

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 268

HOUSE BILL 2012

AN ACT

AMENDING SECTION 4-205.04, ARIZONA REVISED STATUTES; RELATING TO DOMESTIC FARM WINERIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 4-205.04, Arizona Revised Statutes, is amended to
3 read:

4 4-205.04. Domestic farm winery or domestic microbrewery
5 license; issuance; regulatory provisions; retail
6 site

7 A. The director may issue a domestic farm winery or domestic
8 microbrewery license to any domestic farm winery or domestic microbrewery.
9 Each location which engages in producing and bottling these products must
10 obtain a separate domestic farm winery or domestic microbrewery license, but
11 both such licenses may be issued for a common location. The licensee may not
12 transfer the domestic farm winery or domestic microbrewery license from
13 person to person or from location to location.

14 B. An applicant for a domestic farm winery or domestic microbrewery
15 license shall, at the time of filing the application for the license,
16 accompany the application with the license fee. Persons holding a domestic
17 farm winery or domestic microbrewery license shall report annually at the end
18 of each fiscal year, at such time and in such manner as the director may
19 prescribe, the amount of wine or beer manufactured by them during the fiscal
20 year. If the total amount of wine or beer manufactured during the year
21 exceeds the amount permitted annually by the license, the licensee shall
22 apply for and receive an in-state producer's license.

23 C. Notwithstanding any other statute, a licensed domestic farm winery
24 may sell wine produced or manufactured on the premises in the original
25 container for consumption on or off the premises and may make sales and
26 deliveries of wine to persons licensed to sell wine under this title. A
27 licensed domestic farm winery may serve wine produced or manufactured on the
28 premises for the purpose of sampling the wine.

29 D. A licensed domestic farm winery IS SUBJECT TO ALL OF THE FOLLOWING
30 REQUIREMENTS:

31 1. THE WINERY shall produce not less than two hundred gallons and not
32 more than seventy-five thousand gallons of wine annually from grapes or other
33 suitable agricultural products of which at least seventy-five per cent are
34 grown in this state. The director may allow a percentage of out-of-state
35 agricultural products greater than twenty-five per cent in wine manufactured
36 or produced by a licensed domestic farm winery if the licensed domestic farm
37 winery can demonstrate to the satisfaction of the director that sufficient
38 in-state agricultural products are not available because of an unexpected
39 failure of suitable in-state crops due to natural causes. The exemption
40 shall remain in effect only for the period of time during which such
41 shortages actually exist.

42 2. THE WINERY MAY PURCHASE AND SELL WINE PRODUCED FROM A DOMESTIC FARM
43 WINERY IF THE RETAIL SALE OF THE WINE IS CONDUCTED FROM THE SAME SITE AS THE
44 LOCATION OF THE WINERY.

1 E. Notwithstanding any other statute, a licensed domestic microbrewery
2 may sell beer produced or manufactured on the premises for consumption on or
3 off the premises and may make sales and deliveries of beer to persons
4 licensed to sell beer under this title, including wholesalers licensed under
5 this title. A licensed domestic microbrewery may serve beer produced or
6 manufactured on the premises for the purpose of sampling the beer. A
7 licensed domestic microbrewery is subject to all of the following
8 requirements:

9 1. The microbrewery shall produce not less than ten thousand gallons
10 of beer in each year following the first year of operation.

11 2. The microbrewery shall not produce more than three hundred ten
12 thousand gallons of beer annually.

13 3. If retail operations are conducted in conjunction with the
14 microbrewery, these retail operations shall be conducted from the same site
15 as the location of the microbrewery.

16 4. The microbrewery may sell other spirituous liquor product PRODUCTS
17 if:

18 (a) The microbrewery holds an on-sale retail license.

19 (b) The retail sale of the spirituous liquor is on or adjacent to
20 the premises of the microbrewery.

21 F. A person who holds a domestic microbrewery license that meets the
22 requirements of this section and who is not otherwise engaged in the business
23 of a distiller, vintner, brewer, rectifier, blender or other producer of
24 spirituous liquor in any jurisdiction may hold other on-sale retail licenses.
25 The person shall purchase all spirituous liquor for sale at the other on-sale
26 retail premises from wholesalers who are licensed in this state.

27 G. The director shall adopt rules in order to administer this section.

APPROVED BY THE GOVERNOR APRIL 30, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2001.

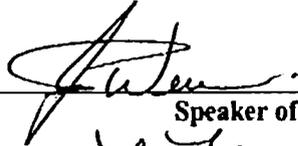


HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

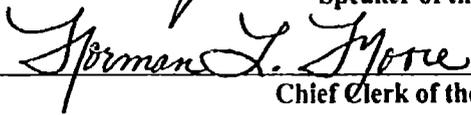
April 24, 2001,

by the following vote: 46 Ayes,

7 Nays, 7 Not Voting



Speaker of the House



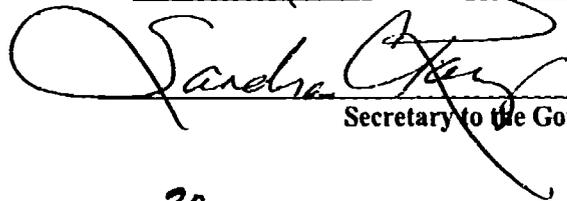
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

25 day of April, 2001.

at 8:05 o'clock A M.



Secretary to the Governor

Approved this 30 day of

April, 2001,

at 10:26 o'clock P M.



Governor of Arizona

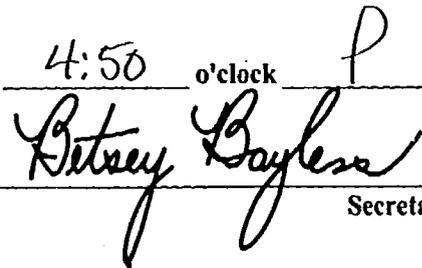
H.B. 2012

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April, 2001.

at 4:50 o'clock P M.



Secretary of State