HLS 22RS-796 ORIGINAL

2022 Regular Session

HOUSE BILL NO. 370

1

BY REPRESENTATIVE MAGEE

ALCOHOLIC BEVERAGES: Provides relative to the self-distribution of certain alcoholic beverages by certain brewers

AN ACT

2 To amend and reenact R.S. 26:241(15) and to enact R.S. 26:241(27) and (28), 242, and 3 271(A)(7), relative to the Alcoholic Beverage Control Law; to provide for 4 definitions; to provide relative to the distribution of certain alcoholic beverages; to 5 provide for self-distribution; to provide for limitations; to provide relative to permit 6 fees; and to provide for related matters. 7 Be it enacted by the Legislature of Louisiana: 8 Section 1. R.S. 26:241(15) is hereby amended and reenacted and R.S. 26:241(27) 9 and (28), 242, and 271(A)(7) are hereby enacted to read as follows: 10 §241. Definitions 11 The following terms have the respective meanings ascribed to them except 12 in those instances where the context indicates a different meaning: 13 14 (15) "Manufacturer or brewer" means any person who, directly or indirectly, 15 personally or through any agency, person, or establishment, engages in the making, 16 blending, rectifying, brewing, or other processing of alcoholic beverages in 17 Louisiana or outside the state for shipments to licensed wholesale dealers within the 18 state subject to the provisions of R.S. 26:364. A manufacturer or brewer who 19 operates a brewing facility entirely located in the state of Louisiana shall brew at 20 least fifty percent of its monthly production at the permitted facility. Such facility 21 shall be equipped with adequate brewing systems sufficient to meet its monthly 22 production, and the facility shall maintain a valid health permit issued by the

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Louisiana Department of Health. A manufacturer or brewer who operates a brewing facility entirely located in the state of Louisiana may sell or serve only those products brewed at that facility to the public only at that facility for consumption on or off the premises but not for resale. The total amount of such sales to the public for any given month shall not exceed ten percent of the total amount of product brewed at that facility monthly or two hundred fifty barrels, whichever is greater. Any manufacturer or brewer who sells its products to the public pursuant to this Paragraph shall remit all state and parish or municipal sales and excise taxes to the proper tax collecting authority for all products sold to the public. A manufacturer or brewer who sells or serves its products to the public pursuant to this Paragraph; shall comply with the requirements set forth in R.S. 26:90 and 286 and shall comply with all local zoning laws and regulations.

\* \* \*

(27) "Brewing facility" means a retail establishment wherein beer and other malt beverages are brewed and sold at retail for consumption on or off the licensed premises.

(28) "Self-distribution" means distribution by a brewer of beer or other malt beverages brewed at a brewing facility entirely located in the state of Louisiana to a retailer holding a Class A permit issued pursuant to R.S. 26:71.1 or 271.2, a Class B permit issued pursuant to R.S. 26:71 or 271, or a Class C permit issued pursuant to R.S. 26:71.2 or 271.3.

## §242. Self-distribution

A brewer that produces less than ninety-three thousand gallons of beer annually at a brewing facility located entirely in the state of Louisiana may self-distribute up to forty-six thousand five hundred gallons of the two hundred fifty barrels allowed pursuant to R.S. 26:241 to a retailer holding a Class A permit issued pursuant to R.S. 26:71.1 or 271.2, a Class B permit issued pursuant to R.S. 26:71 or 271.3 provided the following conditions are met:

1	(1) The brewer obtains a permit to self-distribute only those products brewed
2	on site from the commissioner according to established rules and regulations.
3	(2) The brewer does not have an existing distribution agreement with a
4	permitted wholesale dealer.
5	(3) The brewer owns or leases warehouse space that shall be maintained
6	separate from the brewing facility.
7	(4) The brewer owns or leases delivery equipment dedicated for the primary
8	use of distribution and delivery of only those products brewed at the brewing facility.
9	(5) The brewer shall self-distribute products at a standard price to all
10	retailers.
11	(6) The brewer shall provide a monthly report of all sales from the brewing
12	facility and all sales from self-distribution to the office of alcohol and tobacco
13	control. The office of alcohol and tobacco control shall publish these monthly
14	reports on its website to ensure collection of parish and municipal taxes.
15	(7) Any brewer that engages in self-distribution shall be subject to the rules
16	and regulations contained in LAC Title 55, Part VII.
17	§271. Permits required; fees
18	A. Before engaging in the business of dealing in malt beverages or beverages
19	of low alcoholic content, all manufacturers, wholesale and retail dealers, and
20	microbrewers shall obtain from the commissioner, according to established rules and
21	regulations, a permit to conduct each separate manufacturing, wholesale, retail, or
22	microbrewery business and shall pay for each permit a fee not to exceed the amounts
23	provided for in the following schedule and in accordance with regulations
24	promulgated pursuant to the provisions of the Administrative Procedure Act for each
25	year the permit is valid:
26	* * *
27	(7) Brewers engaged in self-distribution—one thousand dollars.
28	* * *

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1 Section 2. The Louisiana State Law Institute is hereby authorized and directed to

arrange in alphabetical order and renumber the definitions provided in R.S. 26:241.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 370 Original

2022 Regular Session

Magee

**Abstract:** Provides for the self-distribution of beer and malt beverages under certain conditions.

 $\underline{Present\,law}\,(R.S.\,26:241)\,provides\,for\,definitions\,for\,alcohol\,beverage\,control\,and\,taxation.$ 

<u>Proposed law</u> amends the definition of "manufacturer or brewer" and provides definitions for "brewing facility" and "self-distribution".

<u>Proposed law</u> provides requirements for self-distribution. Brewers who produce less than 93,000 gallons of beer annually may self-distribute up to 46,500 gallons of the 250 barrels allowed pursuant to <u>present law</u> (R.S. 26:241) to retailers with certain Class A, Class B, and Class C permits.

Proposed law provides that brewers may self-distribute if the following conditions are met:

- (1) The brewer obtains a permit to self-distribute only products brewed on site from the commissioner.
- (2) The brewer does not have an existing distribution agreement with a permitted wholesale dealer.
- (3) The brewer owns or leases warehouse space that is maintained separately from the brewing facility.
- (4) The brewer owns or leases delivery equipment dedicated for the primary use of distributing products brewed at the brewing facility.
- (5) The brewer self-distributes products at a standard price to all retailers.
- (6) The brewer provides a monthly sales report to the office of alcohol and tobacco control, which in forth publishes these monthly reports on its website.
- (7) Any brewer that engages in self-distribution shall be subject to the rules and regulations contained in LAC Title 55, Part VII.

<u>Present law</u> (LAC Title 55, Part VII) provides for rules and regulations regarding alcohol and tobacco control in the Louisiana Administrative Code.

<u>Present law</u> provides a fee schedule for those engaged in the business of dealing in malt beverages or beverages of low alcoholic content.

<u>Proposed law</u> retains <u>present law</u> and adds that brewers engaged in self-distribution shall pay a \$1,000 permit fee.

(Amends R.S. 26:241(15); Adds R.S. 26:241(27) and (28), 242, and 271(A)(7))

Page 4 of 4

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