

2022 Regular Session

HOUSE BILL NO. 370

BY REPRESENTATIVE MAGEE

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

1 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

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.

14 B. Any brewer that engages in self-distribution shall be subject to the rules
15 and regulations contained in LAC Title 55, Part VII.

16 §271. Permits required; fees

17 A. Before engaging in the business of dealing in malt beverages or beverages
18 of low alcoholic content, all manufacturers, wholesale and retail dealers, and
19 microbrewers shall obtain from the commissioner, according to established rules and
20 regulations, a permit to conduct each separate manufacturing, wholesale, retail, or
21 microbrewery business and shall pay for each permit a fee not to exceed the amounts
22 provided for in the following schedule and in accordance with regulations
23 promulgated pursuant to the provisions of the Administrative Procedure Act for each
24 year the permit is valid:

25 * * *

26 (7) Brewers engaged in self-distribution— one thousand five hundred dollars.

27 * * *

28 Section 2. The Louisiana State Law Institute is hereby authorized and directed to
29 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 Reengrossed

2022 Regular Session

Magee

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

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

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

Present 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.

Proposed law retains present law.

Proposed law 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 present law (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.

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

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

Proposed law retains present law 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))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Retain present law relative to sales limitations, the collection of sales and excise taxes, and the compliance with local zoning laws.