#### **ENROLLED**

#### 2023 Regular Session

#### HOUSE BILL NO. 524

# BY REPRESENTATIVES LACOMBE, ADAMS, FISHER, GAINES, LARVADAIN, AND ROMERO

1	AN ACT
2	To amend and reenact R.S. 26:142 and to enact R.S. 26:2(35), (36), and (37), 71(A)(1)(c),
3	82.1, and 90.1, relative to alcoholic beverages; to provide relative to the definitions
4	of distilling, manufacturing distiller, manufacturing distillery, and self-distribution;
5	to provide for self-distribution of alcoholic beverages of high alcoholic content; to
6	provide relative to permit fees; to provide for limitations; to authorize manufacturing
7	distillers to host contracted private events at manufacturing distilleries; and to
8	provide for related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 26:142 is hereby amended and reenacted and R.S. 26:2(35), (36), and
11	(37), $71(A)(1)(c)$ , $82.1$ , and $90.1$ are hereby enacted to read as follows:
12	§2. Definitions
13	For purposes of this Chapter, the following terms have the respective
14	meanings ascribed to them in this Section, unless a different meaning clearly appears
15	from the context:
16	* * *
17	(35) "Distill, distilling, and distilled" means the process of producing liquor
18	by distillation through one or more stills located at a licensed premises as part of a
19	distiller's process of engaging in the material and essential aspects of manufacturing
20	such distilled spirits for human consumption.
21	(36) "Manufacturing distillery" or "manufacturing distiller" means any
22	person who personally or through any agent whatever engages in the distilling of any
23	alcoholic beverage in Louisiana; engages in the distilling of any alcoholic beverage
24	outside Louisiana for sale in Louisiana; or engages in the business of supplying
25	distilled alcoholic beverages to licensed wholesale dealers in Louisiana.

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1	(37) "Self-distribution" means distribution by a manufacturing distiller who
2	operates a manufacturing distillery entirely located in the state of Louisiana to a
3	retailer holding a Class A permit issued pursuant to R.S. 26:71.1, a Class B permit
4	issued pursuant to R.S. 26:71, or a Class C permit issued pursuant to R.S. 26:71.2.
5	* * *
6	§71. Permits required; fees; exception
7	A. Except as provided in Subsections B and C of this Section, before
8	engaging in the business of manufacturing, supplying, or dealing in alcoholic
9	beverages, all persons shall obtain from the commissioner, according to established
10	rules and regulations, a permit to conduct each separate business and shall pay the
11	commissioner a fee not to exceed the amounts provided for in the following schedule
12	and in accordance with regulations promulgated pursuant to the provisions of the
13	Administrative Procedure Act for each year the permit is valid:
14	(1)
15	* * *
16	(c) Manufacturing distillers engaged in self-distribution - one thousand five
17	hundred dollars.
18	* * *
19	<u>§82.1. Self-distribution</u>
20	A. Notwithstanding any provision of law to the contrary, a manufacturing
21	distiller who operates a manufacturing distillery located entirely in the state of
22	Louisiana that produces less than four thousand gallons of distilled alcoholic liquors
23	annually at the manufacturing distillery and holds both an in-state manufacturing
24	distillery permit and a distillery self-distribution permit issued pursuant to R.S. 26:71
25	may self-distribute to a retailer holding a Class A permit issued pursuant to R.S.
26	26:71.1, a Class B permit issued pursuant to R.S. 26:71, a Class C permit issued
27	pursuant to R.S. 26:71.2.
28	B. If a manufacturing distiller self-distributes to retailers the following shall
29	apply:

1	(1) No more than four thousand gallon s of distilled alcoholic liquors may
2	be self-distributed to all retailers annually.
3	(2) The distilled product shall be offered at a standard price to all retailers.
4	C. A manufacturing distillery meeting the qualifications in R.S. 26:82.1(A)
5	may obtain a permit to self-distribute alcoholic liquors distilled at its manufacturing
6	distillery under the following conditions:
7	(1) The manufacturing distiller does not have an existing distribution
8	agreement with a permitted wholesale dealer.
9	(2) The manufacturing distiller owns or leases warehouse space that shall be
10	maintained in a separate area from the distillation equipment.
11	(3) The manufacturing distiller owns or leases delivery equipment dedicated
12	for the primary use of distribution and delivery of only those products distilled at the
13	manufacturing distillery.
14	(4) The manufacturing distiller shall remit all excise and other applicable
15	taxes on all alcoholic liquors distilled at its manufacturing distillery that are
16	self-distributed.
17	(5) The manufacturing distiller shall provide a monthly report of all sales
18	from the manufacturing distillery and all sales from self-distribution to the office of
19	alcohol and tobacco control.
20	D. A manufacturing distiller may enter into a distribution agreement with a
21	permitted wholesale dealer or make application for a self-distribution permit.
22	However, no manufacturing distillery shall distribute through the permitted
23	wholesale dealer and self-distribution.
24	E. Any manufacturing distillery that engages in self-distribution shall be
25	subject to LAC Title 55, Part VII.
26	* * *
27	§90.1. Licensed manufacturing distillers; contracted private events
28	A. Notwithstanding any provision of law to the contrary, a manufacturing
29	distillery as defined in R.S. 26:2 may lease its facility to a person not licensed
30	pursuant to this Chapter for no more than twelve contracted private events per year

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1	during which food and alcoholic beverages not distilled at that licensed facility may
2	be served to guests of the contracted private event by a caterer holding a permit
3	issued pursuant to this Title if a copy of the lease is provided to the commissioner
4	at least ten days prior to the event.
5	B. The manufacturing distiller may charge a reasonable rental fee to the
6	person not licensed pursuant to this Chapter for the contracted private event.
7	C. The manufacturing distillery may serve to guests alcoholic beverages
8	distilled at that licensed facility. The manufacturing distillery shall not charge the
9	person not licensed pursuant to this Chapter more than its standard prices for such
10	products.
11	* * *
12	§142. Distribution through wholesalers only
13	Except as provided for in R.S. 26:71.3, 71.4, <u>82.1</u> , 85, 271.1, and 359, no
14	alcoholic beverage produced or manufactured inside or outside of this state shall be
15	sold or offered for sale in Louisiana or shipped or transported into or within the state
16	except to the holder of a wholesaler's permit and for delivery at the place of business
17	of the wholesaler as shown in his permit.
18	* * *
19	Section 2. The Louisiana State Law Institute is hereby authorized and directed to
20	

## SPEAKER OF THE HOUSE OF REPRESENTATIVES

# PRESIDENT OF THE SENATE

## GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_

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