



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: COM DPA 9-0-0-1

HB 2753: distilleries; licensing; environmental exemption

**Sponsor: Representative Hernandez A, LD 3
Caucus & COW**

Overview

Permits certain licensed alcohol producers to hold multiple types of license.

History

A *microbrewery* must produce between 5,000 gallons and 6,200,000 gallons of beer in each calendar year and may sample beer on the licensed premises. It may also sell beer for consumption off the premises. A microbrewery may sell other spirituous liquor products on-site if it possesses a retail license for a bar, beer and wine bar or restaurant ([A.R.S. § 4-205.08](#)).

A *craft distiller* license allows the holder to produce up to 20,000 proof gallons of distilled spirits in a calendar year. The craft distiller may sell distilled spirits and may sample them on the premises. Currently, a craft distiller licensee may also hold a bar, restaurant or farm winery license. The production and storage space of a licensee are excluded from the public area of the licensed premises; however, these spaces may be inspected by proper authorities ([A.R.S. § 4-205.10](#)).

Production and storage spaces means bonded areas, tax-paid storage areas and areas that provide no services to the public ([A.R.S. § 4-205.10](#)).

Distilled spirits include alcohol, brandy, whiskey, rum, tequila, mescal, gin, absinthe, among other alcoholic mixtures that may produce intoxication. *Production and storage spaces* are bonded areas, tax-paid storage and areas that provide no services to the public ([A.R.S. § 4-101](#)).

Provisions

1. Allows a microbrewery licensee to hold a craft distiller license and subjects the licensee to the statutory requirements of such a license. (Sec. 1)
2. Allows a craft distiller licensee to hold a microbrewery license and subjects the licensee to the statutory requirements of such a license.
 - a) Specifies the licensee may hold *either* a microbrewery license or a farm winery license. (Sec. 2)
3. Enables a microbrewery and craft distillery to provide sampling and sales of beer and distilled spirits on the same premises, respectively. (Sec. 1, 2)
4. Subjects licensed producers, including craft distillers, brewers and farm wineries, to federal food safety rules and exemptions.
 - a) Specifies the rules and exemptions apply only to *production and storage spaces*. (Sec. 3)
5. Prohibits local governing boards from issuing non-federal food safety guidelines for *production and storage spaces*. (Sec. 3)

6. Makes technical and conforming changes. (Sec. 1, 2)

Amendment

Committee on Commerce

1. Exempts, from Department of Health Services (DHS) food safety and inspection guidelines, spirituous liquor produced under a federal permit
2. Includes licensed areas open to the public that serve liquor and commercially prepacked food, crackers or pretzels in the DHS exemption.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note