

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

* * *

13 (27) "Brewing facility" means an establishment wherein beer and other malt
 14 beverages are brewed for the primary purpose of selling the brewed product for
 15 resale and a limited quantity may be sold at retail to consumers for consumption on
 16 or off the licensed premises.

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

22 §242. Self-distribution

23 A brewer that produces less than ninety-three thousand gallons of beer
 24 annually at a brewing facility located entirely in the state of Louisiana may self-
 25 distribute up to forty-six thousand five hundred gallons of the two hundred fifty
 26 barrels allowed pursuant to R.S. 26:241 to a retailer holding a Class A permit issued
 27 pursuant to R.S. 26:71.1 or 271.2, a Class B permit issued pursuant to R.S. 26:71 or
 28 271, or a Class C permit issued pursuant to R.S. 26:71.2 or 271.3 provided the
 29 following conditions are met:

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 Engrossed

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.

Present law defines "manufacturer or brewer" and limits sales to the public for any given month to not exceed 10% of the total amount of product brewed at that facility monthly or 250 fifty barrels, whichever is greater.

Proposed law repeals the limitations of present law.

Present law requires a manufacturer or brewer who sells its products to the public to remit all state and parish or municipal sales and excise taxes to the proper tax collecting authority for all products sold to the public.

Proposed law repeals present law.

Present law requires a manufacturer or brewer who sells or serves its products to the public to comply with all local zoning laws and regulations.

Proposed law repeals present law.

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

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.

- (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 \$1,500 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 Committee Amendments Proposed by House Committee on Judiciary to the original bill:

1. Delete present law provisions relative to limitations on sales of products brewed at a facility and to requirements to submit sales and excise taxes and comply with local zoning laws and regulations.
2. Redefine "brewing facility".
3. Remove proposed law requirement of the office of alcohol and tobacco to produce monthly reports.
4. Increase the self-distribution permit fee from \$1,000 to \$1,500.