

## January 2024 Legal & Legislative Update

### FEDERAL / NATIONAL / INTERNATIONAL

#### Corporate Transparency Act Requirements in Effect

[The Corporate Transparency Act \(CTA\)](#) requires certain companies formed or operating in the United States to report information about their beneficial owners to the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). The law aims to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security. FinCEN is now accepting beneficial ownership information reports.

#### Federal Kombucha Legislation Introduced

[H.R. 6495](#) provides for the tax-free production of low alcohol by volume kombucha.

### THE STATES

#### Florida

[House Bill 1107](#) seeks to authorize manufacturers of malt beverages to transfer malt beverages to another manufacturer for brewing under certain conditions; specifies conditions under which licensed craft breweries may conduct tastings and sell malt beverages; deletes the definition of the term "keg"; revises a provision to limit the number of barrels, rather than kegs, of malt beverages certain vendors may brew annually; authorizes contract brewers to transfer malt beverages to contracting brewers and to contract with other contracting brewers if certain conditions are met; provides requirements for contract brewing and alternating proprietorship brewing; and specifies instances in which certain manufacturers, brewers, bottlers, distributors, and importers of malt beverages must register their names and brands or labels that will be sold to a distributor.

[Senate Bill 696](#) seeks to prohibit local governments from adopting ordinances, regulations, rules, or policies that require certificates of use for certain agricultural lands, facilities, and venues or that limit certain activities associated with agritourism including the limitation of any state-regulated activity associated with agritourism, including a farm stand, farmers market, brewery, winery, distillery, food processing and preparation activity, food truck, or mobile food service operation associated with agritourism agricultural products.

#### Indiana

[Senate Bill 204](#) establishes a direct beer seller's permit that allows a brewer to sell and ship beer directly to a consumer.

[Senate Bill 205](#) allows a small brewery to manufacture beer for another small brewery if certain requirements are met (contract brewing).

Passing initial committee consideration, [HB 1025](#) defines "mixed beverage" as a prepared cordial, cocktail, or highball that is in a can or container that holds not more than twenty-four (24) ounces of the beverage and is a mixture of: (1) whiskey, neutral spirits, brandy, gin, or another distilled spirit; and (2) carbonated or plain water, pure juice from a flower or plant, or other flavoring materials that is suitable for immediate consumption and contains not less than five-tenths percent(0.5%) of alcohol by volume and not more than fifteen percent (15%) of alcohol by volume. The bill would further allow the holder of a wine wholesalers permit to distribute such products.

### **New Hampshire**

[S.B. 335](#) seeks to restrict the use of certain images and phrasing in alcohol packaging that are attractive to minors.

[House Bill 1135](#) amends the definition of specialty beer by reducing the threshold level of alcoholic content to 0.5% from 6%.

### **New Jersey**

Signed by the Governor, [Senate Bill 4265](#) allows craft alcoholic beverage manufacturers (defined as a limited brewery license, cidery and meadery license, and craft distillery license holder) to: hold not more than 25 off-premises special events and an unlimited number of on-premises special events and private parties. In addition, these license holders would be entitled to hold not more than 25 social affair events hosted by the holder of a social affair permit; sell and serve customers tableside utilizing servers or wait staff employed by the license holder and to serve the licensee's products for on-premises consumption in outdoor spaces approved by the municipality; to offer for sale or make the gratuitous offering of de minimis food items including, but not limited to, packaged crackers, chips, nuts, and similar snacks to consumers; to sell non-alcoholic beverages; to coordinate with a food vendor, including food trucks and restaurants, for the provision of food on the licensed premises and provide menus to consumers for the sale of food; to offer discounts for promotional purposes, provide targeted discounts, and establish membership programs that offer discounts; to show or display any televised program on televisions or other screening devices of any number or size on the licensed premises without the need to provide notice to or obtain a permit from the Division of Alcoholic Beverage Control prior to showing or displaying any televised event; to sell beverages for on-site consumption without having to give a tour; and to allow holders of restricted brewery licenses to manufacture 300,000 barrels/year (currently 10,000 barrels/year) and to directly sell and distribute to retailers 50 percent of the beer that is produced on premises in each year. The bill also establishes a farm-brewery license that would permit the licensee to produce malt alcoholic beverages for retail sale to consumers for consumption off the licensed premises; brew up to 2,500 barrels of malt alcoholic beverages per year for retail sale for consumption off the premises and to offer samples. The license would be issued only when the brewery is located and constructed upon a tract of land exclusively under the license holder's control, license holder is actively engaged in farming on or adjacent to the brewery premises, and also requires the license holder to manufacture beer that is substantially produced from hops or other ingredients grown or cultivated on the license holder's tract of land.

### **Washington**

[S.B. 5375](#) defines low-proof beverage to mean any beverage 16 ounces or less that contains more than 0.5 percent and less than 7 percent alcohol by volume, but does not include wine, malt beverages, or malt liquor and imposes a \$2.50 per gallon tax on the distribution and sale of those beverages.

Reintroduced from the previous session, [Senate Bill 5002](#) seeks to reduce the breath or blood alcohol concentration limit for operating a motor vehicle from 0.08 to 0.05.

Reemerging from the 2023 session, [H.B. 1131](#) requires producers of certain paper products and packaging (covered PPP) to participate in and fund the operations of a producer responsibility organization (PRO) to collect and manage covered PPP from consumers and carry out other specified activities and provides for producers of certain beverage containers to satisfy producer responsibility obligations for the beverage containers through the formation of a distributor responsibility organization and the establishment of a deposit return system.

### **Wisconsin**

Signed into law, [Senate Bill 268](#), among a variety of provisions, creates the Division of Alcohol Beverages (DAB) within the Department of Revenue (DOR) and assign to DAB the authority to regulate and enforce Wisconsin's alcohol beverages law through two bureaus dedicated to: (1) enforcement and (2) legal services, permitting, and reporting. The law further amends the definition of "fermented malt beverage" (beer) to include any beverage recognized under federal regulations as beer (except sake or similar products) thereby allowing gluten-free beers and hard seltzers that are classified as beer under federal law to also be classified as "beer" under state law and thus to be subject to the state's lower taxation rate for beer and allowing these products to be manufactured under a brewer's or brewpub permit; allows producers that meet specified production thresholds to establish between one and three full-service retail outlets and make full-service retail sales from those premises; increases the brewpub manufacturing limit from 10,000 barrels of beer per year to 20,000 and increases a brewpub's self-distribution limit from 1,000 barrels of beer per year to 2,000; codifies the authority for a brewer, brewpub, winery, manufacturer, or rectifier to produce alcohol beverages by means of contract production, alternating proprietorship, or licensing agreement; and allows a person who made homemade wine or beer in another state to transport up to ten gallons of the wine or beer into Wisconsin for purposes of participating in a competition or exhibition that complies with state law, is held by a national organization, and has participants from more than twenty-five states.