

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

HOUSE BILL 2301

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 2. File all returns or reports required by law.

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

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