

## March 2015 Legal & Legislative Update

### A. FEDERAL / NATIONAL / INTERNATIONAL

#### **Small Brewer Federal Excise Tax Legislation**

H.R. 232, the [Small Brewer Reinvestment and Expanding Workforce Act](#) (Small BREW Act), was introduced in the 114<sup>th</sup> U.S. Congress on January 8 by Representatives Erik Paulsen (R-MN) and Richard E. Neal (D-MA). Joining as original co-sponsors of the bill were Representatives Peter De Fazio (D-OR), Earl Blumenauer (D-OR), Patrick McHenry (R-NC) and Patrick Meehan (R-PA). H.R. 232 has 30 total sponsors in the U.S. House of Representatives.

On February 4, Senators Ben Cardin (D-MD) and Susan Collins (R-ME) introduced S. 375 (Small BREW Act) in the U.S. Senate. S. 375 has 30 total sponsors in the U.S. Senate.

Supported by the Brewers Association, the Small BREW Act seeks to reduce the small brewer rate on the first 60,000 barrels by 50 percent (from \$7.00 to \$3.50/barrel) and institute a new rate \$16.00 per barrel on beer production above 60,000 barrels up to 2 million barrels. Breweries with an annual production of 6 million barrels or less would qualify for these tax rates.

Legislation introduced in the last Congress, H.R. 494, gained a total of 182 total sponsors. In the Senate, companion legislation S.917 realized 47 total sponsors.

#### **FDA Releases Menu Labeling Guidance**

The federal Food and Drug Administration has issued [Guidance for Industry: Nutrition Labeling of Standard Menu Items in Restaurants and Similar Retail Food Establishments; Small Entity Compliance Guide](#) relating to new regulations requiring restaurants and similar retail food establishments that are part of a chain with 20 or more locations doing business under the same name and offering for sale substantially the same menu items to provide calorie and other nutrition information for standard menu items. The guidance document restates in plain language the requirements concerning nutrition labeling of standard menu items in establishments covered by the rule. Alcohol beverages are considered food items for the purposes of this rule.

#### **TTB Mead FAQs**

The Tax and Trade Bureau has released a set of [frequently asked questions about mead](#), or honey wine. These questions address topics that include: what is mead under federal law and how to label mead, including mead with added flavors.

#### **Feds Say Craft Beer Potential Huge in China**

A report released by the U.S. Department of Agriculture's [Foreign Agricultural Service](#) highlights cultural and economic changes in China that officials believe will lead to increased craft beer sales in the world's largest beer consuming population.

### B. THE COURTS

## **Pennsylvania Distribution Case Decided**

An appeals court has found in favor of MillerCoors in a [suit involving a contract dispute](#) with Pennsylvania distributor Frank B. Fuhrer Wholesale Co. At issue was whether MillerCoors had contravened Pennsylvania law in assigning the distribution rights for several new products to other distributors and attempting to condition the award of future products to Fuhrer on Fuhrer establishing a new entity devoted to MillerCoors products.

## **C. THE STATES**

### **Sales, Distribution and Franchise:**

#### **Alabama**

[Senate Bill 128](#) would allow small breweries to enter into enforceable contracts with beer wholesalers which provide for the termination or changing of their relationship with beer wholesalers.

[H.B. 96](#) seeks to change existing law, under which a brewery is generally not allowed to operate a restaurant on its premises and dispense alcoholic beverages, to create a license for limited production breweries that allows them to produce beer and operate a restaurant on their licensed premises and sell their beer at the brewery and restaurant. Additionally, the bill would allow a brewpub to sell alcoholic beverages for on- and off-premises consumption.

#### **California**

[Senate Bill 327](#) seeks to allow beer wholesalers the ability to deliver beer between the hours of 8 a.m. and 8 p.m. on Sunday to holders of a special license allowing for the sale of beer or wine on a temporary basis to a licensee for a picnic, social gathering, or similar occasion.

#### **Connecticut**

A public hearing has been held on [House Bill 6078](#), which would allow small beer manufacturers to sell kegs of beer directly to consumers.

#### **Florida**

With the adoption of a committee substitute version, [Senate Bill 186](#) now contains provisions limiting the amount of malt beverages that can be transferred between breweries owned by the same brewer to 100 percent of the yearly production of the receiving brewery and that all malt beverages and other alcoholic beverages that are not manufactured at a brewery owned by the brewer must be obtained through a distributor, an importer, sales agent, or broker. The bill also allows malt beverage tastings on the licensed premises of any vendor authorized to sell alcoholic beverages by the drink for consumption on the premises. The bill retains previously included provisions to authorize the sale of malt beverages packaged in individual containers of 32, 64 or 128 ounces by certain license holders if they are filled at the point of sale and have an unbroken seal or are incapable of being immediately consumed and the authorization of the issuance of vendor's licenses to manufacturers of malt beverages for the sale of alcoholic beverages on property that includes a brewery. It deletes the requirement that the licensed property must

include “other structures which promote the brewery and the tourist industry of the state” in order to be eligible to be a vendor-licensed brewer.

Amended before passing initial committee consideration, [H.B. 107](#), among other provisions, would expressly allow taproom sales to consumers for on-premises or off-premises consumption (including growlers which are specified to be containers of 32, 64, and 128 ounces) without obtaining a vendor's license. Additionally, the bill provides for written franchise agreements of no more than 5 years' duration if the supplier is not a “primary manufacturer” defined as one providing more than 50 percent by volume of the malt beverages purchased by and delivered to a distributor per calendar year and self-distribution of up to 2,000 kegs annually to vendors who are not within the exclusive sales territory of a distributor with whom the manufacturer is under contract.

### **Georgia**

Amended in committee and passed, [Senate Bill 63](#) now allows breweries to provide up to 36 ounces (previously 72) for on-premise consumption and up to 64 ounces (previously 144) in a single container for off-premise consumption per day from the brewery premises and only in conjunction with a brewery tour. The bill also provides for brewpub sales for off-premise consumption.

### **Hawaii**

Each bill being deferred at the committee level, [House Bill 217](#) and [Senate Bill 221](#) sought to permit the liquor commission to allow a restaurant licensee to sell malt beverages manufactured on the restaurant premises in brewery-sealed kegs and growlers and define "growler" as a glass or metal container, not to exceed one half-gallon, which shall be securely sealed.

Both bills passing their respective chambers, [Senate Bill 1151](#) and [House Bill 770](#) authorize brewpubs and small craft producer pubs with a liquor license to sell for off-premises consumption malt beverages purchased from another liquor licensee and authorizes restaurants and retail dealers with a liquor license to sell beer, malt beverages, wine, or cider for off-premises consumption, under certain conditions.

### **Indiana**

Passing the House, [H.B. 1053](#) seeks to allow a microbrewery and a farm winery that occupy the same building to sell by the glass the microbrewery's beer and the farm winery's wine from the same service bar, without a structure separating the service of wine and the service of beer.

Providing for Sunday sales, [H.B. 1624](#) has stalled in committee.

### **Iowa**

[House Bill 358](#) seeks to allow the holder of a special class “A” permit to manufacture beer and a class “C” liquor control license for the same location, to manufacture and sell beer at retail in sealed containers of not more than 64 ounces to be consumed off the premises.

### **Kansas**

Amended in committee, [House Bill 2200](#) expands the retail abilities of convenience stores, grocery stores and liquor stores with respect to beer, wine and spirits.

[H.B. 2189](#) would increase the maximum numbers of barrels of domestic beer that a holder of a microbrewery license is authorized to manufacture and store during a license year from 30,000 to 60,000 barrels. A licensee would also be allowed to sell its beer directly to licensed beer distributors, retailers, public venues, clubs, drinking establishments, caterers, and holders of temporary permits.

[House Bill 2332](#) authorizes microbreweries to manufacture and sell hard cider and mead.

### **Kentucky**

Awaiting the Governor's signature, [House Bill 168](#) seeks to prohibit an entity from holding two different types of licenses (e.g. brewery and distributor). The introduction of this legislation is a direct result of the recent acquisition of a second Kentucky distributor by Anheuser-Busch InBev.

### **Maryland**

Companions [House Bill 560](#) and [Senate Bill 674](#) increase the annual amount of beer that a Class 5 brewery licensee may sell for on-premises consumption from 500 barrels to 1,500 barrels.

[Senate Bill 643](#) allows a Class 7 micro-brewery licensee that produces in aggregate from all of its locations up to 22,500 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute beer that totals annually up to 3,000 barrels in aggregate from all of its locations and has been brewed at the location from where it is distributed. A Class 7 micro-brewery licensee with two locations may collectively brew, bottle, or contract for up to 22,500 barrels of malt beverages in aggregate from both of its locations each calendar year and sell beer brewed at the location where it is sold, up to 4,000 barrels of beer in aggregate from both of its locations to customers for consumption on the premises.

### **Michigan**

[House Bill 4174](#) would allow direct sales of beer and wine from supplier to consumer.

### **Minnesota**

[Senate Bill 623](#) authorizes Sunday sales of growlers by small brewers.

### **Mississippi**

Dying in committee, The Microbrewery Modernization Act of 2015, [House Bill 1158](#), sought to provide that a holder of a permit to manufacture beer who operates a brewery may sell limited amounts of beer on the premises of the brewery, that beer provided for sale must be manufactured in this state by the holder of the permit at the brewery and that authorized beer sales may be made only to persons on the premises of a brewery in conjunction with a tour of the brewery.

### **Montana**

Failing to advance from committee [House Bill 326](#) sought to increase the number of barrels allowed to be produced by a small brewery from 10,000 to 60,000, allow a licensed brewer that manufactures less than 60,000 barrels of beer per year to obtain a retail on-premise all-beverage license or a retail on-premise beer license, and allow a retail on-premise all-beverage license holder or a retail on-premise beer license holder to obtain a brewer's license. Breweries with annual nationwide production between 10,000 and 60,000 barrels would have been limited to 500 barrels annually for on-premise consumption, however those with annual nationwide production between 100 and 10,000 barrels would not have been subject to this limitation.

### **New Hampshire**

Passing committee, [H.B. 429](#) calls for reviving the commission to review and consider alcoholic beverage manufacturing processes and retail sales at manufacturing facilities.

Passing committee, [House Bill 554](#) authorizes the sale of beer in refillable containers.

Amended in committee, [Senate Bill 216](#) authorizes sales of samples of alcoholic beverages by manufacturers. Samples sold by beverage manufacturers would be for on-premises consumption.

### **New Mexico**

Substituted and amended, [Senate Bill 238](#) would allow a licensed New Mexico small brewer or winegrower that also holds a dispenser or restaurant license to additionally hold a Small Brewer and Winegrowers Limited Wholesaler License.

Passing the full Senate, [S.B. 258](#) would allow growler sales for those holding a small brewer's license.

[Senate Bill 440](#) would allow winegrowers and small brewers to obtain wine or beer directly from a winegrower or small brewer without going through a licensed New Mexico wholesaler. The bill will allow winegrowers to sell beer produced by New Mexico small brewers without manufacturing beer or having the licenses and permits to manufacture beer, and will allow small brewers to sell wine produced by New Mexico winegrowers without manufacturing wine or having the licenses and permits to manufacture wine. The bill also increases the number of off-premises locations allowable for small brewers from two to three.

### **North Dakota**

Passing the Senate, [Senate Bill 2325](#) would allow multiple taproom licenses to brewers with an annual production of 25,000 barrels or less.

### **Oklahoma**

Passing the Senate, [Senate Bill 383](#) would allow liquor stores the option to sell refrigerated high-point beer.

Companions [House Bill 1967](#) and [Senate Bill 688](#) require low-point beer manufacturers who assign a brand extension to assign the extension to the licensed wholesaler which has exclusive sales territory for the brand. The measure eliminates an exemption for manufacturers who

produce less than 10,000 barrels of low-point beer from provisions of law relating to wholesaler and manufacturer agreements.

Passing the Senate and under House consideration, [Senate Bill 424](#) seeks to allow brewery licensees the ability to sell their products directly to consumers on site.

Passing the Senate, [S.B. 690](#) provides conditions for distribution agreement terminations for non-resident brewers.

[Senate Bill 691](#) provides that a wholesaler may not waive the application of state law as it pertains to distribution agreements with manufacturers of low-point beer and that the venue for disputes involving such agreements shall be in the district and appellate courts of this state.

### **Oregon**

[Senate Bill 583](#) allows brewery-public house licensee to also hold off-premises sales license under certain circumstances.

### **Pennsylvania**

Passing the full House, [House Bill 466](#) seeks to privatize the sale of wine and spirits through the creation of 1,200 Wine and Spirits Retail Licenses. These licenses would be available to existing beer distributors for the first twelve months after enactment. At the conclusion of this twelve month period, any remaining licenses would be offered to the general public at a substantially higher cost. Beer distributors would have the ability to sell 6-packs and 12-packs of beer in addition to the cases that they currently sell. Additionally, restaurants and taverns would have the ability to sell up to four 6-packs or two 12-packs as opposed to the single 12-pack and two 6-packs they are currently allowed.

The Pennsylvania Liquor Control Board (PLCB) released an [advisory opinion](#) clarifying existing law by informing brewers that they may sell “original containers” as long as the container contains at least 128 fluid ounces, for example a 12-pack, to distributors that may be resold “as is” to consumers.

### **South Carolina**

[H.B. 3450](#) stipulates that a beer wholesaler shall not deliver beer to a retail beer and wine permit holder unless the beer has been received, unloaded, and stored or warehoused at its licensed premises.

### **South Dakota**

Signed into law by the Governor, [House Bill 1004](#) would authorize the direct sale of distilled spirits from artisan distillers to retailers and wholesalers.

### **Tennessee**

Companions [House Bill 543](#) and [Senate Bill 426](#) seek to prohibit, with limited exceptions, a brewer from holding a financial or ownership interest in either a wholesaler or retailer and a wholesaler from holding a financial or ownership interest in either a brewer or retailer.

Companion legislation [H.B. 605](#) and [S.B. 640](#) authorize a beer manufacturer operating as a retailer to sell beer directly to another retailer if located in the same county and allows a beer manufacturer to operate as a retailer at the manufacturer's location or a site contiguous thereto in counties with a population greater than 25,000 instead of 75,000.

Advancing through several House committees, [House Bill 639](#) makes applicable statewide, instead of in certain areas only, the authority for a beer manufacturer to operate as a retailer at the manufacturer's location or a site contiguous thereto.

[House Bill 706](#) and [Senate Bill 686](#) clarify that contracts entered into or renewed by a manufacturer or importer and the wholesaler that is more than seven years in length shall be considered contrary to the public policy of this state. The bills also define “good cause” for purposes of terminating a contract between a wholesaler and a manufacturer.

### **Texas**

Companions [Senate Bill 1386](#) and [House Bill 3086](#) seek to allow breweries producing 225,000 barrels or less annually the ability to sell 576 ounces (equivalent to 2 cases) of beer in a single transaction once per month to customers for off-premises consumption.

[House Bill 3389](#) would reduce the self-distribution barrel limit to 5,000 annually.

### **Washington**

Passing the Senate, [Senate Bill 5280](#) authorizes the Liquor Control Board to issue an endorsement to a grocery store licensee allowing the sale of beer and cider in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale.

Passing the House, [H.B. 1342](#) seeks to allow licensed microbreweries to sell cider produced by a domestic winery for on-premises or off-premises consumption.

### **West Virginia**

Passing both legislative chambers, [Senate Bill 273](#) permits licensed brewers and resident brewers to conduct non-intoxicating beer sampling and growler sales for off-premises consumption. Additionally, the brewpub bonding requirements are removed.

## **Taxation:**

### **Hawaii**

[House Bill 718](#) has been deferred in committee, while its companion [Senate Bill 759](#) remains active in the Senate. The bills seek to reduce the per gallon tax rate to twenty-seven cents on beer sold in barrels for the first 60,000 barrels of annual production.

### **New Jersey**

Companions [A.B. 4176](#) and [S.B. 2451](#) provide for a \$0.25 fee to be included in the price of each alcoholic beverage sold in certain municipalities for the purpose of funding alcohol education, rehabilitation and enforcement.

### **New York**

[Assembly Bill 5422](#) would provide a tax credit to wineries, breweries and distilleries for bottling, packaging, and labeling expenses.

### **Oklahoma**

Amended in committee, [House Bill 1858](#) seeks to raise the excise tax on low-point beer from \$11.25 to \$45.00 per barrel to account for its exemption from sales tax.

### **South Dakota**

Tabled in the Senate following House passage, [House Bill 1002](#) seeks to direct funding to the Department of Revenue to upgrade the electronic tax collection technology for submitting reports and remitting taxes related to alcoholic beverages.

### **Washington**

Passing the House, [H.B. 1179](#) excludes the production of cider from the commodity assessment that applies to vinifera wine grape growers and producers, which funds the advertising of Washington wines through the Washington Wine Commission.

### **Wyoming**

[House Bill 140](#), seeking to raise the excise tax on malt beverages by 4.5 cents per liter, has failed to receive consideration.

After passing the House, [House Bill 141](#), repealing the excise tax on malt beverages, has died in the Senate.

## **Trade Practice & Other:**

### **Arizona**

Amended before passing the Senate, [Senate Bill 1030](#) increases the maximum production limit for a microbrewery from 40,000 barrels per location to 200,000 barrels in aggregate; requires a microbrewery that exceeds the calendar year limit for production or manufacturing of beer to surrender all microbrewery licenses and dispose of all retail licenses for locations that are not on adjacent to the brewery premises before receiving a producer's license (grandfathers any person who holds or controls a microbrewery license as well as a producer's license prior to the effective date of this legislation); permits a microbrewery licensee to sell beer produced or manufactured by other microbreweries for consumption on the premises if such sales do not exceed 20 percent of the licensee's annual volume of beer sales at the premises and the beer is purchased through a wholesaler in this state, if the other brewery has an established distribution relationship with that wholesaler; allows the holder of a microbrewery license that produces fewer than 40,000 barrels annually to sell and deliver beer it has produced or manufactured to certain microbrewery locations authorized for retail sales and any other retail licensee, in an

amount not to exceed 3,000 barrels; limits persons who hold a microbrewery license to a combined maximum of seven retail licenses (grandfathers holders of microbrewery licenses who hold or have applied for more than seven retail licenses prior to the effective date of this legislation); stipulates that a microbrewery that produces more than 40,000 barrels of beer annually may not receive retail licenses for locations other than those on or adjacent to the microbrewery or sell or deliver beer to retail locations other than those on or adjacent to the microbrewery.

### **Connecticut**

[House Bill 5033](#) would allow the holder of a manufacturer permit for cider to offer tastings, on the premises of the permittee, of free samples of cider and apple wine manufactured on the premises.

Under committee consideration, [H.B. 5770](#) would require holders of manufacturer permits for beer, cider and apple wine, apple brandy and eau-de-vie, farm wineries, brew pubs and beer and brew pubs to offer nonalcoholic beverages for sale to the public or provide free drinking water upon request during times permit premises are open to the public.

### **Hawaii**

Amended in committee, [House Bill 348](#) defines and prohibits the consumption, purchase, possession, or sale of powdered alcohol.

### **Indiana**

Amended and passed by the full Senate, [Senate Bill 297](#) changes the amount of the barrels of beer that a microbrewery may manufacture in a calendar year for sale or distribution within Indiana from 30,000 to 90,000 and prohibits a small brewer from selling and delivering more than a total of 30,000 barrels of beer in a calendar year directly to the holder of an alcoholic beverage retailer or dealer permit

Amended and passed by the full House, [H.B. 1311](#) raises the barrel limit for a small brewery from 30,000 to 90,000 barrels a year and prohibits a small brewer from selling and delivering more than a total of 30,000 barrels of beer in a calendar year directly the holder of an alcoholic beverage retailer or a dealer permit.

### **Iowa**

Passing both legislative chambers, [House Bill 131](#) provides that “Beer” means beer or high alcoholic content beer for the purposes of beer brewers and wholesalers.

[Senate Bill 123](#) would prohibit a person or club holding a liquor control license or retail wine or beer permit, or their agents or employees, from selling, giving, possessing, or supplying for human consumption powdered or crystalline alcoholic liquor.

### **Maine**

[Senate Bill 349](#) removes the requirement that beer dispensed by a brewery at its on-premises 30 location for off-premises consumption be in bottles with labels unique to the brewery.

## **Minnesota**

[House Bill 1014](#) would allow a brewer or malt liquor wholesaler to extend credit or lend money to a retailer for a period of 30 days, or until the next subsequent delivery, whichever period of time is shorter.

## **Missouri**

Passing an initial committee vote, [H.B. 121](#) requires a brew-on-premises facility to obtain a license from the Division of Alcohol and Tobacco control.

## **Montana**

Failing to advance from committee, [House Bill 336](#) sought to increase the number of barrels (from 10,000 to 60,000) a brewery may produce to qualify as a small brewery and require that the production of affiliated companies and beer purchased from other brewers be used in determining the amount of production.

## **New Hampshire**

Passing the Senate and now under House consideration, [Senate Bill 99](#) seeks to establish a committee to study allowing the sampling of beer or wine at farmer's markets.

## **New Mexico**

Amended [House Bill 339](#) allows craft distiller and small brewer's licensees to operate three off-premise locations. Currently, craft distiller and small brewer's licensees are limited to two off-premise locations but winegrower licensees are allowed three off-premise locations.

Passing the House, [House Bill 243](#), among other provisions, clarifies that small brewers may fill growlers for sale for off-site consumption, allows craft distillers and small brewers to have three offsite premises, just as winegrowers are allowed under current law and allows for alternating proprietorships for small brewers, winegrowers and craft distillers.

[Senate Bill 454](#) seeks to allow small brewer licensees to conduct beer tastings and sales at three off-premises locations.

[S.B. 471](#) would allow alternating proprietorships to be established so that manufacturing facilities and equipment of a small brewer licensee may be used by another small brewer licensee to produce beer.

## **North Dakota**

Failing to pass the House, [House Bill 1225](#) would allow members of the military between the ages of 18 and 21 to purchase and consume alcoholic beverages on military installations within the state if so authorized by the commanding officer of that installation.

## **Ohio**

[House Bill 68](#) would allow beer manufacturers to produce beer containing not more than 21% alcohol by volume and prohibit the inclusion of caffeine or other stimulants in beer containing more than 12% alcohol by volume.

## **Utah**

Passed by both legislative chambers, [House Bill 48](#) makes it unlawful for a person to use, offer for use, purchase, offer to purchase, sell, offer to sell, furnish, or possess powdered alcohol for human consumption.

Failing to pass committee, [House Bill 253](#) sought to allow breweries, wineries and distilleries to offer samples to customers on the facility premises.

## **Vermont**

[House Bill 201](#) proposes to create a farm brewer's license to permit the manufacture and sale of Vermont beer and cider.

## **Virginia**

Signed by the Governor, [Senate Bill 1034](#) adds powdered or crystalline alcohol to the definition of alcoholic beverages, prohibits containers sold in or shipped into the Commonwealth from including powdered or crystalline alcohol, and creates a Class 1 misdemeanor for anyone who purchases or possess, offers for sale or use, or sells or uses a powdered or crystalline alcoholic product.

On the Governor's desk awaiting consideration, [Senate Bill 1269](#) allows a person holding multiple licenses for the manufacture of wine, beer, spirits, or cider to provide samples of any alcoholic beverage produced on the licensed premises to persons under certain conditions.

Eligible for the Governor's signature, [S.B. 1272](#) creates a limited distiller's license for distilleries that (i) manufacture no more than 36,000 gallons of spirits per calendar year, (ii) are located on a farm in the Commonwealth on land zoned agricultural and owned or leased by such distillery or its owner, and (iii) grow agricultural products on the farm that are used in the manufacture of its alcoholic beverages.

After Senate passage, the House failed to take action on [Senate Bill 1273](#) The bill sought to require the ABC Board to adopt regulations that prescribe the terms and conditions under which tour guides employed by a licensed brewery that manufactures no more than 10,000 barrels of beer during the license year may consume samples of the beer manufactured on the licensed premises while conducting tours of the premises. The bill also provided that the samples of beer shall not exceed four ounces, that no more than three product samples may be consumed by the tour guide, and that the purpose of the consumption is to feature and educate the consuming public visiting the licensed premises about the beer being tasted.

Failing to advance beyond committee, [H.B. 1678](#) sought to expand the privileges of a distiller's license to include the giving of samples of spirits to any person to whom alcoholic beverages may be lawfully sold in designated areas at events held by the licensee for the purpose of featuring and educating the consuming public about the spirits being tasted and provided that (i) no single sample shall exceed one-half ounce per spirits product offered and (ii) no more than three spirits products may be offered to any patron.

Signed into law, [Senate Bill 1412](#) would allow a winery, brewery, or distillery licensee to pay royalties to a historical preservation entity for the use of its trademarked authentic historical recipes in the manufacture of wine, beer, or spirits.

### **Washington**

Passing the House and under Senate consideration, [House Bill 1124](#) allows licensees permitted to sell beer or wine for on-premises consumption to also serve samples of beer and wine up to a total of six ounces per day.

In House committee following full Senate passage, [Senate Bill 5662](#) would allow a licensed domestic brewery or microbrewery to provide branded promotional items, which are of nominal value, to certain nonprofit charitable corporations and associations.

Now under House consideration, [Senate Bill 5292](#) provides that current laws on the use, possession, purchase, and sale of liquor apply to powdered alcohol. Persons under age 21 cannot possess or consume powdered alcohol. Exemptions apply to powdered alcohol for medical use and religious services. Powdered alcohol is also added to the definition of spirits so that any revenue-related laws and rules that apply to spirits will apply to powdered alcohol.

### **Wyoming**

Signed into law, [House Bill 82](#) raises the barrelage cap for a “microbrewery” from not more than 15,000 barrels to not more than 50,000 barrels.

Failing to pass the House after clearing the Senate, [Senate File 106](#) sought to make it unlawful for a person to use, offer for use, purchase, offer to purchase, sell, offer to sell or possess powdered alcohol.

[Senate File 144](#) seeks to set a minimum annual production of 50 barrels (lowered from 100 barrels) for microbreweries.