

Amendment to SB 125-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2  
3 1 Beverage Manufacturers License. Amend RSA 178:12, IV(a)(2) to read as follow:

4 (2) The general public for off-premises consumption [~~in quantities not to exceed a~~  
5 ~~single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per day~~]; or

6 2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after  
7 paragraph VIII the following new paragraphs:

8 IX. Each nano brewery shall have the right to transport the beverage it manufactures in  
9 barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state  
10 border for transportation and sale outside the state. A nano brewer in a contract brewing  
11 arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles,  
12 or other closed containers within the state for storage or to the state border for transportation and  
13 sale outside the state.

14 X. A nano brewer may enter into a contract brewing arrangement with a contract brewer  
15 brewing in the state of New Hampshire after the nano brewer has been in operation for one year.  
16 Beverages produced by a contract brewer intended for sale outside the state may be warehoused at  
17 the nano brewer's facility or at some other facility accessible only to the nano brewer. A contract  
18 brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A  
19 nano brewer shall file all contract brewing arrangements with the commission. A nano brewer shall  
20 not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10  
21 barrels annually.

22 XI. Nano brewers and contract brewers shall be allowed to store beverages manufactured in  
23 accordance with the provisions of this title in a storage facility licensed by the commission. Nano  
24 brewers and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other  
25 facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the  
26 type, quality, and destination of beverages removed from storage. Such records shall be retained by  
27 the nano brewer or contract brewer using the facility and shall be made available to the commission  
28 upon request. A nano brewer shall not enter into a contract brewing arrangement with a contract  
29 brewer if it does not brew at least 10 barrels annually.

30 XII. Annual on-site production by a nano brewer shall not be less than their production for  
31 the calendar year prior to entering into an arrangement with a contract brewer. Total production,

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1 including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,000 barrels  
2 annually.

3 XIII. The nano brewer shall submit to the liquor commission an annual report of all  
4 beverages by:

5 (a) The nano brewer on-site.

6 (b) Any tenant brewer.

7 (c) Any contract brewer the nano brewer has contracted with under paragraph X.

8 XIV. All taxes due on product that is made by a contract brewer shall be paid by the nano  
9 brewer.

10 3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after  
11 paragraph VIII the following new paragraphs:

12 IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels,  
13 kegs, bottles, or other closed containers within the state for sale to licensees and to the state border  
14 for transportation and sale outside the state. A brew pub in a contract brewing arrangement may  
15 transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed  
16 containers within the state for storage or to the state border for transportation and sale outside the  
17 state.

18 X. A brew pub may enter into a contract brewing arrangement with a contract brewer  
19 brewing in the state of New Hampshire after the brew pub has been in operation for one year.  
20 Beverages produced by a contract brewer intended for sale outside the state may be warehoused at  
21 the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer  
22 shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub  
23 shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a  
24 contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels  
25 annually.

26 XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in  
27 accordance with the provisions of this title in a storage facility licensed by the commission. Brew  
28 pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other  
29 facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the  
30 type, quality and destination of beverages removed from storage. Such records shall be retained by  
31 the brew pub or contract brewer using the facility and shall be made available to the commission  
32 upon request.

33 XII. Annual on-site production by a brew pub shall not be less than their production for the  
34 calendar year prior to entering into an arrangement with a contract brewer. Total production  
35 including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels  
36 annually.

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XIII. The brew pub shall submit to the liquor commission an annual report of all beverages by:

(a) The brew pub on-site.

(b) Any tenant brewer.

(c) Any contract brewer the brew pub has contracted with under paragraph X.

XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew pub.

4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175:1, XXV-a - XXV-b to read as follows:

XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, ***nano brewery, or brew pub*** to produce a beverage for the beverage manufacturer.

XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage manufacturer, ***nano brewery, or brew pub*** pays another brewer to produce a beverage for the beverage manufacturer, ***nano brewer, or brew pub*** for sale.

5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting after section 27-a the following new section:

178:27-b Intrastate Shipments of Alcohol by New Hampshire Manufacturers.

I. Notwithstanding any other provision of law to the contrary, any person currently licensed in the state of New Hampshire as a beverage manufacturer, nano brewery, brew pub, wine manufacturer, importer, wholesaler, or retailer shall apply for a intrastate direct shipper permit from the commission. There shall be no fee to obtain a shipping permit under this section.

II. An intrastate direct shipper may ship directly to New Hampshire consumers over 21 years of age or licensees in packages clearly marked "Alcoholic Beverages, adult signature (over 21 years of age) required." All shipments from intrastate direct shippers shall be made by a licensed carrier and such carriers are required to obtain an adult signature. Intrastate direct shippers or carriers shall not ship into areas of the state where alcohol beverages may not be lawfully sold. Shipments of any other products shall be considered unlicensed shipments under the provisions of RSA 178:1, I.

III.(a) Intrastate direct shippers shall file reports to the commission. Such reports shall be filed once per month for any month in which a shipment was made in a manner and form required by the commission and include the following information:

(1) The total amount of alcoholic beverages shipped within the state for the preceding month.

(2) The names and addresses of the purchasers to whom the alcoholic beverages were shipped.

(3) The date of purchase, if appropriate, the name of the common carrier used to make each delivery, and the quantity and retail value of each shipment.

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1 (b) The commission may assess a \$250 penalty for failure to report to the commission in  
2 a timely manner.

3 (c) Intrastate direct shippers shall maintain records for at least 3 years which will  
4 permit the commission to ascertain the truthfulness of the information filed and permit the  
5 commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, or wholesale  
6 distributor.

7 IV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:

8 (a) The application procedures and form for the intrastate direct shipper permit  
9 authorized under paragraph I.

10 (b) The signature form or other identification procedures to be used by intrastate direct  
11 shipper to ensure that consumers to which liquor and beverage are being shipped are over 21 years  
12 of age.

13 (c) Filings of intrastate direct shipper under paragraph III.

14 V. Violations of this section shall be subject to the penalties contained in RSA 179:58.

15 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after  
16 paragraph II-a the following new paragraph:

17 II-b. Each beverage manufacturer shall have the right to manufacture beverages and  
18 specialty beer as defined by RSA 175:1 at the beverage manufacturer's New Hampshire licensed  
19 premises, to sell those beverages and specialty beers to New Hampshire wholesalers and, in  
20 quantities provided by statute, to the public at the beverage manufacturer's retail outlets, and  
21 transport said beverages and specialty beer to the state line. The beverage manufacturer shall pay  
22 an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage  
23 manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet  
24 for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be  
25 provided with samples of beverages manufactured by the licensee in this state for tasting. A  
26 beverage manufacturer may either provide samples for free or for a fee which shall be limited to one  
27 4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a  
28 beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any  
29 areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages  
30 may be provided by a properly-licensed third party food vendor, prepared on or off the premises.

31 7 New Paragraph; Definition; Beverage Manufacturer Retail Outlet. Amend RSA 175:1 by  
32 inserting after paragraph IX the following new paragraph:

33 IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling,  
34 production or manufacturing and promotion of beverages and other products manufactured by a  
35 beverage manufacturer licensee.

36 8 Effective Date. This act shall take effect July 1, 2021.

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2021-0745s

**AMENDED ANALYSIS**

This bill makes changes to the requirements for serving samples for beverage manufacturers and nano breweries; provides for contract brewing arrangements for nano breweries and brew pubs; and requires reports for intrastate direct shippers of alcohol.