



SPONSOR: Rep. Carson & Rep. Spiegelman & Sen. Ennis
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HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 373

AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATED TO ALCOHOLIC LIQUORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Chapter 5, Title 4 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 512A Farm wineries.

4 (b) A farm winery licensee shall also be authorized to store and sell wine, mead, and cider on the premises by the
5 bottle or by the glass for consumption on or off the premises where sold. A farm winery licensee shall be permitted to
6 purchase and store product from a Delaware licensed importer or Retailer licensed under section 516 of this title, and sell
7 said product to its retail customers for consumption on the premises where sold so long as the product is manufactured by
8 an entity that holds a Delaware license pursuant to sections 512A, 512B, 512C or 512E of this Title or the manufacturer, as
9 determined by the Commissioner, would qualify for a license under said sections if it were physically located in the State.

10 § 512C Microbrewery.

11 (c) Notwithstanding any provision of this title to the contrary, a microbrewery license shall allow the licensee:

12 (1) To manufacture and sell on the licensed premises beer, mead or cider or a combination thereof, but the
13 licensee shall not manufacture or sell more than the maximum amount permitted by federal regulations to qualify for a
14 "reduced rate of tax for certain brewers" as currently found in the 27 C.F.R., Part 25, § 25.152(a)(2) or as hereafter
15 amended;

16 (2) To manufacture on the licensed premises beer, mead or cider for persons, other than the licensee, licensed
17 under this title or for persons outside this State;

18 (3) To sell beer, mead and cider manufactured on the licensed premises in labeled barrels, bottles or other
19 closed containers to importers licensed under this title for delivery by them to persons inside or outside the State;

20 (4) To sell at the licensed premises beer, mead and cider manufactured on the licensed premises for
21 consumption on or off the licensed premises. The amount of beer, mead and cider sold for off-premises consumption
22 shall be limited to a maximum of 5 cases per day to each retail customer; and

(5) To purchase and store product from a Delaware licensed importer or Retailer licensed under section 516 of this title, and sell said product to its retail customers for consumption on the premises where sold so long as the product is manufactured by an entity that holds a Delaware license pursuant to sections 512A, 512B, 512C or 512E of this Title or the manufacturer, as determined by the Commissioner, would qualify for a license under said sections if it were physically located in the State; and

(5)(6) The provisions of § 506 of this title to the contrary notwithstanding, to be permitted to have an interest in, be affiliated with, operate, or own another supplier or manufacturer located outside the State and have an interest in a farm winery, brewery-pub, and/or craft distillery licensed under this chapter and actually located in this State, provided that the total domestic sales of all affiliated suppliers or manufacturers shall not exceed the maximum amount currently specified in 27 C.F.R. Part 25, § 25.152(a)(2) or as hereafter amended.

§ 512E Craft distillery.

(c) Notwithstanding any provision of this title to the contrary, a craft distillery license shall allow the licensee:

(1) To manufacture on the licensed premises and sell not more than 750,000 proof gallons of distilled spirits in any calendar year;

(2) To manufacture spirits, on the licensed premises, for persons other than the licensee who are licensed under this title or for persons outside this State;

(3) To sell, deliver and ship such spirits in labeled barrels, bottles or other closed containers to persons licensed under the provisions of this title to import spirits; and to sell and ship spirits to persons outside of the State in accordance with this title;

(4) To store and sell spirits on the premises by the bottle or by the glass for consumption on or off the premises where sold; and to purchase alcoholic beverages from licensed Delaware importers or retailers to add to product manufactured by the craft distillery to sell to patrons for on premises consumption only. The amount of spirits sold for off-premises consumption shall be limited to a maximum of 1 case (i.e., not more than 12-750 ml bottles) per day to each retail customer for consumption off the premises; and

(5) To purchase and store product from a Delaware licensed Importer or Retailer licensed under 516 of this title, and sell said product to its retail customers for consumption on the premises where sold so long as the product is manufactured by an entity that holds a Delaware license pursuant to sections 512A, 512B, 512C or 512E of this Title or the manufacturer, as determined by the Commissioner, would qualify for a license under said sections if it were physically located in the State; and

52 ~~(5)(6)~~ To sell, on the licensed premises, food items, souvenirs, spirit-related supplies and educational material
53 as approved by the Commissioner.

SYNOPSIS

The Bill amends Title 4 to permit licensed Delaware craft distilleries, breweries, and wineries the ability to sell products produced by other Delaware craft distilleries, breweries, and wineries for on-site consumption, only. The products sold must be purchased through the existing three-tier system (i.e., wholesalers or traditional retailers).