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Subject: Microdistillery on- and off-sale licensing, and self-distribution

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Overview

Under current law, a microdistillery may sell its own product off-sale, provided that only one 375 milliliter bottle of its own spirits may be sold to a customer per day. In addition, a microdistillery is not allowed to distribute its own product; it must sell to a licensed distributor. HF 1127 eliminates the single 375 milliliter bottle limit and would also allow a microdistillery to self-distribute subject to a license and \$1,000 annual fee. This bill would also allow a municipality to grant a Sunday on-sale license for a microdistillery's cocktail room.

Section

- 1** **Cocktail room license.** Allows a municipality to authorize a Sunday on-sale license to a cocktail room.
- 2** **Off-sale license.** Eliminates the single 375 milliliter bottle limit on off-sales at a microdistillery's premises and authorizes off-sales of distilled spirits by a microdistillery on Sundays.
- 3** **Wholesale distribution.** Authorizes a microdistillery to own or have an interest in a wholesaler that only distributes the microdistillery's product.
- 4** **Fees.** Imposes a license fee of \$1,000 for a wholesaler of less than 40,000 proof gallons of distilled spirits per year.