



Special Notice

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New Legislation Creates New License Type for Craft Distillers

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711

Assembly Bill 1295 (Stats. 2015, Ch. 3), Craft Distillers Act of 2015, was enacted on October 8, 2015.

Effective January 1, 2016, the Craft Distillers Act of 2015 (Act) allows the Department of Alcoholic Beverage Control (ABC) to issue a new craft distiller's license to a person who has facilities and equipment for the purposes of, and is engaged in, the commercial manufacture of distilled spirits. ABC has designated this new license as a Type 74. ABC has issued an Industry Advisory and Frequently Asked Questions regarding the new Act, which are available on ABC's website at www.abc.ca.gov.

In summary, the craft distiller's license authorizes the licensee to, among other things:

- Manufacture up to 100,000 gallons of distilled spirits per fiscal year (July 1 through June 30), exclusive of brandy production.
- Package, rectify, mix, flavor, color, label, and export only those distilled spirits manufactured by the licensee.
- Only sell distilled spirits that are manufactured and packaged by the licensee solely to a wholesaler, manufacturer, winegrower, manufacturer's agent, or rectifier that holds a license authorizing the sale of distilled spirits or to persons that take delivery of those distilled spirits within this state for delivery or use outside the state.
- Deal in warehouse receipts (generally, a warehouse receipt is a document that provides proof of ownership of commodities such as alcoholic beverages that are stored in a warehouse for safekeeping. Warehouse receipts are negotiable and can be transferred, sold or given, from one person to another).
- Sell all beers, wines, brandies, or distilled spirits to consumers for consumption on the premises in a bona fide eating place located on the licensed premises or on premises owned by the licensee that are contiguous licensed premises operated by and for the licensee, provided that any alcoholic beverage products not manufactured or produced by the licensee are purchased from a licensed wholesaler.
- Sell up to the equivalent of 2.25 liters in any combination of prepackaged containers per day per consumer of distilled spirits manufactured by the licensee at its premises to a consumer attending an instructional tasting conducted by the licensee on its licensed premises.

You are encouraged to review the new and amended provisions of AB 1295 at <https://leginfo.legislature.ca.gov/> for a complete understanding of the requirements, restrictions, and privileges of this new license.

If you have any questions regarding the craft distiller's license requirements, please visit ABC's website at www.abc.ca.gov. If you have any questions regarding this notice, please visit the BOE's website at www.boe.ca.gov. You may also call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m., (Pacific Time), except state holidays.