

HB1283/564132/1

BY: Education, Health, and Environmental Affairs Committee

AMENDMENTS TO HOUSE BILL 1283
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “brewed at the brewery”; in line 5, after “charge;” insert “authorizing a license holder to brew and bottle beer at a location other than the Class 5 brewery under certain circumstances; authorizing a certain type of Class 5 brewery to sell beer for on-premises consumption under certain circumstances;”; strike beginning with “brewed” in line 19 down through “name” in line 20; and in line 20, after “consumption” insert “under certain circumstances”.

On page 2, in line 3, after “days;” insert “defining a certain term;”.

AMENDMENT NO. 2

On page 2, after line 17, insert:

“(A) IN THIS SECTION, “AFFILIATE” MEANS A PERSON THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH A HOLDER OF A CLASS 5 BREWERY LICENSE.”;

in lines 18 and 19, in each instance, strike “(a)” and “(b)”, respectively, and substitute “**(B)**” and “**(C)**”, respectively; after line 22, insert:

“(3) CONTRACT TO BREW AND BOTTLE BEER WITH AND ON BEHALF OF THE HOLDER OF A CLASS 2 RECTIFYING LICENSE, CLASS 5 BREWERY LICENSE, CLASS 7 MICRO-BREWERY LICENSE, CLASS 8 FARM BREWERY LICENSE, OR A NONRESIDENT DEALER’S PERMIT;”;

(Over)

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in lines 23 and 27, strike “(3)” and “(4)”, respectively, and substitute “**(4)**” and “**(5)**”, respectively; in line 27, strike “serve,” and substitute “**SUBJECT TO SUBSECTION (I) OF THIS SECTION, SERVE,**”; strike beginning with “**FERMENTED**” in line 27 down through “brewery” in line 28; and in line 29, strike “**DAY**” and substitute “**VISIT**”.

On page 3, in lines 1 and 5, strike “(5)” and “(6)”, respectively, and substitute “**(6)**” and “**(7)**”, respectively; strike beginning with “subsection” in line 1 down through “brewery” in line 2 and substitute “**SUBSECTIONS (D) AND (I) OF THIS SECTION, SELL BEER**”; in line 5, strike “(e)” and substitute “**(F)**”; in lines 5 and 6, strike “**FERMENTED AND** brewed **ENTIRELY**”; in line 8, strike “(b)(5)” and substitute “**(C)(6)**”; in lines 8, 12, 13, and 16, strike “(c)”, “(d)”, “(e)”, and “(3)”, respectively, and substitute “**(D)**”, “**(E)**”, “**(F)**”, and “**(6)**”, respectively; in line 10, strike “**DAY**” and substitute “**VISIT**”; strike in their entirety lines 17 through 21, inclusive, and substitute:

“(2) SUBJECT TO THE MAXIMUM VOLUME LIMIT UNDER PARAGRAPH (4) OF THIS SUBSECTION, A CLASS D BEER LICENSE OR AN EQUIVALENT LICENSE UNDER PARAGRAPH (6) OF THIS SUBSECTION ENTITLES THE HOLDER TO SELL TO AN INDIVIDUAL WHO HAS ATTAINED THE LEGAL DRINKING AGE, FOR ON-PREMISES CONSUMPTION AT THE BREWERY:

(I) BEER:

- 1. OF WHICH THE HOLDER OF THE CLASS 5 LICENSE IS THE BRAND OWNER; AND**
- 2. THAT IS FERMENTED AND BREWED ENTIRELY AT THE BREWERY OF THE LICENSE HOLDER;**

(II) BEER THAT IS FERMENTED AND BREWED ENTIRELY AT THE BREWERY UNDER CONTRACT WITH A BRAND OWNER WHO DOES NOT POSSESS A CLASS 5 LICENSE; AND

(III) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, BEER BREWED AT A LOCATION OTHER THAN THE CLASS 5 BREWERY IF:

1. THE BRAND OWNER OF THE BEER IS THE HOLDER OF THE CLASS 5 LICENSE OR AN AFFILIATE OF THE HOLDER OF THE CLASS 5 LICENSE;

2. THE NUMBER OF BARRELS OF THE BEER SOLD FOR ON-PREMISES CONSUMPTION UNDER THE CLASS D BEER LICENSE OR AN EQUIVALENT LICENSE OR AN ON-SITE CONSUMPTION PERMIT IN A CALENDAR YEAR DOES NOT EXCEED THE GREATER OF:

A. 25% OF THE TOTAL NUMBER OF BARRELS OF BEER SOLD FOR ON-PREMISES CONSUMPTION UNDER THE CLASS D LICENSE OR AN EQUIVALENT LICENSE OR AN ON-SITE CONSUMPTION PERMIT IN THAT CALENDAR YEAR; OR

B. 1.2% OF TOTAL FINISHED PRODUCTION UNDER THE CLASS 5 BREWERY LICENSE; AND

3. A. THE LICENSE HOLDER CONTRACTS WITH OR ON BEHALF OF A HOLDER OF A MANUFACTURER'S LICENSE OR NONRESIDENT DEALER'S PERMIT; OR

(Over)

B. THE BEER IS MANUFACTURED BY AN AFFILIATE OF THE LICENSE HOLDER.

(3) (I) THIS PARAGRAPH APPLIES TO A CLASS 5 BREWERY WITH MORE THAN 1,000,000 BARRELS OF FINISHED PRODUCTION ANNUALLY, ALONE OR IN COMBINATION WITH ITS AFFILIATES.

(II) BEER THAT IS DELIVERED TO THE CLASS 5 BREWERY IN FINISHED FORM MAY BE SOLD FOR ON-PREMISES CONSUMPTION UNDER SUBPARAGRAPH (III)2 OF THIS PARAGRAPH ONLY IF IT IS PURCHASED FROM A LICENSED WHOLESALER.”;

in lines 22 and 23, strike “SUBPARAGRAPH (III) OF THIS PARAGRAPH” and substitute “PARAGRAPH (5) OF THIS SUBSECTION”; and in lines 22, 25, 31, and 33, strike “(ii)”, “(III) 1.”, “2.”, and “3.”, respectively, and substitute “(4)”, “(5)(I)”, “(II)”, and “(III)”, respectively.

AMENDMENT NO. 3

On page 4, in line 1, strike “SUBPARAGRAPH (II) OF THIS PARAGRAPH” and substitute “PARAGRAPH (4) OF THIS SUBSECTION”; in lines 3, 7, and 12, strike “(3)”, “(4)”, “(5)”, respectively, and substitute “(6)”, “(7)”, and “(8)”, respectively; in line 14, strike “(3)” and substitute “(6)”; in line 19, strike “(f)” and substitute “(G)”; in lines 21 and 28, in each instance, strike “The” and substitute “SUBJECT TO SUBSECTION (I) OF THIS SECTION, THE”; in line 26, strike “produced by the holder”; in line 28, strike the colon; and strike in their entirety lines 29 and 30.

On page 5, in line 1, strike “(II)”; in line 8, strike “(G) (1)”; strike in their entirety lines 11 through 26, inclusive, and substitute:

“(H) (1) THIS SUBSECTION DOES NOT APPLY TO:

(I) THE HOLDER OF A CLASS 5 BREWERY LICENSE THAT HELD AN ON-SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE ON OR BEFORE APRIL 1, 2017;

(II) AN INDIVIDUAL WHO HELD A MINORITY INTEREST IN AN ON-SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE ON OR BEFORE APRIL 1, 2017, AND THEN OBTAINS BY TRANSFER A MAJORITY INTEREST IN THE SAME LICENSE OR PERMIT;

(III) A LOCATION IN THE STATE FOR WHICH A COMPLETED BREWER'S NOTICE FORM WAS FILED WITH THE U. S. DEPARTMENT OF TREASURY ON OR BEFORE APRIL 1, 2017;

(IV) A PROMOTIONAL EVENT CONDUCTED UNDER SUBSECTION (G) OF THIS SECTION; AND

(V) A GUIDED TOUR DURING WHICH:

1. SAMPLES OF BEER ARE SERVED UNDER SUBSECTION (C)(5) OF THIS SECTION; OR

2. BEER IS SOLD FOR OFF-PREMISES CONSUMPTION UNDER SUBSECTION (C)(6) OF THIS SECTION.

(2) THIS SUBSECTION APPLIES TO:

(I) A HOLDER OF A CLASS 5 BREWERY LICENSE WHO:

(Over)

1. AFTER APRIL 1, 2017, OBTAINS AN ON-SITE CONSUMPTION PERMIT AND A CLASS D BEER LICENSE OR EQUIVALENT LICENSE FOR ON-PREMISES CONSUMPTION; OR

2. NOT HOLDING A MINORITY INTEREST IN AN ON-SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE ON OR BEFORE APRIL 1, 2017, OBTAINS A MAJORITY INTEREST BY TRANSFER IN AN ON-SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE; AND

(II) NOTWITHSTANDING SUBSECTION (H)(1)(III) OF THIS SECTION, A MANUFACTURER OF BEER WITH MORE THAN 1,000,000 BARRELS OF FINISHED PRODUCTION ANNUALLY ALONE OR IN COMBINATION WITH ITS AFFILIATES.

(3) NOTWITHSTANDING ANY PROVISION IN DIVISION II OF THIS ARTICLE, THE SALES AND SERVING PRIVILEGES OF AN ON-SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE MAY BE EXERCISED ONLY FROM 10 A.M. TO 10 P.M. MONDAY THROUGH SUNDAY.

(I) ALL BEER OFFERED, SERVED, OR SOLD TO A CONSUMER UNDER SUBSECTIONS (C)(5) OR (6) OR (G) OF THIS SECTION SHALL BE:

(1) FERMENTED AND BREWED ENTIRELY AT THE CLASS 5 BREWERY; OR

(2) BEER OF WHICH THE LICENSE HOLDER OR AN AFFILIATE OF THE LICENSE HOLDER IS THE BRAND OWNER.”;

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and in line 27, strike “**(I)**” and substitute “**(J)**”.

On page 6, in line 14, strike “**(J)**” and substitute “**(K)**”; and in lines 26 and 30, in each instance, strike “**(E)(2)(III)**” and substitute “**(F)(5)(I)**”.