

2023 Regular Session

HOUSE BILL NO. 524

BY REPRESENTATIVE LACOMBE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ALCOHOLIC BEVERAGES: Provides relative to distilleries

1 AN ACT

2 To amend and reenact R.S. 26:142 and to enact R.S. 26:2(10), (17), and (25), 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(10), (17), and
11 (25), 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 (10) "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

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1 distiller's process of engaging in the material and essential aspects of manufacturing
2 such distilled spirits for human consumption.

3 * * *

4 (17) "Manufacturing distillery" or "manufacturing distiller" means any
5 person who personally or through any agent whatever engages in the distilling of any
6 alcoholic beverage in Louisiana; engages in the distilling any alcoholic beverage
7 outside Louisiana for sale in Louisiana; or engages in the business of supplying
8 distilled alcoholic beverages to licensed wholesale dealers in Louisiana.

9 * * *

10 (25) "Self-distribution" means distribution by a manufacturing distiller who
11 operates a manufacturing distillery entirely located in the state of Louisiana to a
12 retailer holding a Class A permit issued pursuant to R.S. 26:71.1, a Class B permit
13 issued pursuant to R.S. 26:71, or a Class C permit issued pursuant to R.S. 26:71.2.

14 * * *

15 §71. Permits required; fees; exception

16 A. Except as provided in Subsections B and C of this Section, before
17 engaging in the business of manufacturing, supplying, or dealing in alcoholic
18 beverages, all persons shall obtain from the commissioner, according to established
19 rules and regulations, a permit to conduct each separate business and shall pay the
20 commissioner a fee not to exceed the amounts provided for in the following schedule
21 and in accordance with regulations promulgated pursuant to the provisions of the
22 Administrative Procedure Act for each year the permit is valid:

23 (1)

24 * * *

25 (c) Manufacturing distillers engaged in self-distribution - one thousand five
26 hundred dollars.

27 * * *

1 §82.1. Self-distribution

2 A. Notwithstanding any provision of law to the contrary, a manufacturing
3 distiller who operates a manufacturing distillery located entirely in the state of
4 Louisiana that produces less than four thousand gallons of distilled alcoholic liquors
5 annually at the manufacturing distillery and holds both an in-state manufacturing
6 distillery permit and a distillery self-distribution permit issued pursuant to R.S. 26:71
7 may self-distribute to a retailer holding a Class A permit issued pursuant to R.S.
8 26:71.1, a Class B permit issued pursuant to R.S. 26:71, a Class C permit issued
9 pursuant to R.S. 26:71.2.

10 B. If a manufacturing distiller self-distributes to retailers the following shall
11 apply:

12 (1) No more than four thousand gallon s of distilled alcoholic liquors may
13 be self-distributed to all retailers annually.

14 (2) The distilled product shall be offered at a standard price to all retailers.

15 C. A manufacturing distillery meeting the qualifications in R.S. 26:82.1(A)
16 may obtain a permit to self-distribute alcoholic liquors distilled at its manufacturing
17 distillery under the following conditions:

18 (1) The manufacturing distiller does not have an existing distribution
19 agreement with a permitted wholesale dealer.

20 (2) The manufacturing distiller owns or leases warehouse space that shall be
21 maintained in a separate area from the distillation equipment.

22 (3) The manufacturing distiller owns or leases delivery equipment dedicated
23 for the primary use of distribution and delivery of only those products distilled at the
24 manufacturing distillery.

25 (4) The manufacturing distiller shall remit all excise and other applicable
26 taxes on all alcoholic liquors distilled at its manufacturing distillery that are
27 self-distributed.

1 (5) The manufacturing distiller shall provide a monthly report of all sales
 2 from the manufacturing distillery and all sales from self-distribution to the office of
 3 alcohol and tobacco control.

4 D. A manufacturing distiller may enter into a distribution agreement with a
 5 permitted wholesale dealer or make application for a self-distribution permit.
 6 However, no manufacturing distillery shall distribute through the permitted
 7 wholesale dealer and self-distribution.

8 E. Any manufacturing distillery that engages in self-distribution shall be
 9 subject to LAC Title 55, Part VII.

10 * * *

11 §90.1. Licensed manufacturing distillers; contracted private events

12 A. Notwithstanding any provision of law to the contrary, a manufacturing
 13 distillery as defined in R.S. 26:2 may lease its facility to a person not licensed
 14 pursuant to this Chapter for no more than twelve contracted private events per year
 15 during which food and alcoholic beverages not distilled at that licensed facility may
 16 be served to guests of the contracted private event by a caterer holding a permit
 17 issued pursuant to this Title if a copy of the lease is provided to the commissioner
 18 at least ten days prior to the event.

19 B. The manufacturing distiller may charge a reasonable rental fee to the
 20 person not licensed pursuant to this Chapter for the contracted private event.

21 C. The manufacturing distillery may serve to guests alcoholic beverages
 22 distilled at that licensed facility. The manufacturing distillery shall not charge the
 23 person not licensed pursuant to this Chapter more than its standard prices for such
 24 products.

25 * * *

26 §142. Distribution through wholesalers only

27 Except as provided for in R.S. 26:71.3, 71.4, 82.1, 85, 271.1, and 359, no
 28 alcoholic beverage produced or manufactured inside or outside of this state shall be
 29 sold or offered for sale in Louisiana or shipped or transported into or within the state

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1 except to the holder of a wholesaler's permit and for delivery at the place of business
2 of the wholesaler as shown in his permit.

3 * * *

4 Section 2. The Louisiana State Law Institute is hereby authorized and directed to
5 arrange in alphabetical order and renumber the defined terms comprising R.S. 26:2.

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 524 Original 2023 Regular Session LaCombe

Abstract: Authorizes the self-distribution of alcoholic beverages under certain conditions.

Present law provides relative to the Alcohol Beverage Control Law.

Present law provides for definitions of alcoholic beverages for low and high alcoholic content.

Proposed law retains present law and adds definitions for distill, distilling, and distilled, manufacturing distillery or manufacturing distiller, and self-distribution.

Proposed law provides requirements for self-distribution. Manufacturing distillers who produce less than four thousand gallons of distilled alcoholic beverages annually may self-distribute to retailers with certain Class A, Class B, and Class C permits.

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

- (1) No more than four thousand gallons of alcoholic beverages distilled at the manufacturing distillery may be self-distributed to all retailers annually. The product shall be offered at a standard price to all retailers.
- (2) The manufacturing distiller or manufacturing distillery does not have an existing distribution agreement with a permitted wholesale dealer.
- (3) The manufacturing distiller or manufacturing distillery owns or leases warehouse space that shall be maintained in a separate area from the distillation equipment.
- (4) The manufacturing distiller or manufacturing distillery owns or leases delivery equipment dedicated for the primary use of distribution and delivery of only those products distilled at the manufacturing distillery.
- (5) The manufacturing distiller shall remit all state sales and excise taxes on all alcoholic liquors distilled at its manufacturing distillery that are self-distributed.
- (6) The manufacturing distiller or manufacturing distillery shall provide a monthly report of all sales from the manufacturing distillery and all sales from self-distribution to the office of alcohol and tobacco control.

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 alcoholic beverages of high alcoholic content.

Proposed law retains present law and adds that manufacturing distillers engaged in self-distribution shall pay a \$1,500 permit fee.

Proposed law provides that a manufacturing distiller who operates a manufacturing distillery entirely located in this state may host contracted private events held at a manufacturing distillery if the following conditions are met:

- (1) A copy of the lease is provided to the commissioner at least 10 days prior to the event.
- (2) The manufacturing distiller may charge a reasonable rental fee to the third party for the contracted private event.
- (3) The manufacturing distiller may serve to guests beer manufactured at that licensed facility. The manufacturing distiller shall not charge the third party more than its standard prices for such products.

(Amends R.S. 26:142; Adds R.S. 26:2(10), (17), and (25), 71(A)(1)(c), 82.1, and 90.1)