

## RÉSUMÉ DIGEST

ACT 467 (HB 370)

2022 Regular Session

Magee

Existing law (R.S. 26:241) provides for definitions for alcohol beverage control and taxation.

New law adds definitions for "brewing facility", "self-distribution", and "secondary location".

Existing law requires that sales to the public by manufacturers or brewers cannot exceed the greater of 10% of the total amount of product brewed at that facility monthly or 250 barrels and requires all state and parish or municipal sales and excise taxes be remitted to the proper tax collecting authority for all products sold to the public as well as compliance with all local zoning laws and regulations.

New law authorizes a brewer who operates a brewing facility located entirely in the state that produces less than 5,000 barrels of beer or other malt beverages annually at the brewing facility and holds both an in-state manufacturer's permit and a brewer's self-distribution permit issued pursuant to existing law to self-distribute to either of the following:

- (1) A secondary location wholly owned by the brewer holding the self-distribution permit.
- (2) A retailer holding a Class A permit, a Class B permit, a Class C permit, or a Type A, B, or C temporary alcoholic beverage permit.

New law authorizes a brewer who operates a brewing facility located entirely in the state to obtain a permit to self-distribute beer or other malt beverages brewed at its brewing facility under the following conditions:

- (1) The quantity of beer brewed at the brewing facility that is self-distributed to a secondary location shall be included in the quantity limitations for selling products for on- or off-the-premises consumption in existing law for the producing brewing facility that does not exceed an amount greater than 50% of the secondary location facility's production of beer for the previous month or 50% of the volume of beer sold at retail by the secondary location for the previous month, whichever is less.
- (2) If a brewer self-distributes to a secondary location, the brewing facility at which the beer is produced shall maintain no less than a 10-barrel brewing system and the secondary location is required to maintain no less than a five-barrel brewing system.

New law requires that if a brewer self-distributes to retailers the following shall apply:

- (1) No more than 3,000 barrels of beer brewed at the brewing facility be self-distributed to all retailers annually.
- (2) The product be offered at a standard price to all retailers.

New law prohibits the brewer or brewing facility from having an existing distribution agreement with a permitted wholesale dealer.

New law requires that the brewer or brewing facility own or lease warehouse space that is maintained separate from the brewing facility.

New law requires that the brewer or brewing facility own or lease delivery equipment dedicated for the primary use of distribution and delivery of only those products brewed at the brewing facility.

New law requires the brewer to remit all state sales and excise taxes on all beer or other malt beverages produced at its brewing facility that is self-distributed to a secondary location.

New law requires the secondary location to remit all parish or municipal sales and excise taxes on any amount received through self-distribution by the brewer to the proper tax collecting authority for all products sold to the public.

New law requires the brewer or brewing facility to provide a monthly report of all sales from the brewing facility and all sales from self-distribution to the office of alcohol and tobacco control.

New law authorizes a brewing facility to enter into a distribution agreement with a permitted wholesale dealer or make application for a self-distribution permit. However, no brewing facility shall distribute through the permitted wholesale dealer and self-distribution.

New law provides that any brewing facility that engages in self-distribution be subject to applicable state regulations.

New law authorizes a brewer who operates a brewing facility located entirely within the state and who holds an in-state manufacturer's permit to use a wholesaler, for a set fee, to transfer beer or other malt beverages brewed at the brewing facility to another brewing facility in the state owned wholly by the brewer to sell or serve to the public for consumption on- or off-the-licensed premises under the following circumstances:

- (1) A transferring brewing facility that maintains no less than a 10-barrel brewing system, and the receiving brewing facility owned wholly by the transferring brewing facility maintains no less than a five-barrel brewing system.
- (2) The quantity of beer transferred is included in the quantity limitation for selling products by a brewer to the public for on- or off-the-licensed premises consumption for the brewing facility receiving the transferred beer.
- (3) The quantity of beer transferred does not exceed an amount greater than 50% of the receiving brewing facility's production of beer for the previous month or 50% of the volume of beer sold at retail by the receiving facility for the previous month, whichever is less.
- (4) The receiving brewing facility remits all state and parish or municipal sales and excise taxes to the proper tax collecting authority for all products received and sold to the public.

Existing law provides a fee schedule for those engaged in the business of dealing in malt beverages or beverages of low alcoholic content.

New law adds that brewers engaged in self-distribution shall pay a \$1,500 permit fee.

Effective August 1, 2022.

(Amends R.S. 26:359(A); Adds R.S. 26:241(27)-(29), 242, 243, and 271(A)(7))