

1                   A bill to be entitled  
2           An act relating the Beverage Law; amending s. 561.221,  
3           F.S.; authorizing the division to issue vendor  
4           licenses to certain craft distilleries for the sale of  
5           alcoholic beverages on the distillery's licensed  
6           premises; requiring that the licensed vendor premises  
7           be included on certain sketches and diagrams under  
8           certain circumstances; requiring that all revisions to  
9           sketches or diagrams be approved by the division;  
10          requiring the division to issue permits to craft  
11          distilleries for conducting tastings and sales at  
12          certain events; requiring craft distilleries to pay  
13          entry fees for such events and have a representative  
14          of the distillery present at each event; requiring  
15          that certain alcoholic beverages be obtained through a  
16          licensed distributor, a licensed broker or sales  
17          agent, or a licensed importer; amending s. 561.24,  
18          F.S.; authorizing a craft distillery to be licensed as  
19          a distributor under certain circumstances; amending s.  
20          561.42, F.S.; prohibiting certain entities and persons  
21          from directly or indirectly assisting or providing  
22          specified items, monies, or services to a licensed  
23          vendor; prohibiting a licensed vendor from accepting  
24          specified items, monies, or services from certain  
25          entities or persons; authorizing the Division of

26 | Alcoholic Beverages and Tobacco adopt rules and  
27 | require reports to enforce, and to impose  
28 | administrative sanctions for a violation of  
29 | limitations established under the Beverage Law on  
30 | specified items, monies, or services; prohibiting a  
31 | vendor from displaying certain signs in the window or  
32 | windows of his or her licensed premises; authorizing  
33 | certain entities and persons to furnish, supply, sell,  
34 | rent, lend, or give certain advertising material to  
35 | certain vendors; defining the term "decalcomania";  
36 | providing exemptions relating to tied house evil for  
37 | certain sales and purchases of merchandise; providing  
38 | conditions for the exemptions; defining the term  
39 | "merchandise"; prohibiting the sale of certain  
40 | advertising specialties at a price higher than the  
41 | actual cost to the industry member; authorizing a  
42 | manufacturer or importer of malt beverages and a  
43 | vendor to enter into a written agreement for certain  
44 | purposes; providing requirements for such agreement;  
45 | defining the term "negotiated at arm's length";  
46 | specifying that a brand-naming rights agreement does  
47 | not obligate or place responsibility upon a  
48 | distributor; providing civil penalties; prohibiting  
49 | the division from imposing certain civil penalties;  
50 | creating s. 562.65, F.S.; providing definitions;

51 authorizing certain licensed vendors of alcoholic  
52 beverages to allow dogs in certain designated areas on  
53 licensed premises under specified conditions;  
54 providing for liability; authorizing the Division of  
55 Alcoholic Beverages and Tobacco of the Department of  
56 Business and Professional Regulation to adopt rules;  
57 creating s. 563.061, F.S.; providing definitions;  
58 prohibiting consignment sales of malt beverages  
59 between a distributor and vendor; authorizing bona  
60 fide returns of malt beverages under certain  
61 conditions; providing applicability; authorizing  
62 distributors to accept returns of certain products  
63 under specified conditions; providing distributor  
64 requirements for such returns; providing requirements  
65 for exchanges of product; providing recordkeeping  
66 requirements; specifying that authorized returns are  
67 not gifts, loans, or other prohibited forms of  
68 financial aid or assistance; providing penalties;  
69 providing for rulemaking; repealing ss. 564.05 and  
70 564.055, F.S., relating to limitations on the size of  
71 individual wine containers and individual cider  
72 containers; amending s. 564.09, F.S.; revising  
73 provisions that authorize a restaurant to allow  
74 patrons to remove partially consumed bottles of wine  
75 from the restaurant for off-premises consumption;

76 | amending s. 565.03, F.S.; redefining the terms  
77 | "branded product" and "craft distillery"; revising the  
78 | requirements for the sale of branded products by a  
79 | licensed craft distillery to consumers; deleting a  
80 | provision that prohibits a craft distillery from  
81 | selling more than six individual containers of a  
82 | branded product to a consumer; revising requirements  
83 | relating to the shipping of distilled spirits to  
84 | consumers by a craft distillery; deleting requirements  
85 | relating to the transfer of certain distillery  
86 | licenses and ownership therein; deleting a prohibition  
87 | against certain affiliations; authorizing a craft  
88 | distillery to transfer specified quantities of  
89 | specified distilled spirits from certain locations to  
90 | its souvenir gift shop; requiring a craft distillery  
91 | making such transfers to submit certain excise taxes  
92 | with its monthly report to the Division of Alcoholic  
93 | Beverages and Tobacco of the Department of Business  
94 | and Professional Regulation; amending s. 565.17, F.S.;  
95 | authorizing a craft distillery to conduct spirituous  
96 | beverage tastings on specified licensed premises under  
97 | certain circumstances; providing an effective date.

98 |  
99 | Be It Enacted by the Legislature of the State of Florida:  
100 |

101 Section 1. Subsection (4) is added to section 561.221,  
102 Florida Statutes, to read:

103 561.221 Licensing of manufacturers and distributors as  
104 vendors and of vendors as manufacturers; conditions and  
105 limitations.—

106 (4) (a) Notwithstanding s. 561.22, s. 561.42, or any other  
107 provision of the Beverage Law, the division may issue up to  
108 three vendor licenses to a craft distillery licensed under s.  
109 565.03, even if such distillery is also licensed as a  
110 distributor, for the sale of alcoholic beverages on a craft  
111 distillery's licensed premises.

112 (b) If a vendor's license is for the sale of alcoholic  
113 beverages on a craft distillery's licensed premises, the  
114 licensed vendor premises must be included on the sketch or  
115 diagram defining the licensed premises submitted with the  
116 distillery's license application. All sketch or diagram  
117 revisions by the craft distillery must be approved by the  
118 division and must verify that the vendor premises operated by  
119 the licensed distillery is owned or leased by the craft  
120 distillery and is located on the licensed distillery premises.

121 (c) The division shall, upon request, issue permits to a  
122 craft distillery to conduct tastings and sales of distilled  
123 spirits produced by the distillery at fairs, trade shows,  
124 expositions, and festivals in this state. The craft distillery  
125 shall pay all entry fees for such events and shall have a

126 representative present during each event. A permit is limited to  
127 the length of the event for which the permit is issued.

128 (d) Distilled spirits and other alcoholic beverages  
129 manufactured by another licensed manufacturer, including any  
130 distilled spirits that are owned in whole or in part by the  
131 craft distillery but are distilled by another manufacturer, must  
132 be obtained through a licensed distributor, a licensed broker or  
133 sales agent, or a licensed importer.

134 Section 2. Subsection (9) is added to section 561.24,  
135 Florida Statutes, to read:

136 561.24 Licensing manufacturers as distributors or  
137 registered exporters prohibited; procedure for issuance and  
138 renewal of distributors' licenses and exporters' registrations.-

139 (9) This section does not apply to a craft distillery, as  
140 defined in s. 565.03, which is open to the public for tours,  
141 tastings, and sales at least 30 hours each week.

142 Section 3. Subsections (13) and (14) of section 561.42,  
143 Florida Statutes, are renumbered as subsections (14) and (15),  
144 respectively, subsections (1), (8), (11), (12), and present  
145 subsection (14) are amended, and new subsections (13) and (16)  
146 are added to that section, to read:

147 561.42 Tied house evil; financial aid and assistance to  
148 vendor by manufacturer, distributor, importer, primary American  
149 source of supply, brand owner or registrant, or any broker,  
150 sales agent, or sales person thereof, prohibited; procedure for

151 enforcement; exception.—

152       (1) A ~~No~~ manufacturer, distributor, importer, primary  
 153 American source of supply, or brand owner or registrant of any  
 154 of the beverages herein referred to, whether licensed or  
 155 operating in this state or out-of-state, or ~~nor~~ any broker,  
 156 sales agent, or sales person thereof, may not ~~shall~~ have any  
 157 financial interest, directly or indirectly, in the establishment  
 158 or business of any vendor licensed under the Beverage Law; nor  
 159 may ~~shall~~ such manufacturer, distributor, importer, primary  
 160 American source of supply, brand owner or brand registrant, or  
 161 any broker, sales agent, or sales person thereof, directly or  
 162 indirectly, assist any vendor by furnishing, supplying, selling,  
 163 renting, lending, buying for, or giving to any vendor any  
 164 vehicles, equipment, furniture, fixtures, signs, supplies,  
 165 credit, fees, slotting fees of any kind, advertising or  
 166 cooperative advertising, services, ~~any~~ gifts or loans of money  
 167 or property of any description, or ~~by the giving of any~~ rebates  
 168 of any kind whatsoever. A ~~No~~ licensed vendor may not ~~shall~~  
 169 accept, directly or indirectly, any vehicles, equipment,  
 170 furniture, fixtures, signs, supplies, credit, fees, slotting  
 171 fees of any kind, advertising or cooperative advertising,  
 172 services, gifts ~~any gift~~ or loans ~~loan~~ of money or property of  
 173 any description, or ~~any~~ rebates of any kind whatsoever from any  
 174 such manufacturer, distributor, importer, primary American  
 175 source of supply, brand owner or brand registrant, or any

176 broker, sales agent, or sales person thereof; provided, however,  
177 that this does not apply to any bottles, barrels, or other  
178 containers necessary for the legitimate transportation of such  
179 beverages or to advertising materials and does not apply to the  
180 extension of credit, for liquors sold, made strictly in  
181 compliance with ~~the provisions of~~ this section. A brand owner is  
182 a person who is not a manufacturer, distributor, importer,  
183 primary American source of supply, brand registrant, or broker,  
184 sales agent, or sales person thereof, but who directly or  
185 indirectly owns or controls any brand, brand name, or label of  
186 alcoholic beverage. ~~Nothing in~~ This section does not shall  
187 prohibit the ownership by vendors of any brand, brand name, or  
188 label of alcoholic beverage.

189 (8) The division may adopt rules and require reports to  
190 enforce, and may impose administrative sanctions for any  
191 violation of, the limitations established under the Beverage Law  
192 on any vehicles, equipment, furniture, fixtures, signs,  
193 supplies, credit, fees, slotting fees of any kind, advertising  
194 or cooperative advertising, services, gifts or loans of money or  
195 property of any description, rebates of any kind whatsoever ~~in~~  
196 ~~this section on credits,~~ coupons, and other forms of assistance.

197 (11) A vendor may display in the interior of his or her  
198 licensed premises, including the window or windows thereof,  
199 neon, electric, or other signs that require a power source;  
200 ~~including~~ window painting and decalcomanias applied to the

201 surface of the interior or exterior of such windows;~~;~~ and  
 202 posters, placards, and other advertising material advertising  
 203 the brand or brands of alcoholic beverages sold by him or her,  
 204 whether visible or not from the outside of the licensed  
 205 premises. However, a, but no vendor may not shall display in the  
 206 window or windows of his or her licensed premises more than one  
 207 neon, electric, or similar sign that requires a power source,  
 208 advertising the product of any one brand of alcoholic beverage  
 209 manufacturer.

210 (12) Any manufacturer, distributor, importer, primary  
 211 American source of supply, or brand owner or registrant, or any  
 212 broker, sales agent, or sales person thereof, may give, lend,  
 213 furnish, or sell to a vendor who sells the products of such  
 214 manufacturer, distributor, importer, primary American source of  
 215 supply, or brand owner or registrant any of the following: neon,  
 216 ~~or~~ electric, or other signs requiring a power source; signs,  
 217 window painting and decalcomanias applied to the surface of the  
 218 interior or exterior of windows; and, posters, placards, and  
 219 other advertising material ~~herein~~ authorized to be used or  
 220 displayed by the vendor in the interior of his or her licensed  
 221 premises. As used in this section, the term "decalcomania" means  
 222 a picture, design, print, engraving, or label made to be  
 223 transferred onto a glass surface.

224 (13) Any manufacturer, distributor, importer, primary  
 225 American source of supply, or brand owner or registrant, or any

226 broker, sales agent, or sales person thereof, who regularly  
227 sells merchandise to vendors, or any vendor who purchases  
228 merchandise from such manufacturer, distributor, importer,  
229 primary American source of supply, or brand owner or registrant,  
230 or any broker, sales agent, or sales person thereof, does not  
231 violate subsection (1) if:

232 (a) Such sale or purchase is equal to or greater than the  
233 fair market value of the merchandise, not combined with any sale  
234 or purchase of alcoholic beverages separately itemized from the  
235 sale or purchase of alcoholic beverages, and

236 (b) Both the seller and purchaser maintain records of any  
237 such sale or purchase, including the price and any conditions  
238 associated with such sale or purchase of the merchandise.

239  
240 For purposes of this subsection, the term "merchandise" means  
241 commodities, supplies, fixtures, furniture, or equipment. The  
242 term does not include alcoholic beverages or a motor vehicle or  
243 trailer requiring registration under chapter 320.

244 ~~(15)-(14)~~ The division shall adopt reasonable rules  
245 governing promotional displays and advertising. Such rules may  
246 not conflict with or be more stringent than the federal  
247 regulations pertaining to such promotional displays and  
248 advertising furnished to vendors by distributors, manufacturers,  
249 importers, primary American sources of supply, or brand owners  
250 or registrants, or any broker, sales agent, or sales person

251 | thereof; however:

252 |       (a) If a manufacturer, distributor, importer, brand owner,  
253 | or brand registrant of malt beverage, or any sales agent or  
254 | sales person thereof, provides a vendor with branded expendable  
255 | retailer advertising specialties such as trays, coasters, mats,  
256 | menu cards, napkins, cups, glassware, thermometers, and the  
257 | like, such items may be sold only at a price not less than the  
258 | actual cost to the industry member who initially purchased them,  
259 | without limitation in total dollar value of such items sold to a  
260 | vendor. However, a distributor that receives glassware at no  
261 | charge on a no-charge invoice from a malt beverage manufacturer  
262 | or importer may give such glassware to a vendor licensed to sell  
263 | malt beverages for on-premises consumption. Each piece of  
264 | glassware given to a vendor by a distributor must bear a  
265 | permanent brand name intended to prominently advertise the  
266 | brand. A distributor may not give a vendor more than 10 cases of  
267 | glassware per calendar year per licensed premises. A vendor that  
268 | receives a gift of glassware from a distributor may not sell the  
269 | glassware or return it to a distributor for cash, credit, or  
270 | replacement. A manufacturer or importer who sells or gives  
271 | glassware to a distributor, a distributor who sells or gives  
272 | glassware to a vendor, and such vendor, must maintain records of  
273 | such sale or gift of glassware.

274 |       1. These records must be maintained for 3 years by the  
275 | industry member. The records may be in any format so long as

276 they are available and legible to division personnel upon  
277 request during normal business hours. A copy of any record  
278 maintained or produced in compliance with this paragraph shall  
279 be provided to each industry member who receives such glassware.  
280 The copy shall be in a format accessible and readable by the  
281 recipient and may not be provided in an electronic format that  
282 would require proprietary software unavailable to the recipient.  
283 These records must show:

- 284 a. The name and address of the recipient, the recipient's  
285 employee or agent receiving the glassware;
  - 286 b. The recipient's license number;
  - 287 c. The date furnished or given;
  - 288 d. The description and quantity of glassware furnished or  
289 given;
  - 290 e. The cost to the industry member determined by the  
291 original purchaser's invoice price;
  - 292 f. The charges to the recipient for the glassware, if any;
  - 293 and
  - 294 g. The name, license number, and address of the industry  
295 member providing the glassware.
- 296 2. As used in this paragraph, the term:
- 297 a. "Case" means a box containing up to 24 pieces of  
298 glassware.
  - 299 b. "Glassware" means a single-service glass container that  
300 can hold no more than 23 ounces of liquid volume.

301 (b) Without limitation in total dollar value of such items  
302 provided to a vendor, a manufacturer, distributor, importer,  
303 primary American source of supply, or brand owner, or ~~brand~~  
304 registrant of malt beverage, or any broker, sales agent, or  
305 sales person thereof, may rent, loan without charge for an  
306 indefinite duration, or sell durable retailer advertising  
307 specialties such as clocks, pool table lights, and the like,  
308 which bear advertising matter. If sold, such items may not be  
309 sold at a price less than the actual cost to the industry member  
310 who initially purchased the items.

311 (c) If a manufacturer, distributor, importer, brand owner,  
312 or brand registrant of malt beverage, or any sales agent or  
313 sales person thereof, provides a vendor with consumer  
314 advertising specialties such as ashtrays, T-shirts, bottle  
315 openers, shopping bags, and the like, such items may be sold  
316 only at a price not less than the actual cost to the industry  
317 member who initially purchased them, and may be sold without  
318 limitation in total value of such items sold to a vendor.

319 (d) A manufacturer, distributor, importer, brand owner, or  
320 brand registrant of malt beverage, or any sales agent or sales  
321 person thereof, may provide consumer advertising specialties  
322 described in paragraph (c) to consumers on any vendor's licensed  
323 premises.

324 (e) A manufacturer, distributor, importer, brand owner, or  
325 brand registrant of malt beverages, and any sales agent or sales

326 person thereof or contracted third-party, may not engage in  
327 cooperative advertising with a vendor and may not name a vendor  
328 in any advertising for a malt beverage tasting authorized under  
329 s. 563.09.

330 (f) A distributor of malt beverages may sell to a vendor  
331 draft equipment and tapping accessories at a price not less than  
332 the cost to the industry member who initially purchased them,  
333 except there is no required charge, and the distributor may  
334 exchange any parts that are not compatible with a competitor's  
335 system and are necessary to dispense the distributor's brands. A  
336 distributor of malt beverages may furnish to a vendor at no  
337 charge replacement parts of nominal intrinsic value, including,  
338 but not limited to, washers, gaskets, tail pieces, hoses, hose  
339 connections, clamps, plungers, and tap markers.

340 (16) (a) Notwithstanding other provisions of this section,  
341 a manufacturer or importer of malt beverages and a vendor may  
342 enter into a written agreement for brand-naming rights and  
343 associated cooperative advertising, negotiated at arm's length,  
344 for no more than fair market value if all of the following  
345 conditions are met:

346 1. The vendor operates places of business where  
347 consumption on the premises is permitted and the premises:

348 a. Are located within a theme park complex consisting of  
349 at least 25 contiguous acres owned and controlled by the same  
350 business entity;

351 b. Contain permanent exhibitions and a variety of  
352 recreational activities; and

353 c. Has a minimum of 1 million visitors annually with a  
354 controlled entrance to, and exit from, the enclosed area.

355 2. Such agreement does not involve, either in whole or in  
356 part, the sale or distribution of malt beverages between the  
357 manufacturer or importer, or the manufacturer's or importer's  
358 distributor, and a vendor.

359 3. The vendor, as a result of such agreement, does not  
360 give preferential treatment to the alcoholic beverage brand or  
361 brands of the manufacturer or importer with whom the vendor has  
362 entered into such agreement.

363 4. Such agreement does not directly or indirectly limit  
364 the sale of alcoholic beverages of another manufacturer or  
365 importer, or distributor.

366 5. Within 10 days after execution of such agreement, the  
367 vendor files with the division a description of the agreement  
368 which includes the location, dates, and the name of the  
369 manufacturer or importer that entered into the agreement.

370  
371 As used in this paragraph, the term "negotiated at arm's length"  
372 means the negotiation of a business transaction by independent  
373 parties acting in each party's own individual self-interest and  
374 conducted as if the parties were strangers, so that no conflict  
375 of interest may arise.

376 (b) A manufacturer or importer of malt beverages who is a  
377 party to a brand-naming rights agreement may not, directly or  
378 indirectly, solicit or receive from any of its distributors any  
379 portion of the payment due from the manufacturer or importer of  
380 malt beverages to the vendor pursuant to such agreement. Such  
381 agreement exists solely between the manufacturer and the vendor  
382 and does not, directly or indirectly, in any way obligate or  
383 place responsibility, financial or otherwise, upon a  
384 distributor.

385 (c) Notwithstanding s. 561.29(3) and (4), a manufacturer  
386 of malt beverages, an importer of malt beverages, or a vendor  
387 who violates this subsection is subject to:

388 1. A civil penalty of not more than \$25,000, for a first  
389 violation.

390 2. A civil penalty of not more than \$100,000 for a second  
391 violation occurring within 36 months after the date of the first  
392 violation.

393 3. At the discretion of the division, in lieu of or in  
394 addition to the penalty imposed under subparagraph 2.,  
395 suspension or revocation of the alcoholic beverage license for a  
396 third or subsequent violation occurring within 36 months after  
397 the date of the first violation.

398  
399 A violation occurring more than 36 months after a first  
400 violation is deemed a first violation under this paragraph. When

401 imposing a civil penalty within the ranges provided in  
402 subparagraphs 1. and 2., the division may not impose a civil  
403 penalty in an amount greater than the financial value of the  
404 brand-naming rights agreement.

405 Section 4. Section 562.65, Florida Statutes, is created to  
406 read:

407 562.65 Licensed premises of vendors; dogs allowed in  
408 designated areas.-

409 (1) As used in this section, the term:

410 (a) "Division" means the Division of Alcoholic Beverages  
411 and Tobacco of the Department of Business and Professional  
412 Regulation.

413 (b) "Dog" means a dog that is domesticated and kept as a  
414 household pet.

415 (c) "Licensed premises" has the same meaning as provided  
416 in s. 561.01(11).

417 (d) "Vendor" means a person who is licensed under the  
418 Beverage Law.

419 (2) A vendor may allow dogs in designated areas, including  
420 certain indoor areas, of the licensed premises under the  
421 following conditions:

422 (a) No more than 10 percent of the gross revenue of the  
423 vendor's business may be from the sale of food consumed on the  
424 licensed premises. Ice may not be considered food.

425 (b) Dogs must be kept on a leash and under control at all

426 times.

427 (c) Dogs may not be permitted on tables, bar tops, or  
 428 other furnishings.

429 (d) Dogs may not be permitted in any area of the licensed  
 430 premises in which food is stored or prepared.

431 (e) Dog waste must be cleaned immediately and the area  
 432 must be sanitized.

433 (3) An individual may be held liable for failure to comply  
 434 with the conditions under paragraphs (2) (b)-(e) if such failure  
 435 causes injury or damage.

436 (4) The division may adopt rules to administer this  
 437 section.

438 Section 5. Section 563.061, Florida Statutes, is created  
 439 to read:

440 563.061 Return of malt beverage products.-

441 (1) DEFINITIONS.-As used in this section, the term:

442 (a) "Damaged product" means a malt beverage product  
 443 delivered to a vendor exhibiting product deterioration,  
 444 defective seals, leaking, damaged labels, or missing or  
 445 mutilated tamper-evident closures.

446 (b) "Keg" means a reusable container used to store and  
 447 dispense a malt beverage product in draft form on tap.

448 (c) "Manufacturer's code date" means a coded best-by date,  
 449 expiration date, or other designated date or dating system  
 450 established by a manufacturer to signify freshness that is

451 printed on the malt beverage container or, in the case of a keg,  
452 marked on a cap, collar, tag, or label affixed directly to the  
453 keg.

454 (d) "Out-of-code product" means a malt beverage product  
455 that has exceeded the manufacturer's code date and, according to  
456 the manufacturer's policies, must be removed and replaced with  
457 fresh product for purchase in the retail market.

458 (e) "Undamaged product" means a malt beverage product that  
459 is not damaged or out of code.

460 (2) CONSIGNMENT SALES PROHIBITED; AUTHORIZED RETURNS.—A  
461 distributor may not sell, offer for sale, or contract to sell  
462 malt beverages on consignment or any basis other than a bona  
463 fide sale. A vendor may not purchase, offer to purchase, or  
464 contract to purchase malt beverages on consignment or any basis  
465 other than a bona fide sale. Once a distributor sells malt  
466 beverages to a vendor, only bona fide returns are permitted for  
467 the ordinary and usual commercial reasons authorized in this  
468 section. This section does not permit return of product because  
469 it is overstocked or slow-moving or because it has limited or  
470 seasonal demand, including, but not limited to, product packaged  
471 in holiday decanters or distinctive bottles.

472 (3) RETURNS OF UNDAMAGED PRODUCT.—

473 (a) Except as provided in paragraph (b), undamaged product  
474 may be returned for exchange of product or credit.

475        (b) A distributor may only accept a return of undamaged  
476 product if the return is requested within 7 days after the  
477 delivery date. However, a distributor may accept a return of  
478 undamaged product after such time in the following  
479 circumstances:

480            1. If a vendor or its employees or agents are no longer  
481 permitted, due to a change in regulation or administrative  
482 procedure, to sell a particular brand or size product, such  
483 product may be returned for credit or refund.

484            2. If a vendor terminates operations, the vendor's  
485 inventory of product at the time of termination may be returned  
486 for credit or refund. This subparagraph does not apply during a  
487 vendor's temporary seasonal shutdown.

488            3. Except as provided in subparagraph 6., a product that  
489 has not yet exceeded the manufacturer's code date may be  
490 returned for purposes of ensuring quality control or freshness;  
491 however, such product may only be returned for exchange of  
492 product.

493            4. If a manufacturer has issued a product recall that  
494 affects multiple vendors that are not affiliated through having  
495 common ownership, being members of the same pool buying group,  
496 or being members of the same advertising cooperative, the  
497 recalled product may be returned for exchange of product or  
498 credit. If return of such product is requested more than 7 days  
499 after the delivery date, the distributor must keep documentation

500 of the recall with the transaction record maintained pursuant to  
501 subsection (8).

502 5. If production or importation of a product is  
503 discontinued, a vendor's inventory of the discontinued product  
504 may be returned for credit or refund.

505 6. If a vendor is only open for a portion of the year and  
506 has product remaining at closure which, with respect to quality  
507 control or freshness, would become unsuitable for sale during  
508 the off-season according to the manufacturer's code date, such  
509 product may be returned for credit or refund.

510  
511 If undamaged product is returned under this paragraph, the  
512 distributor must keep documentation of a qualifying exception in  
513 subparagraphs 1.-6. with the transaction record maintained  
514 pursuant to subsection (8).

515 (4) RETURNS OF DAMAGED PRODUCT.—

516 (a) Damaged product may only be returned for exchange of  
517 product or credit. A distributor must verify damaged product  
518 before accepting its return.

519 (b) Product damaged by a vendor, its employees or agents,  
520 or its customers may not be returned and shall be the vendor's  
521 liability.

522 (c) A distributor may only accept return of damaged  
523 product if requested within 7 days after the delivery date.

524 (5) RETURNS OF OUT-OF-CODE PRODUCT.—

525 (a) Out-of-code product may only be returned for exchange  
526 of product. A distributor must verify out-of-code product before  
527 accepting its return.

528 (b) A distributor may accept return of out-of-code product  
529 any time after the manufacturer's code date only in the  
530 following circumstances:

531 1. The manufacturer has written policies and procedures  
532 that specify the date that out-of-code product should be  
533 removed.

534 2. Such policies and procedures are readily available,  
535 verifiable, and consistently applied by the manufacturer.

536 3. The manufacturer's code date is printed on the product  
537 container or, in the case of a keg, marked on a cap, collar,  
538 tag, or label affixed directly to the keg.

539 4. Out-of-code product removed by the distributor does not  
540 reenter the retail market.

541 (6) EXCHANGES OF PRODUCT.—An exchange of product  
542 authorized under this section must be in exact quantities with a  
543 product of near or equal value, made by the same manufacturer,  
544 and in the same size container or keg unless a credit is issued  
545 at the time of the return.

546 (7) DISTRIBUTOR REQUIREMENTS FOR RETURNS.—This section  
547 does not require a distributor to accept returns authorized  
548 under this section; however, if a distributor accepts return of  
549 product, the distributor must:

550 (a) Provide the exchange of product, credit, or refund to  
551 the vendor, as provided in subsections (3)-(5), at the same time  
552 the distributor picks up the product being returned.

553 (b) For damaged or undamaged product, pick up the product  
554 being returned within 14 days after receipt of the vendor's  
555 request.

556 (8) TRANSACTION RECORDS.—A distributor must keep and  
557 maintain for 3 years a transaction record of each return  
558 identifying the vendor's business name, address, and license  
559 number; product returned for exchange of product, credit, or  
560 refund; and any other documentation required by this section.  
561 The distributor must provide a copy of the transaction record to  
562 the vendor in a format accessible and readable by the vendor.  
563 Such transaction records must be maintained on the distributor's  
564 licensed premises, or may be kept at another location in this  
565 state if the distributor notifies the division in writing before  
566 keeping records in another location, and must be made available  
567 to the division upon request for inspection in a format  
568 accessible and readable by the division. The distributor must  
569 notify the division in writing of any change in recordkeeping  
570 location.

571 (9) RETURNS NOT TIED HOUSE EVIL.—Bona fide returns  
572 authorized under this section for exchange of product, credit,  
573 or refund are not considered gifts, loans, or other forms of  
574 financial aid or assistance prohibited by s. 561.42.

575           (10) CIVIL PENALTY.—In accordance with s. 561.29, the  
 576 division may impose a civil penalty against a distributor or  
 577 vendor for any violation of this section, or any rule adopted  
 578 under this section, not to exceed \$1,000 per violation.

579           (11) RULEMAKING AUTHORITY.—The division may adopt rules to  
 580 administer and enforce this section.

581           Section 6. Section 564.05, Florida Statutes, is repealed.

582           Section 7. Section 564.055, Florida Statutes, is repealed.

583           Section 8. Section 564.09, Florida Statutes, is amended to  
 584 read:

585           564.09 Restaurants; off-premises consumption of wine.—  
 586 Notwithstanding any other provision of law, a restaurant  
 587 licensed to sell wine on the premises may permit a patron to  
 588 remove one unsealed bottle of wine for consumption off the  
 589 premises if the patron has purchased a ~~full-course~~ meal  
 590 ~~consisting of a salad or vegetable, entree, a beverage, and~~  
 591 ~~bread~~ and consumed a portion of the bottle of wine ~~with such~~  
 592 ~~meal~~ on the restaurant premises. A partially consumed bottle of  
 593 wine that is to be removed from the premises must be securely  
 594 resealed by the licensee or its employees before removal from  
 595 the premises. The partially consumed bottle of wine shall be  
 596 placed in a bag or other container that is secured in such a  
 597 manner that it is visibly apparent if the container has been  
 598 subsequently opened or tampered with, and a dated receipt for  
 599 the bottle of wine and ~~full-course~~ meal shall be provided by the

600 licensee and attached to the container. If transported in a  
 601 motor vehicle, the container with the resealed bottle of wine  
 602 must be placed in a locked glove compartment, a locked trunk, or  
 603 the area behind the last upright seat of a motor vehicle that is  
 604 not equipped with a trunk.

605 Section 9. Paragraphs (a) and (b) of subsection (1),  
 606 paragraphs (b) and (c) of subsection (2), and subsection (5) of  
 607 section 565.03, Florida Statutes, are amended to read:

608 565.03 License fees; manufacturers, distributors, brokers,  
 609 sales agents, and importers of alcoholic beverages; vendor  
 610 licenses and fees; distilleries and craft distilleries.—

611 (1) As used in this section, the term:

612 (a) "Branded product" means any distilled spirits product  
 613 manufactured on site, or manufactured on site and blended on  
 614 site with other distilled spirits, which requires a federal  
 615 certificate and label approval by the Federal Alcohol  
 616 Administration Act or federal regulations.

617 (b) "Craft distillery" means a licensed distillery that  
 618 produces 250,000 ~~75,000~~ or fewer gallons per calendar year of  
 619 distilled spirits on its premises and is designated as a craft  
 620 distillery by ~~has notified~~ the division upon notification in  
 621 writing of its decision to qualify as a craft distillery.

622 (2)

623 (b) A licensed distillery or craft distillery may ~~Persons~~  
 624 ~~licensed under this section who are in the business of~~

625 ~~distilling spirituous liquors may also~~ engage in the business of  
626 rectifying and blending spirituous liquors without the payment  
627 of an additional license tax.

628 (c) A craft distillery licensed under this section which  
629 is not licensed as a vendor under s. 561.221 may sell to  
630 consumers under its craft distillery license, at its souvenir  
631 gift shop, up to 75,000 gallons per calendar year of branded  
632 ~~products distilled on its premises in this state~~ in factory-  
633 sealed containers that are filled at the distillery for off-  
634 premises consumption by consumers. Such sales are authorized  
635 only on ~~private~~ property owned or leased by the craft distillery  
636 which is contiguous to the craft distillery's licensed  
637 ~~distillery premises approved by the division in this state and~~  
638 ~~included on the sketch or diagram defining the licensed premises~~  
639 ~~submitted with the distillery's license application. All sketch~~  
640 ~~or diagram revisions by the distillery shall require the~~  
641 ~~division's approval verifying that the souvenir gift shop~~  
642 ~~location operated by the licensed distillery is owned or leased~~  
643 ~~by the distillery and on property contiguous to the distillery's~~  
644 ~~production building in this state.~~

645 1. A craft distillery may not sell under its craft  
646 distillery license any factory-sealed individual containers of  
647 spirits to consumers in this state except in face-to-face sales  
648 transactions with such consumers at the craft distillery's  
649 licensed premises. Such containers must be in compliance with

650 the container limits in s. 565.10 ~~who are making a purchase of~~  
651 ~~no more than six individual containers of each branded product.~~

652 ~~2. Each container sold in face-to-face transactions with~~  
653 ~~consumers must comply with the container limits in s. 565.10,~~  
654 ~~per calendar year for the consumer's personal use and not for~~  
655 ~~resale and who are present at the distillery's licensed premises~~  
656 ~~in this state.~~

657 ~~2.3.~~ A craft distillery must report to the division within  
658 5 days after it reaches the production limitations provided in  
659 paragraph (1)(b). Any retail sales to consumers under its craft  
660 distillery license ~~at the craft distillery's licensed premises~~  
661 are prohibited beginning the day after it reaches the production  
662 limitation.

663 ~~3.4.~~ A craft distillery that has not been issued a  
664 vendor's license under s. 561.221 may not ship or arrange to  
665 ship any of its distilled spirits to consumers in this state and  
666 may sell and deliver only to consumers within the state in a  
667 face-to-face transaction at the distillery property. However, a  
668 craft distillery ~~distiller~~ licensed under this section may ship,  
669 arrange to ship, or deliver such spirits to manufacturers of  
670 distilled spirits, wholesale distributors of distilled spirits,  
671 state or federal bonded warehouses, ~~and~~ exporters, or consumers  
672 located outside of this state; however, all such shipments must  
673 comply with the laws where such products are scheduled to be  
674 delivered for personal use.

675           4. A craft distillery may transfer up to 75,000 gallons  
676 per calendar year of distilled spirits that it manufactures from  
677 its federal bonded space, nonbonded space at its licensed  
678 premises, or storage areas to its souvenir gift shop.

679           ~~5. Except as provided in subparagraph 6., it is unlawful~~  
680 ~~to transfer a distillery license for a distillery that produces~~  
681 ~~75,000 or fewer gallons per calendar year of distilled spirits~~  
682 ~~on its premises or any ownership interest in such license to an~~  
683 ~~individual or entity that has a direct or indirect ownership~~  
684 ~~interest in any distillery licensed in this state; another~~  
685 ~~state, territory, or country; or by the United States government~~  
686 ~~to manufacture, blend, or rectify distilled spirits for beverage~~  
687 ~~purposes.~~

688           ~~6. A craft distillery shall not have its ownership~~  
689 ~~affiliated with another distillery, unless such distillery~~  
690 ~~produces 75,000 or fewer gallons per calendar year of distilled~~  
691 ~~spirits on each of its premises in this state or in another~~  
692 ~~state, territory, or country.~~

693           (5) A craft distillery may transfer distilled spirits to  
694 any of its retail areas pursuant to paragraph (2)(c) or s.  
695 561.221 and making sales under paragraph (2)(e) is responsible  
696 for submitting any excise taxes due to the state on distilled  
697 spirits on beverages under the Beverage Law with in its monthly  
698 report to the division ~~with any tax payments due to the state.~~

699           Section 10. Section 565.17, Florida Statutes, is amended

700 to read:

701       565.17 Beverage tastings by distributors, craft  
702 distilleries, and vendors.—A licensed distributor of spirituous  
703 beverages, a craft distillery, as defined in s. 565.03, or any  
704 vendor, is authorized to conduct spirituous beverage tastings  
705 upon any licensed premises authorized to sell spirituous  
706 beverages by package or for consumption on premises without  
707 being in violation of s. 561.42, provided that the conduct of  
708 the spirituous beverage tasting shall be limited to and directed  
709 toward the general public of the age of legal consumption.

710       Section 11. This act shall take effect July 1, 2020.