

Representative Christine A. Johnson proposes the following substitute bill:

EXEMPTION FOR ALCOHOLIC BEVERAGE

MANUFACTURING LICENSE

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Christine A. Johnson

Senate Sponsor: Dennis E. Stowell

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act to address exemptions from manufacturing license requirements.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates an exemption from licensure for a fermented beverage manufactured in an individual's personal residence;
- ▶ allows storage and transportation; and
- ▶ makes technical amendments.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

32A-8-101, as last amended by Laws of Utah 2003, Chapter 314



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **32A-8-101** is amended to read:

32A-8-101. Commission's power to grant licenses -- Limitations.

(1) The commission may issue an alcoholic beverage manufacturing [~~licenses to manufacturers whose businesses are~~] license to a manufacturer whose business is located in this state for the manufacture, storage, and sale of alcoholic beverages for each type of license provided by this chapter.

(2) The type of manufacturing licenses issued under this chapter are known as a:

(a) winery [~~licenses~~] license;

(b) distillery [~~licenses~~] license; and

(c) brewery [~~licenses~~] license.

(3) (a) [~~A~~] Except as provided in Subsection (6), a person may not manufacture [~~any~~] an alcoholic beverage unless an alcoholic beverage manufacturing license [~~has been~~] is issued by the commission.

(b) A separate license is required for each place of manufacture, storage, and sale of an alcoholic [~~beverages~~] beverage.

(c) Violation of this Subsection (3) is a class B misdemeanor.

(4) [~~Brewers~~] (a) A brewer located outside the state [~~are~~] is not required to be licensed under this chapter. [~~However, they~~]

(b) A brewer described in Subsection (4)(a) must obtain a certificate of approval from the department before selling or delivering:

(i) beer to a licensed beer [~~wholesalers~~] wholesaler in this state[~~;~~]; or

(ii) if a small brewer, beer to a licensed beer [~~wholesalers or retailers~~] wholesaler or retailer in this state.

[~~(a)~~] (c) A brewer seeking a certificate of approval shall file a written application with the department, in a form prescribed by the department. The application shall be accompanied by:

(i) a nonrefundable \$50 application fee;

(ii) an initial certificate of approval fee of \$250 that is refundable if a certificate is not granted;

57 (iii) evidence of authority from the United States Bureau of Alcohol, Tobacco, and
58 Firearms to brew beer and heavy beer products; and

59 (iv) any other information or documents the department may require.

60 ~~[(b) Each]~~ (d) (i) An application shall be signed and verified by oath or affirmation by:

61 (A) a partner if ~~the brewer is~~ a partnership[;]; or [by]

62 (B) an executive officer, manager, or person specifically authorized by a corporation or
63 limited liability company to sign the application ~~[to which shall be attached written evidence of~~
64 ~~this authority].~~

65 (ii) The brewer filing an application shall attach to the application written evidence of
66 the authority of the person described in Subsection (4)(d)(i) to sign the application.

67 ~~[(e)]~~ (e) (i) All certificates of approval expire on December 31 of each year.

68 (ii) ~~[Brewers]~~ A brewer desiring to renew ~~[their certificates]~~ its certificate shall submit
69 a renewal fee of \$200, and a completed renewal application to the department no later than
70 November 30 of the year the certificate expires.

71 (iii) Failure to meet the renewal requirements ~~[shall result]~~ results in an automatic
72 forfeiture of the certificate effective on the date the existing certificate expires.

73 (iv) ~~[Renewal applications]~~ A renewal application shall be in a form prescribed by the
74 department.

75 (5) The commission may prescribe by policy, directive, or rule, consistent with this
76 title, the general operational requirements of licensees relating to:

77 (a) physical facilities;

78 (b) conditions of sale, storage, or manufacture of alcoholic beverages;

79 (c) storage and sales quantity limitations; and

80 (d) other matters considered appropriate by the commission.

81 (6) (a) As used in this Subsection (6), "fermented alcoholic beverage" means an
82 alcoholic beverage that:

83 (i) contains at least .5% alcohol by volume; and

84 (ii) is obtained by fermentation.

85 (b) An individual may without being licensed under this chapter manufacture in the
86 individual's personal residence a fermented alcoholic beverage if:

87 (i) the individual is 21 years of age or older;

88 (ii) the individual manufactures no more than:

89 (A) 100 gallons in a calendar year, if there is one individual that is 21 years of age or
90 older residing in the household; or

91 (B) 200 gallons in a calendar year, if there are two or more individuals who are 21
92 years of age or older residing in the household;

93 (iii) the fermented alcoholic beverage is manufactured and used for:

94 (A) personal or family use and consumption; or

95 (B) an organized event where fermented alcoholic beverages are judged as to taste and
96 quality; and

97 (iv) the fermented alcoholic beverage is not for:

98 (A) sale or offering for sale; or

99 (B) consumption on a premise licensed by the commission.

100 (c) An individual may store a fermented alcoholic beverage manufactured as provided
101 in Subsection (6)(b) in the individual's personal residence.

102 (d) A fermented alcoholic beverage manufactured in accordance with Subsection (6)(b)
103 may be removed from the premises where it is manufactured:

104 (i) for personal or family use, including use at an organized event where fermented
105 alcoholic beverages are judged as to taste and quality; and

106 (ii) if the fermented alcoholic beverage is transported in compliance with Section
107 41-6a-526.

Fiscal Note

H.B. 425 1st Sub. (Buff) - Exemption for Alcoholic Beverage Manufacturing License

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
