

July 2024 Legal & Legislative Update

THE STATES

Arizona

Signed into law, [H.B. 2185](#), among several provisions, would allow a special event license to be issued concurrently with a microbrewery festival license.

California

Amended in Senate committee, [A.B. 2174](#) authorizes a beer manufacturer licensee to sell up to 124 gallons of beer manufactured by or for the licensee per catering event for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, community events, or similar events. The bill further limits the number of such events to thirty-six per licensee per year.

Now on third reading in the Senate, [Assembly Bill 2849](#) would exempt premises operated under a beer manufacturer license from current requirements that any on-sale retail licensee that gives, sells, or otherwise dispenses draught beer to include specified information about the beer upon the faucet, spigot, or outlet from which the beer is drawn or in the place of service and consumption.

Pending final Senate consideration, [A.B. 1940](#) would allow a wholesaler or manufacturer, or a successor, to accept the return of a seasonal brand of beer from a retail licensee if the beer is exchanged for a quantity of beer of similar quality of a brand produced or sold by the same manufacturer, or of another manufacturer if the original manufacturer has ceased doing business, with a value no greater than the original sales price to the retail licensee of the returned beer.

Illinois

Prior to being sent to the Governor for action, the language in [S.B. 3426](#) imposing a tax on manufacturers or importing distributors of alcoholic liquor containing not less than 0.5% alcohol by volume nor more than 10% alcohol by volume, other than cider, wine, or beer, of \$0.231 per gallon was stricken from the bill.

Sent to the Governor for consideration, [Senate Bill 2625](#) provides that no retail establishment with a retail sales floor that exceeds 2,500 square feet shall display alcohol-infused products and co-branded alcoholic beverages immediately adjacent to similar products that are not alcohol-infused products or immediately adjacent to soft drinks, fruit juices, bottled waters, candies, or snack foods portraying cartoons or youth-oriented images and that any retail establishment with a retail sales floor that is equal to or less than 2,500 square feet shall either not display alcohol-infused products or co-branded alcoholic beverages immediately adjacent to specified products or equip the display with specified signage. Finally, the bill prohibits retail licensees from keeping, exposing for sale, or displaying alcohol-infused products immediately adjacent to products marketed toward children.

Louisiana

Signed by the Governor, [H.B. 882](#) with respect to transfers from a permitted microbrewery to another permitted microbrewery, changes the minimum requirement of a receiving microbrewery from a 10-barrel brewing system to a 5-barrel brewing system.

Michigan

Passing the Senate, [S.B. 868](#) seeks to amend the Michigan Liquor Control Code to modify the definitions of “brand” and “brand extension” for certain alcoholic beverages. Specifically, a brand would include various names of the supplier, and the bill would specify that new products using similar branding to an existing product would be considered a brand extension.

New Hampshire

Approved by both chambers of the legislature, [H.B. 1321](#) provides for repealing penalties for the sale of kegs of malt beverages without a receipt.

The subject of conference committee deliberation, [House Bill 1358](#) seeks to expand tenant brewing to include manufacturers of wine and liquor.

Before a conference committee for consideration, [H.B. 1380](#) seeks to allow a licensed brewpub to hold an additional on-premise or off-premise license as long as the licensee does not hold any other type of manufacturing license. The bill restricts a licensee holding two or more brewpub licenses from selling more than 2,500 barrels of beer or cider to any New Hampshire licensed retailer.

Passing both legislative chambers, [House Bill 1334](#) provides that where a licensee is authorized the retail sale of beer in a refillable container, such licensee, at his sole discretion, may fill such refillable container with his product regardless of the branding on the refillable container.

New York

Returned to the Senate following Assembly consideration, [Senate Bill 2852](#) authorizes the direct intrastate and interstate shipment of liquor, cider, mead, and braggot.

North Carolina

Signed by the Governor, [S.B. 527](#) among a host of provisions, would: exclude ready-to-drink cocktails from the mixed beverage charge; allow industry members to provide up to \$600 (currently \$300) worth of retailer advertising specialty items and product displays per brand per year to a retail permittee; and make it unlawful for a manufacturer, bottler, or wholesaler of alcoholic beverages to provide draft line cleaning services to an alcoholic beverage retailer unless the retailer pays the fair market value for such services.

Pennsylvania

Returned to the Senate following multiple House amendments, [S. B. 688](#) defines ready-to-drink (RTD) cocktails as a beverage, composed in part of distilled liquor, combined with other nonalcoholic ingredients, carbonated or still, by whatever name the beverage may be called, premixed and packaged in original containers by the manufacturer, containing not more than sixteen ounces that is not mixed or adulterated on the licensed premises of a licensee. The term shall include any beverage consisting of at least one-half of one per centum, but not greater than

twelve and one-half per centum, alcohol by volume. The term shall not include any beverage composed, in part, of wine or malt or brewed beverages. A new RTD Cocktail Permit is created to authorize off-premises sales of RTD cocktails which must be acquired from the Pennsylvania Liquor Control Board (PLCB) as part of a regular or limited purchase listing, however, RTD cocktails may be sold as a special order to licensees that do not possess a RTD permit if the products are not sold for off-premises consumption. Holders of RTD cocktail permits may not purchase RTD cocktails directly from a licensed Pennsylvania manufacturer for the purpose of reselling the RTD cocktail for off-premises consumption.