
89 souvenir gift shop or tasting room.

90 (d) No more than three craft distilleries may be licensed  
91 as a vendor in a community redevelopment area under this  
92 subsection. Craft distilleries licensed as a vendor under this  
93 subsection must be located within the same destination  
94 entertainment venue and must share identical ownership, and each  
95 craft distillery must distill, blend, or rectify at least 50,000  
96 gallons of branded products per calendar year.

97 (e) Except as otherwise provided in this paragraph, a craft  
98 distillery licensed as a vendor under this subsection shall be  
99 treated as a vendor and is subject to all provisions relating to  
100 such vendors licensed to sell alcoholic beverages for  
101 consumption on premises. A craft distillery licensed as a vendor  
102 may not make package sales for off-premises consumption or make  
103 any delivery or shipment of alcoholic beverages away from the  
104 destination entertainment venue or the craft distillery, unless  
105 such shipment or delivery is authorized for a craft distillery  
106 under s. 565.03.

107 (f) Alcoholic beverages manufactured by another licensed  
108 manufacturer, including branded products manufactured at another  
109 craft distillery location sharing identical ownership, must be  
110 obtained through a licensed distributor.

111 Section 2. Paragraphs (a) and (b) of subsection (1) and  
112 subsections (2) and (5) of section 565.03, Florida Statutes, are  
113 amended to read:

114 565.03 License fees; manufacturers, distributors, brokers,  
115 sales agents, and importers of alcoholic beverages; vendor  
116 licenses and fees; distilleries and craft distilleries.—

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117       (1) As used in this section, the term:

118       (a) "Branded product" means any distilled spirits product  
119       that:

120       1. Is owned by a craft distillery;

121       2. Contains distilled spirits that are manufactured by  
122       distilling, rectifying, or blending by the craft distillery on  
123       its licensed premises; and

124       3. Has manufactured on site, which requires a federal  
125       certificate and label approval by the Federal Government Alcohol  
126       Administration Act or federal regulations.

127       (b) "Craft distillery" means a licensed distillery in this  
128       state which distills, rectifies, or blends 250,000 that produces  
129       75,000 or fewer gallons or less of distilled spirits per  
130       calendar year of distilled spirits on its premises and has  
131       notified the division in writing of its decision to qualify as a  
132       craft distillery.

133       (2) (a) A distillery may not operate as a craft distillery  
134       until the distillery has provided to the division written  
135       notification that it meets the criteria specified in paragraph  
136       (1) (b). Upon the division's receipt of the notification and its  
137       verification that the distillery meets all such criteria, the  
138       division shall add the designation of craft distiller on the  
139       distillery's license.

140       (b) A person may not share common ownership in more than 10  
141       craft distilleries, provided that no more than:

142       1. Four of the distilleries each distill, rectify, or blend  
143       250,000 gallons or less of distilled spirits per calendar year;  
144       and

145       2. Six of the distilleries each distill, rectify, or blend

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146       50,000 gallons or less of distilled spirits per calendar year.

147

148       As used in this paragraph, the term "common ownership" means  
149       having a direct or indirect financial interest in two or more  
150       distilleries by the same person.

151       (c) Effective July 1, 2026, a minimum of 60 percent of a  
152       craft distillery's total finished branded products must be  
153       distilled in this state and contain one or more Florida  
154       agricultural products.

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

159           1. A distillery engaged in the business of manufacturing  
160        distilled spirits: \$4,000.

161           2. A craft distillery engaged in the business of  
162        manufacturing distilled spirits: \$1,000.

163           3. A person engaged in the business of rectifying and  
164        blending spirituous liquors and nothing else: \$4,000.

165       (e) (b) A licensed distillery or licensed craft distillery  
166       may Persons licensed under this section who are in the business  
167       of distilling spirituous liquors may also engage in the business  
168       of rectifying or and blending spirituous liquors without the  
169       payment of an additional license tax.

170       (f) (e) A craft distillery licensed under this section may  
171       sell directly to consumers up to 75,000 gallons per calendar  
172       year of, at its souvenir gift shop, branded products that are  
173       manufactured by the craft distillery distilled on its premises.  
174       A craft distillery may sell branded products directly to

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175 consumers by the drink for consumption on the premises or by the  
176 package in factory-sealed containers for consumption off the  
177 premises in this state in factory-sealed containers that are  
178 filled at the distillery for off-premises consumption. Such  
179 sales are authorized only in the craft distillery's souvenir  
180 gift shop or tasting room located on private property contiguous  
181 to the licensed distillery premises. Branded products sold to  
182 consumers must have been distilled, rectified, or blended on the  
183 distillery premises that is located contiguous to the craft  
184 distillery's souvenir gift shop or tasting room. The souvenir  
185 gift shop or tasting room must be in this state and included on  
186 the sketch or diagram defining the licensed premises submitted  
187 with the distillery's license application. All sketch or diagram  
188 revisions by the distillery shall require the division's  
189 approval verifying that the locations of the souvenir gift shops  
190 and tasting rooms shop location operated by the licensed  
191 distillery are is owned or leased by the distillery and on  
192 property contiguous to the distillery's production building in  
193 this state.

194 1. Except as authorized under s. 565.17(2), a craft  
195 distillery may not sell any factory-sealed individual containers  
196 of spirits to consumers except in face-to-face sales  
197 transactions with such consumers at the craft distillery's  
198 licensed premises. Such branded products must be in compliance  
199 with the container limits under s. 565.10 and be intended for  
200 personal consumption rather than for resale who are making a  
201 purchase of no more than six individual containers of each  
202 branded product.

203 2. Each container sold in face-to-face transactions with

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204 consumers must comply with the container limits in s. 565.10,  
205 per calendar year for the consumer's personal use and not for  
206 resale and who are present at the distillery's licensed premises  
207 in this state.

208 3. A craft distillery must report to the division within 5  
209 days after it exceeds reaches the production limits or is no  
210 longer operating under the requirements or limitations provided  
211 in paragraph (1)(b). Any retail sales of branded products by the  
212 drink or by the package to consumers at the craft distillery's  
213 licensed premises are prohibited beginning the day after it  
214 exceeds reaches the production limitation.

215 3.4. A craft distillery may not ship or arrange to ship any  
216 of its branded products or any other alcoholic beverages  
217 ~~distilled spirits~~ to consumers and may sell and deliver only to  
218 consumers within the state in a face-to-face transaction at the  
219 distillery property. However, a craft distillery distiller  
220 licensed under this section may ship, arrange to ship, or  
221 deliver such spirits to any manufacturers of distilled spirits,  
222 wholesale distributors of distilled spirits, state or federal  
223 bonded warehouses, or and exporters.

224 4.5. Except as provided in subparagraph 5. subparagraph 6.,  
225 it is unlawful to transfer a craft distillery license ~~for a~~  
226 ~~distillery that produces 75,000 or fewer gallons per calendar~~  
227 ~~year of distilled spirits on its premises or any ownership~~  
228 ~~interest in such license to an individual or entity that has a~~  
229 ~~direct or indirect ownership interest in any distillery that~~  
230 ~~distills, rectifies, or blends 250,000 gallons or more per~~  
231 ~~calendar year of distilled spirits under any license issued~~  
232 ~~licensed in this state; in another state, territory, or country;~~

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233 or by the United States Government to distill manufacture,  
234 blend, or rectify distilled spirits for beverage purposes.

235 5.6. Except as provided in paragraph (b), a craft  
236 distillery may shall not have its ownership affiliated with  
237 another distillery, unless such distillery is owned by an  
238 individual or entity that distills, rectifies, or blends 250,000  
239 gallons or less per calendar year of distilled spirits produces  
240 75,000 or fewer gallons per calendar year of distilled spirits  
241 on each of its premises in this state or in another state,  
242 territory, or country.

243 6. A craft distillery may transfer up to 75,000 gallons per  
244 calendar year of its branded products that it distills,  
245 rectifies, or blends from its federal bonded space, nonbonded  
246 space at its licensed premises, or storage areas to its souvenir  
247 gift shop and tasting room.

248 (5) A craft distillery making sales under paragraph (2) (f)  
249 paragraph (2)(e) is responsible for submitting any excise taxes  
250 due to the state on distilled spirits on beverages under the  
251 Beverage Law with in its monthly report to the division with any  
252 tax payments due to the state.

253 Section 3. Section 565.17, Florida Statutes, is amended to  
254 read:

255 565.17 Beverage tastings by distributors, craft  
256 distilleries, and vendors.-

257 (1) A licensed distributor of spirituous beverages, a craft  
258 distillery as defined in s. 565.03, or any vendor, is authorized  
259 to conduct spirituous beverage tastings upon any licensed  
260 premises authorized to sell spirituous beverages by package or  
261 for consumption on premises without being in violation of s.

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262       561.42, provided that the conduct of the spirituous beverage  
263       tasting shall be limited to and directed toward the general  
264       public of the age of legal consumption.

265       (2) Craft distilleries may conduct tastings and sales of  
266       distilled spirits produced by the craft distilleries at Florida  
267       fairs, trade shows, farmers markets, expositions, and festivals.  
268       The division shall issue permits to craft distilleries for such  
269       tastings and sales. A craft distillery must pay all entry fees  
270       and must have a distillery representative present during the  
271       event. The permit is limited to the duration and physical  
272       location of the event.

273              Section 4. This act shall take effect July 1, 2021.