House Engrossed

FILED

KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

CHAPTER 81

HOUSE BILL 2301

AN ACT

AMENDING SECTION 4-205.08, ARIZONA REVISED STATUTES; RELATING TO LIQUOR LICENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 4-205.08, Arizona Revised Statutes, is amended to read:

4-205.08. Domestic microbrewery license; issuance; regulatory provisions; retail site

A. The director may issue a domestic microbrewery license to any domestic microbrewery. Each location that engages in producing and bottling these products must obtain a separate domestic microbrewery license. The licensee may not transfer the domestic microbrewery license from person to person or from location to location.

B. An applicant for a domestic microbrewery license, at the time of filing the application for the license, shall accompany the application with the license fee. Persons holding a domestic microbrewery license shall report annually at the end of each calendar year, at such time and in such manner as the director may prescribe, the amount of beer manufactured by them during the calendar year and the amount delivered pursuant to subsection D, paragraph 5, subdivision (b). If the total amount of beer manufactured or delivered during the calendar year exceeds the amount permitted annually by the license, the licensee shall apply for and receive a producer's license.

C. Notwithstanding any other statute, a licensed domestic microbrewery may:

1. Sell beer produced or manufactured on the premises for consumption on or off the premises.

2. Make sales and deliveries of beer to persons licensed to sell beer under this title through wholesalers licensed under this title or as provided in subsection D, paragraph 5, subdivision (a) or (b).

3. Make sales and deliveries of beer to persons licensed to sell beer in another state if lawful under the laws of that state.

4. Serve beer produced or manufactured on the premises for the purpose of sampling the beer.

D. A licensed domestic microbrewery is subject to all of the following requirements:

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

2. The microbrewery shall not produce more than ~~six hundred twenty thousand~~ ONE MILLION TWO HUNDRED FORTY THOUSAND gallons of beer in a calendar year.

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

4. The microbrewery may sell other spirituous liquor products if:

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

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

5. The microbrewery may make sales and deliveries of beer that it has produced to both:

(a) Retail licensees that are under common ownership with the microbrewery in any amount.

(b) Other licensed retailers in an amount not to exceed ninety-three thousand gallons in any calendar year.

E. A person who holds a domestic microbrewery license that meets the requirements of this section and who is not otherwise engaged in the business of a distiller, vintner, brewer, rectifier, blender or other producer of spirituous liquor in any jurisdiction may hold other on-sale retail licenses. Except as provided in subsection D, paragraph 5, subdivision (a), the person shall purchase all spirituous liquor for sale at the other on-sale retail premises from wholesalers who are licensed in this state.

F. A domestic microbrewery that sells or delivers beer pursuant to this section shall:

1. Pay to the department of revenue all luxury taxes imposed pursuant to title 42, chapter 3 and all transaction privilege or use taxes imposed pursuant to title 42, chapter 5.

2. File all returns or reports required by law.

G. A delivery of beer by a domestic microbrewery to a purchaser in this state is a transaction deemed to have occurred in this state.

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

APPROVED BY THE GOVERNOR JULY 10, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 10, 2009.

Passed the House June 16, 20 09

by the following vote: 49 Ayes,

2 Nays, 9 Not Voting

Speaker of the House
Pro Tempore

Norman L. Moore
Chief Clerk of the House

Passed the Senate June 26, 20 09

by the following vote: 17 Ayes,

6 Nays, 7 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

1st day of July, 20 09

at 8:25 o'clock A. M.

Susan K. Myers
Secretary to the Governor

Approved this 10th day of

July 2009

at 2:04 o'clock P M.

Janice K. Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 10 day of July, 20 09

at 4:20 o'clock P. M.

Secretary of State

H.B. 2301