LEGISLATIVE COMMITTEE MINUTES

SB125

Bill as Introduced

SB 125-FN - AS INTRODUCED

2021 SESSION

21-0900 08/10

SENATE BILL

125-FN

AN ACT .

relative to beverage manufacturer licenses.

SPONSORS:

Sen. Gannon, Dist 23; Sen. Perkins Kwoka, Dist 21; Sen. Carson, Dist 14; Sen.

Rosenwald, Dist 13; Sen. Bradley, Dist 3; Rep. Welch, Rock. 13; Rep. Weyler,

Rock. 13

COMMITTEE:

Commerce

ANALYSIS

This bill makes changes to the requirements for serving samples for beverage manufacturers and nano breweries.

This bill also allows wholesale distributors to sell specialty cider.

Explanation:

Matter added to current law appears in bold italics.

Matter removed from current law appears [in-brackets-and-struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT

relative to beverage manufacturer licenses.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Beverage Manufacturers License. Amend RSA 178:12, II-a-IV to read as follows:

II-a. The holder of a beverage manufacturer license may sell beverage samples to visitors of legal drinking age for consumption on the premises where the beverages were manufactured. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce glass per label or [ene] 2 16-ounce [glass] glasses per person, unless food is provided, which may be consumed[. At such times as food is available, a beverage manufacturer may serve no more than 2 16-ounce glasses per person] in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed [third party] food vendor, prepared on or off the premises.

- III. The holder of a beverage manufacturer license may operate a hospitality room on the premises [in which the licensee may make available to employees and visitors of legal drinking age for on premises consumption free of charge samples of beverages manufactured or distributed in the United States by the beverage manufacturer]. The hospitality room shall require commission approval in respect to its location, service facilities, and seating arrangements.
- IV.(a) The holder of a beverage manufacturer license may sell beverages manufactured on its premises or manufactured by the licensee at a host brewer facility to:
- (1) The licensee's employees who are of legal drinking age at such discounts as are customary in the business;
- (2) The general public for *on-premises or* off-premises consumption [in-quantities not to exceed a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per-person per day]; or
- (b) A holder of a beverage manufacturer license who manufactures 15,000 barrels or less during its licensing period may elect to distribute its beverages directly to retail licensees and/or to distribute its beverages pursuant to RSA 180, provided that total in-state direct retail sales do not exceed 5,000 barrels.
 - 2 Nano Brewery License. Amend RSA 178:12-a, II to read as follows:
- II. The annual fee for each license issued under this section shall be \$240. Except for licensees under paragraph VII, licensees shall comply with the following:
- (a) No beverage or liquor shall be served or consumed on the premises except that which is manufactured by the licensee on the premises or manufactured by the licensee at a host brewer facility.

SB 125-FN - AS INTRODUCED - Page 2 -

1 (b) The licensee may serve beverages to any visitor of legal drinking age by the glass or 2 other suitable container. 3 (c) For the purpose of this section, food and non-alcoholic beverages may be provided by 4 a properly licensed [third party] food vendor, prepared on or off the premises. 5 (d) The licensee shall not allow any beverage or liquor to be served or sold to any person 6 under the age of 21 on the premises. 7 f(e) Sales for consumption on the premises shall be limited to one 4 ounce glass per label 8 per person.] 9 3 Nano Brewery License. Amend RSA 178:12-a, VIΠ(c) to read as follows: 10 (c) Sample sizes shall be limited to 2 16-ounce [glass] glasses per person if no food is available [-and 2-16 ounce glasses if food is available]. 11 12 4 Brew Pub License. Amend RSA 178:13, I to read as follows: 13 I. A brew pub license shall authorize the licensee to manufacture beer or cider in quantities not to exceed 2,500 barrels annually [primarily for consumption on the licensed premises]. 14 5 Wholesale Distributor Licenses. Amend RSA 178:16, I to read as follows: 15 I. Wholesale distributor licenses shall authorize the licensees to sell beverages in barrels, 16 bottles, or other closed containers and specialty beverages in single serve containers to licensees for 17 resale or to the general public. A wholesale distributor shall provide to an on-premises or off-18 19 premises licensee any obtainable beverage, specialty beverage, beer, specialty beer, specialty cider, or cider. Requested products shall be priced subject to special order terms as agreed by all parties. 20The holder of a wholesale distributor license shall maintain a regular place of business in this state. 21 22 6 Effective Date. This act shall take effect July 1, 2021.

SB 125-FN- FISCAL NOTE AS INTRODUCED

AN ACT

relative to beverage manufacturer licenses.

FISCAL IMPACT: [X] State [] County [] Local [] None

•	Estimated Increase / (Decrease)			
STATE:	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	. , \$0	\$0	\$0	\$0
Funding Source:	[] General Fund	[] Education [] Highway.] Other - Liquor

METHODOLOGY:

This bill makes changes to the requirements for serving samples for beverage manufacturers and nano breweries. The bill also allows wholesale distributors to sell specialty cider.

The Liquor Commission indicates the proposed change to the beverage manufacturers license in RSA 178:12 would make changes to all three of the license types where the licensee is authorized to manufacture beverages and beer. Currently beverage manufacturers are authorized to create hospitality rooms where visitors to the facility are able to sample the manufacturer's products. This bill would change the character of a hospitality room from a place where they may sample products to a place where the visitor could consume 2, 16 oz. glasses of beverages rather than being limited to 4 oz. samples. Under the current law a beverage licensee may apply for a separate retail license for their premise where customers and visitors may enjoy the manufacturer's products with food prepared and sold by the manufacturer. The bill would allow visitors to consume an unlimited quantity of beverages as long as "food is provided." The bill would allow a third party to prepare and bring food to the manufacturer's facility as substitute for the licensee's preparation and service of food. The Commission states the effect of this change would be to no longer offer the manufacturer a second retail license as authorized in current statute. The Commission anticipates beverage manufacturer's holding a second retail license would now give up the second license which would result in a decrease in licensing revenue. As an example, the Commission reports manufacturers, such as Anheuser Busch sampling in their hospitality room, would no longer be able to sample products brewed from their other breweries. This would affect beer tax revenue if manufacturers could only sample beers they brew on site. The Commission estimates the decrease would be approximately \$350.00 per month for this manufacturer. In addition, the Commission states the bill also removes limitations agreed to by the beverage manufacturers to limit the quantity of beverages available to the visiting public and where these beverages may be consumed by allowing the unlimited retail purchase of beer from the manufacturer and allow the purchaser to consume the beverages on the licensee's premises. The Commission states this would blur the licensee's responsibility under State law and it appears that a manufacturer may have no legal jeopardy under RSA 179:5. The change would allow the manufacturer to obtain an on-premise license without purchasing it or complying with the existing requirements for on premise applicants. The Commission indicates 13 of the 41 beverage manufactures hold a restaurants license. The licenses held by these manufacturers include:

- 8 Restaurant Beer & Wine Licenses @ \$480;
- 5 Restaurant Beer, Wine & Liquor Licenses @ \$840 and;
- 1 Restaurant with a cocktail lounge @ \$1200.

If these manufacturers surrendered these licenses as a result of this legislation the decrease in license revenue collected by the Commission would be \$9,240.

Regarding the proposed changes to RSA 178:12 concerning the Nano Brewery License, the Commission indicates under current law, a nano brewer is able to acquire an additional on premise license for a fee of \$240. The additional license permits the brewer to serve customers full glasses of beverages they produce as long as the licensee had food available. (A nano brewer holding an additional restaurant license is often referred to as a "Nano Plus" licensee.) There is nothing in current law that forbids a nano brewer from allowing a 3rd party to provide food, but the licensee is still required to have their own food available. The proposed change would no longer require a Nano Brewery holding a restaurant license (Nano Plus) to have responsibility or capacity to prepare and serve food. If this portion of the bill were to become law nano brewers would have no reason to purchase a license under RSA 178:20 as they would not be required to be able to sell food prepared on their premise but allow a 3rd party to provide the food made available to customers. The Commission assumes, if this section of the bill were to pass nano brewers would no longer purchase the additional license if they desired to serve more than samples. The result would be a decrease in licensing revenue and the Nano Brewery would essentially become a bar. Under current law Nano Brewers may transport their products to the site of a wine manufacturer, sample products in 4 oz. sizes, and sell the wine manufacturer's customers New Hampshire brewed products in their original sealed containers. This bill would eliminate the 4 ounce limitation and allow tasters to consume 2, 16 oz. beers without any requirement of the availability of food. The Commission reports there are 36 Nano Breweries in the state and 24 of them hold a restaurants license. If, as a result of this change, these

businesses surrendered their Nano Brewery License there would be a decrease in revenue of 55,760. (24 x \$240 = 55,760).

Regarding the changes to the Brew Pub License in section 4 of the bill, the Commission indicates, unlike the Beverage Manufacturer and Nano Brewery where the primary focus of the business is the production of beverages, the Brew Pub license was established to allow a restaurant to brew beer primarily for the consumption and enjoyment of their restaurant customers. The Commission indicates this proposed change would have no fiscal impact.

AGENCIES CONTACTED:

Liquor Commission

SB 125-FN - AS AMENDED BY THE SENATE

03/18/2021 0745s

2021 SESSION

21-0900 08/10

SENATE BILL

125-FN

AN ACT

relative to beverage manufacturer licenses.

SPONSORS:

Sen. Gannon, Dist 23; Sen. Perkins Kwoka, Dist 21; Sen. Carson, Dist 14; Sen.

Rosenwald, Dist 13; Sen. Bradley, Dist 3; Rep. Welch, Rock. 13; Rep. Weyler,

Rock. 13

COMMITTEE:

Commerce

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.

.....

Explanation:

Matter added to current law appears in bold italics.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT

 relative to beverage manufacturer licenses.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 Beverage Manufacturers License. Amend RSA 178:12, IV(a)(2) to read as follow:
- (2) The general public for off-premises consumption [in quantities not to exceed a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per-day]; or
- 2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after paragraph VIII the following new paragraphs:

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

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

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

XII. Annual on-site production by a nano brewer shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production, including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,000 barrels annually.

SB 125-FN - AS AMENDED BY THE SENATE - Page 2 -

- Page 2
 XIII. The nano brewer shall submit to the liquor commission an annual report of all beverages by:

 (a) The nano brewer on-site.

 (b) Any tenant brewer.

 (c) Any contract brewer the nano brewer has contracted with under paragraph X.
 - XIV. All taxes due on product that is made by a contract brewer shall be paid by the nano brewer.
 - 3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.
- 34 XIII. The brew pub shall submit to the liquor commission an annual report of all beverages 35 by:
 - (a) The brew pub on-site.
- 37 (b) Any tenant brewer.

SB 125-FN - AS AMENDED BY THE SENATE - Page 3 -

1	(c) Any contract brewer the brew pub has contracted with under paragraph X.
2	XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew
3	pub.
4	4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175:1, XXV-a - XXV-b to
5	read as follows:
6	XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, nane
7	brewery, or brew pub to produce a beverage for the beverage manufacturer.
8	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
9	manufacturer, nano brewery, or brew pub pays another brewer to produce a beverage for the
10	beverage manufacturer, nano brewer, or brew pub for sale.
11	5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting
12	after section 27-a the following new section:
13	178:27-b Intrastate Shipments of Alcohol by New Hampshire Manufacturers.
14	I. Notwithstanding any other provision of law to the contrary, any person currently licensed
15	in the state of New Hampshire as a beverage manufacturer, nano brewery, brew pub, wine
16	manufacturer, importer, wholesaler, or retailer shall apply for a intrastate direct shipper permit
17	from the commission. There shall be no fee to obtain a shipping permit under this section.
18	II. An intrastate direct shipper may ship directly to New Hampshire consumers over 21
19	years of age or licensees in packages clearly marked "Alcoholic Beverages, adult signature (over 21
20	years of age) required." All shipments from intrastate direct shippers shall be made by a licensed
21	carrier and such carriers are required to obtain an adult signature. Intrastate direct shippers or
22	carriers shall not ship into areas of the state where alcohol beverages may not be lawfully sold
23	Shipments of any other products shall be considered unlicensed shipments under the provisions of
24	RSA 178:1, I.
25	III.(a) Intrastate direct shippers shall file reports to the commission. Such reports shall be
26	filed once per month for any month in which a shipment was made in a manner and form required
27	by the commission and include the following information:
28	(1) The total amount of alcoholic beverages shipped within the state for the
29	preceding month.
30	(2) The names and addresses of the purchasers to whom the alcoholic beverages
31	were shipped.
32	(3) The date of purchase, if appropriate, the name of the common carrier used to
33	make each delivery, and the quantity and retail value of each shipment.
34	(b) The commission may assess a \$250 penalty for failure to report to the commission in
35	a timely manner.

(c) Intrastate direct shippers shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the

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SB 125-FN - AS AMENDED BY THE SENATE - Page 4 -

commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, or wholesale distributor.

- IV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
- (a) The application procedures and form for the intrastate direct shipper permit authorized under paragraph I.
- (b) The signature form or other identification procedures to be used by intrastate direct shipper to ensure that consumers to which liquor and beverage are being shipped are over 21 years of age.
 - (c) Filings of intrastate direct shipper under paragraph III.

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- V. Violations of this section shall be subject to the penalties contained in RSA 179:58.
- 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
- II-b. Each beverage manufacturer shall have the right to manufacture beverages and specialty beer as defined by RSA 175:1 at the beverage manufacturer's New Hampshire licensed premises, to sell those beverages and specialty beers to New Hampshire wholesalers and, in quantities provided by statute, to the public at the beverage manufacturer's retail outlets, and transport said beverages and specialty beer to the state line. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed third party food vendor, prepared on or off the premises.
- 7 New Paragraph; Definition; Beverage Manufacturer Retail Outlet. Amend RSA 175:1 by inserting after paragraph IX the following new paragraph:
- IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling, production or manufacturing and promotion of beverages and other products manufactured by a beverage manufacturer licensee.
- 8 Effective Date. This act shall take effect July 1, 2021.

SB 125-FN- FISCAL NOTE AS AMENDED BY THE SENATE (AMENDMENT #2021-0745s)

AN ACT

relative to beverage manufacturer licenses.

FISCAL IMPACT:

[X] State

[] County

[] Local

[] None

	Estimated Increase / (Decrease)			
STATE:	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[X] General Liquor Fund	[] Education	, [] Highway	[X] Other -

METHODOLOGY:

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.

The Liquor Commission is unable to determine how many licensees would be eligible to engage in the business opportunities created in this bill, or to predict how New Hampshire consumers will react to the proposed changes. The Commission is not able to predict the impact on sales or license revenue and anticipates an increase in the workload for licensing and auditing staff. Any increase in workload will depend on the number of eligible licensees engaging in the new opportunities. The Commission is not able to determine in advance if the increase in workload will require additional staff. The Commission identified the following provisions of the bill that could impact the expenditures and/or revenues of the Commission:

- Beverage Manufacturers License RSA 178:12, IV(a)(2). This amendment would remove
 the limitation on the quantity of beer a beverage manufacturer may sell to a member of
 the general public per day.
- Nano Brewery License RSA 178:12-a. The new paragraphs would permit a business
 holding a Nano Brewer license to enter into a contract brew arrangement with a brewer
 located within the State.
- Brew Pub Contract Brewing RSA 178:13. The additional paragraphs will permit a

business holding a Brew Pub license to enter into a contract brew arrangement with a brewer located within the State of New Hampshire.

- Intrastate Shipments of Alcohol by New Hampshire Manufacturers RSA 178:27-b. This new section would allow Beverage Manufacturers, Nano Brewers, Brew Pubs, Wine Manufacturers, Importers, Wholesalers and Retailers" to ship alcoholic beverages, sold by that licensee, to New Hampshire consumers over the age of 21, in properly marked packages in areas of the state where alcohol may be lawfully sold. (The Commission notes the definitions of "Importer", "Wholesaler" and Retailer" require further clarification in Statute.)
- Beverage Manufacturer Licenses RSA 178:12, II-b. This new paragraph establishes a
 new authorization for a beverage manufacturer (RSA 178:12) to sell alcohol beverages,
 manufactured by the beverage manufacturer, at retail outlets owned and operated by the
 beverage manufacturer. The beverage manufacturer would pay a fee of \$336 for each
 retail outlet.

AGENCIES CONTACTED:

Liquor Commission

SB 125-FN- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENT #2021-0745s)

AN ACT

relative to beverage manufacturer licenses.

FISCAL IMPACT:

[X] State

[] County .

[] Local

[] None

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- Beverage Manufacturer Licenses RSA 178:12, II-b. This new paragraph establishes a new authorization for a beverage manufacturer (RSA 178:12) to sell alcohol beverages, manufactured by the beverage manufacturer, at retail outlets owned and operated by the beverage manufacturer. The beverage manufacturer would pay a fee of \$336 for each retail outlet.

AGENCIES CONTACTED:

Liquor Commission

SB 125-FN - AS AMENDED BY THE HOUSE

03/18/2021 0745s 3Jun2021... 1237h

2021 SESSION

21-0900 08/10

SENATE BILL

125-FN

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SPONSORS:

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Rock. 13

COMMITTEE:

Commerce

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21-0900 08/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT

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SB 125-FN - AS AMENDED BY THE HOUSE - Page 2 -

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 - 3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.

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1	XIII. The brew pub shall submit to the liquor commission an annual report of all beverages
2	by:
3	(a) The brew pub on-site.
4	(b) Any tenant brewer.
5	(c) Any contract brewer the brew pub has contracted with under paragraph X.
6	XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew
7	pub.
8	4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175:1, XXV-a - XXV-b to
9	read as follows:
10	XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, nano
11	brewery, or brew pub to produce a beverage for the beverage manufacturer.
12	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
13	manufacturer, nano brewery, or brew pub pays another brewer to produce a beverage for the
14	beverage manufacturer, nano brewer, or brew pub for sale.
15	5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting
16	after section 27-a the following new section:
17	178:27-b Direct to Consumer Shipments of Alcohol to New Hampshire Residents.
18	I. Notwithstanding any other provision of law to the contrary, any business licensed under
19	this chapter as a beverage manufacturer, nano brewery, brew pub, wine manufacturer, liquor
20	manufacturer or beverage distributor may apply for an direct to consumer shipping permit from the
21	commission. The permit shall authorize the holder to sell and delivery alcohol beverages to
22	consumers 21 years of age or older located within the state of New Hampshire and businesses
23	licensed by the commission for on-sale and off-sale of alcoholic beverages. There shall be no fee to
24	obtain a shipping permit under this section.
25	II. No liquor manufacturer shall ship more than 60 individual containers of not more than
26	one liter each of liquor to any consumer's address in New Hampshire in any calendar year. No wine
27	manufacturer shall ship more than 12 9-liter cases or equivalent of wine to any consumer's address
28	in New Hampshire in any calendar year. No beverage manufacturer, nano brewery, brew pub, or
29	beverage distributor shall ship more than 27 gallons of beer, specialty beer or specialty beverage in
30	individual containers of not more than one liter to any consumer's address in New Hampshire in any
31	calendar year. Beer, specialty beer and specialty beverages delivered to New Hampshire consumers
32	under this section shall not exceed 8 percent alcohol by volume.
33	III. A manufacturer holding a direct to consumer shipping permit may ship directly to New
34	Hampshire consumers over 21 years of age or licensees in packages clearly marked "Alcoholic
35	Beverages, adult signature (over 21 years of age) required." All shipments from direct to consumer

shippers shall be made by a licensed carrier as defined in RSA 178:14 and such carriers are required

to obtain an adult signature. Direct to consumer permittees or carriers shall not ship into areas of

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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.

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14.

- IV.(a) Direct to consumer shipping permittees 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.
- (b) The commission may assess a \$250 penalty for each failure to report to the commission in a timely manner.
 - (c) Direct to consumer shipping permittees shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, wine manufacturer or liquor manufacturer.
 - V. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
 - (a) The application procedures and form for the direct to consumer shipping permit authorized under paragraph I.
 - (b) The signature form or other identification procedures to be used by direct to consumer shipping permittee to ensure that consumers to which alcoholic beverages are being shipped are over 21 years of age.
 - (c) Filings of intrastate direct shippers under paragraph III.
 - VI. Violations of this section shall be subject to the penalties contained in RSA 179:58.
- 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
- II-b. Each beverage manufacturer shall have the right to manufacture beverages and specialty beer as defined by RSA 175:1 at the beverage manufacturer's New Hampshire licensed premises, to sell those beverages and specialty beers to New Hampshire wholesalers and at one beverage manufacturer retail outlet as defined in RSA 175:1, IX-a, in quantities provided by statute, and transport said beverages and specialty beer to the state line. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one

SB 125-FN - AS AMENDED BY THE HOUSE - Page 5 -

4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages

may be provided by a properly-licensed third party food vendor, prepared on or off the premises.

- 7 New Paragraph; Definition; Beverage Manufacturer Retail Outlet. Amend RSA 175:1 by inserting after paragraph IX the following new paragraph:
 - IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling, production or manufacturing and promotion of beverages and other products manufactured by a beverage manufacturer licensee.
 - 8 New Paragraph; Direct to Consumer Shipping Permit. Amend RSA 178:14 by inserting after paragraph III the following new paragraph:
 - IV. A licensed carrier shall authorize the licensee to pick up, transport, and deliver beer and alcoholic beverages from a business holding a direct to consumer shipping permit as provided in RSA 178:27-b.
 - 9 Beverage; Definition. Amend RSA 175:1, VIII to read as follows:

7.

- VIII. "Beverage" means any beer, wine, similar fermented malt or vinous liquors and fruit juices, and any other liquid intended for human consumption as a beverage having an alcoholic content of not less than 1/2 of one percent by volume and not more than 6 percent alcohol by volume at 60 degrees Fahrenheit and specialty beer as defined in RSA 175:1, LXIV-a. The commission may approve any fermented malt beverage, other similar fermented and brewed beverage, or mead greater than 6 percent but not to exceed 8 percent or any cider greater than 6 percent or any specialty cider greater than 8 percent and not to exceed 12 percent alcohol by volume at 60 degrees Fahrenheit. A beverage shall not be considered a product classified by the commission as a domestic wine as defined in RSA 175:1, LXVII, or a table wine as defined in RSA 175:1, LXIX, or a fortified wine as defined in RSA 175:1.
 - 10 Nano Brewery; Samples. RSA 178:12-a, II(e) is repealed and reenacted to read as follows:
- (e) A nano brewery may either provide samples for free or for a fee which shall be limited to one, 4-ounce glass per label or one 16-ounce glass per person. At such times as food is available, a nano brewery may serve no more than 2, 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by properly licensed third-party food vendors, prepared on or off the premises.
 - 11 Direct Shippers. Amend RSA 178:27, IV to read as follows:
- IV. No direct shipper shall ship more than 27 gallons of beer or beverage in individual containers of not more than one liter to any [consumer's address] licensee or consumer in New Hampshire in any calendar year. [No direct shipper shall ship beer or beverage to a New Hampshire licensee.]
 - 12 Effective Date. This act shall take effect July 1, 2021.

SB 125-FN- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENT #2021-0745s)

AN ACT

relative to beverage manufacturer licenses.

FISCAL IMPACT:

[X] State

[] County

[] Local

[] None

	Estimated Increase / (Decrease)			
STATE:	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[X]General Liquor Fund	[-] Education	Highway	[X]Other-

METHODOLOGY:

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.

The Liquor Commission is unable to determine how many licensees would be eligible to engage in the business opportunities created in this bill, or to predict how New Hampshire consumers will react to the proposed changes. The Commission is not able to predict the impact on sales or license revenue and anticipates an increase in the workload for licensing and auditing staff. Any increase in workload will depend on the number of eligible licensees engaging in the new opportunities. The Commission is not able to determine in advance if the increase in workload will require additional staff. The Commission identified the following provisions of the bill that could impact the expenditures and/or revenues of the Commission:

- Beverage Manufacturers License RSA 178:12, IV(a)(2). This amendment would remove
 the limitation on the quantity of beer a beverage manufacturer may sell to a member of
 the general public per day.
- Nano Brewery License RSA 178:12-a. The new paragraphs would permit a business
 holding a Nano Brewer license to enter into a contract brew arrangement with a brewer
 located within the State.

- Brew Pub Contract Brewing RSA 178:13. The additional paragraphs will permit a
 business holding a Brew Pub license to enter into a contract brew arrangement with a
 brewer located within the State of New Hampshire.
- Intrastate Shipments of Alcohol by New Hampshire Manufacturers RSA 178:27-b. This new section would allow Beverage Manufacturers, Nano Brewers, Brew Pubs, Wine Manufacturers, Importers, Wholesalers and Retailers" to ship alcoholic beverages, sold by that licensee, to New Hampshire consumers over the age of 21, in properly marked packages in areas of the state where alcohol may be lawfully sold. (The Commission notes the definitions of "Importer", "Wholesaler" and Retailer" require further clarification in Statute.)
- Beverage Manufacturer Licenses RSA 178:12, II-b. This new paragraph establishes a
 new authorization for a beverage manufacturer (RSA 178:12) to sell alcohol beverages,
 manufactured by the beverage manufacturer, at retail outlets owned and operated by the
 beverage manufacturer. The beverage manufacturer would pay a fee of \$336 for each
 retail outlet.

AGENCIES CONTACTED:

Liquor Commission

CHAPTER 180 SB 125-FN - FINAL VERSION

03/18/2021 0745s 3Jun2021... 1237h

2021 SESSION

21-0900 08/10

SENATE BILL

125-FN

AN ACT

relative to beverage manufacturer licenses.

SPONSORS:

Sen. Gannon, Dist 23; Sen. Perkins Kwoka, Dist 21; Sen. Carson, Dist 14; Sen. Prodley Dist 2: Per Welch Perk 12: Per Weyler

Rosenwald, Dist 13; Sen. Bradley, Dist 3; Rep. Welch, Rock. 13; Rep. Weyler,

Rock. 13

COMMITTEE:

Commerce

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.

Explanation:

Matter added to current law appears in bold italics.

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 180 SB 125-FN - FINAL VERSION

03/18/2021 0745s 3Jun2021... 1237h

21-0900 08/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT

relative to beverage manufacturer licenses.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 180:1 Beverage Manufacturers License. Amend RSA 178:12, IV(a)(2) to read as follow:
- (2) The general public for off-premises consumption [in quantities not to-exceed a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per day]; or
- 180:2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after paragraph VIII the following new paragraphs:
- IX. Each nano brewery shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A nano brewer in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
- X. A nano brewer may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the nano brewer has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the nano brewer's facility or at some other facility accessible only to the nano brewer. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A nano brewer shall file all contract brewing arrangements with the commission. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XI. Nano brewers and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Nano brewers and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality, and destination of beverages removed from storage. Such records shall be retained by the nano brewer or contract brewer using the facility and shall be made available to the commission upon request. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XII. Annual on-site production by a nano brewer shall not be less than their production for 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 annually.
- 3 XIII. The nano brewer shall submit to the liquor commission an annual report of all beverages by:
 - (a) The nano brewer on-site.
 - (b) Any tenant brewer.

- (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 brewer.
 - 180:3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.
- 36 XIII. The brew pub shall submit to the liquor commission an annual report of all beverages 37 by:

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1 (a) The brew pub on-site.

- (b) Any tenant brewer.
- 3 (c) Any contract brewer the brew pub has contracted with under paragraph X.
- 4 XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew 5 pub.
- 6 180:4 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.
 - 180:5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting after section 27-a the following new section:
 - 178:27-b Direct to Consumer Shipments of Alcohol to New Hampshire Residents.
 - I. Notwithstanding any other provision of law to the contrary, any business licensed under this chapter as a beverage manufacturer, nano brewery, brew pub, wine manufacturer, liquor manufacturer or beverage distributor may apply for a direct to consumer shipping permit from the commission. The permit shall authorize the holder to sell and deliver alcohol beverages to consumers 21 years of age or older located within the state of New Hampshire and businesses licensed by the commission for on-sale and off-sale of alcoholic beverages. There shall be no fee to obtain a shipping permit under this section.
 - II. No liquor manufacturer shall ship more than 60 individual containers of not more than one liter each of liquor to any consumer's address in New Hampshire in any calendar year. No wine manufacturer shall ship more than 12 9-liter cases or equivalent of wine to any consumer's address in New Hampshire in any calendar year. No beverage manufacturer, nano brewery, brew pub, or beverage distributor shall ship more than 27 gallons of beer, specialty beer or specialty beverage in individual containers of not more than one liter to any consumer's address in New Hampshire in any calendar year. Beer, specialty beer and specialty beverages delivered to New Hampshire consumers under this section shall not exceed 8 percent alcohol by volume.
 - III. A manufacturer holding a direct to consumer shipping permit 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 direct to consumer shippers shall be made by a licensed carrier as defined in RSA 178:14 and such carriers are required to obtain an adult signature. Direct to consumer permittees 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.

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IV.(a) Direct to consumer shipping permittees 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.
- (b) The commission may assess a \$250 penalty for each failure to report to the commission in a timely manner.
- (c) Direct to consumer shipping permittees shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, wine manufacturer or liquor manufacturer.
 - V. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
- (a) The application procedures and form for the direct to consumer shipping permit authorized under paragraph I.
- (b) The signature form or other identification procedures to be used by direct to consumer shipping permittee to ensure that consumers to which alcoholic beverages are being shipped are over 21 years of age.
 - (c) Filings of intrastate direct shippers under paragraph III.
 - VI. Violations of this section shall be subject to the penalties contained in RSA 179:58.
- 180:6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
- II-b. Each beverage manufacturer shall have the right to manufacture beverages and specialty beer as defined by RSA 175:1 at the beverage manufacturer's New Hampshire licensed premises, to sell those beverages and specialty beers to New Hampshire wholesalers and at one beverage manufacturer retail outlet as defined in RSA 175:1, IX-a, in quantities provided by statute, and transport said beverages and specialty beer to the state line. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any

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- areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed third party food vendor, prepared on or off the premises.
- 3 180:7 New Paragraph; Definition; Beverage Manufacturer Retail Outlet. Amend RSA 175:1 by 4 inserting after paragraph IX the following new paragraph:
- IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling, production or manufacturing and promotion of beverages and other products manufactured by a beverage manufacturer licensee.
 - 180:8 New Paragraph; Direct to Consumer Shipping Permit. Amend RSA 178:14 by inserting after paragraph III the following new paragraph:
- IV. A licensed carrier shall authorize the licensee to pick up, transport, and deliver beer and alcoholic beverages from a business holding a direct to consumer shipping permit as provided in RSA 178:27-b.
 - 180:9 Beverage; Definition. Amend RSA 175:1, VIII to read as follows:

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- VIII. "Beverage" means any beer, wine, similar fermented malt or vinous liquors and fruit juices, and any other liquid intended for human consumption as a beverage having an alcoholic content of not less than 1/2 of one percent by volume and not more than 6 percent alcohol by volume at 60 degrees Fahrenheit and specialty beer as defined in RSA 175:1, LXIV-a. The commission may approve any fermented malt beverage, other similar fermented and brewed beverage, or mead greater than 6 percent but not to exceed 8 percent or any cider greater than 6 percent or any specialty cider greater than 8 percent and not to exceed 12 percent alcohol by volume at 60 degrees Fahrenheit. A beverage shall not be considered a product classified by the commission as a domestic wine as defined in RSA 175:1, LXVII, or a table wine as defined in RSA 175:1, LXIX, or a fortified wine as defined in RSA 175:1.
- 24 180:10 Nano Brewery; Samples. RSA 178:12-a, II(e) is repealed and reenacted to read as follows:
 - (e) A nano brewery may either provide samples for free or for a fee which shall be limited to one, 4-ounce glass per label or one 16-ounce glass per person. At such times as food is available, a nano brewery may serve no more than 2, 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by properly licensed third-party food vendors, prepared on or off the premises.
 - 180:11 Direct Shippers. Amend RSA 178:27, IV to read as follows:
 - IV. No direct shipper shall ship more than 27 gallons of beer or beverage in individual containers of not more than one liter to any [eonsumer's address] licensee or consumer in New Hampshire in any calendar year. [No direct shipper shall ship beer or beverage to a New Hampshire licensee.]
- 36 180:12 Effective Date. This act shall take effect July 1, 2021.

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Approved: August 06, 2021 Effective Date: July 01, 2021

Amendments

Amendment to SB 125-FN

1	Amend the bill by replacing all after the enacting clause with the following:
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3 1 Beverage Manufacturers License. Amend RSA 178:12 to read as follows:

178:12 Beverage Manufacturer License.

- I. Beverage manufacturer licenses shall authorize the licensee to manufacture beverages and specialty beverages within the state and to sell the beverages manufactured to *retail and/or* wholesale distributors.
- II. The holder of a beverage manufacturer license may be issued one on-premises license for the manufacturer's premises, providing all requirements of the license are fulfilled. The annual fee for each license issued under this section shall be as required under RSA 178:29.
- II-a. The holder of a beverage manufacturer license may sell or provide beverage samples to visitors of legal drinking age for consumption on the premises where the beverages were manufactured. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce glass per label or [one] 2 16-ounce [glass] glasses per person, unless food is provided, which may be consumed[. At such times as food is available, a beverage manufacturer may serve no more than 2 16 ounce glasses per person] in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed [third party] food vendor, prepared on or off the premises.
- II-b. In this section "food" means any raw, cooked, or processed edible substance, ice, beverage, or ingredient used or intended for use or for sale in whole or in part for human consumption. A beverage manufacturer may serve food provided by a licensed food service establishment.
- II-c. Any beverage manufacturer licensee meeting and maintaining the requirements of a restaurant under RSA 178:20, except the requirement of RSA 178:20, IV, and paying an additional fee of \$240, shall comply with the following:
- (a) No beverage or liquor shall be served or consumed on the premises except that which is manufactured by the licensee on the premises or manufactured by the licensee at a host brewer facility unless a full restaurant license is obtained.
- (b) The licensee may serve beverages to any visitor of legal drinking age by the glass or other suitable container.
- (c) The licensee shall not allow any beverage or liquor to be served or sold to any person under the age of 21 on the premises.

Amendment to SB 125-FN - Page 2 -

II-d. Each beverage manufacturer shall have the right to sell at retail or wholesale
at its facility, and retail at one beverage manufacturer retail outlet, for off-premises
consumption of any of its beverages, specialty beers and/or specialty beverages. The
beverage manufacturer shall pay an annual fee of \$216 to the commission for the beverage
manufacturer retail outlet. The beverage manufacturer may transport beverages, specialty
beers and/or specialty beverages it manufactures to its beverage manufacturer retail outlet
for sample or sale. Visitors of legal drinking age at the manufacturing location or
beverage manufacturer retail outlet may be provided with samples of beverages, specialty
beers and/or specialty beverages manufactured by the licensee in this state for tasting. A
beverage manufacturer may either provide samples for free or for a fee which shall be
limited to one 4-ounce sample per label or 2 16-ounce glasses per person, unless food is
provided. At such times as food is available, a beverage manufacturer may serve in any
areas approved by the commission. For the purpose of this section, food and non-alcoholic
beverages may be provided by a properly-licensed third party food vendor, prepared on or
off the premises.

- III. The holder of a beverage manufacturer license may operate a hospitality room on the premises [in which the licensee may make available to employees and visitors of legal drinking age for on-premises consumption free of charge samples of beverages manufactured or distributed in the United States by the beverage manufacturer]. The hospitality room shall require commission approval in respect to its location, service facilities, and seating arrangements.
- IV.(a) The holder of a beverage manufacturer license may sell beverages manufactured on its premises or manufactured by the licensee at a host brewer facility to:
- (1) The licensee's employees who are of legal drinking age at such discounts as are customary in the business;
- (2) The general public for *on-premises or* off-premises consumption *in any* quantity [in quantities not to exceed a single 15.5 gallon keg or the equivalent of one-case of 12 ounce containers per-person per day]; or
- (b) A holder of a beverage manufacturer license who manufactures 15,000 barrels or less during its licensing period may elect to distribute its beverages directly to retail licensees and/or to distribute its beverages pursuant to RSA 180, provided that total in-state direct retail sales do not exceed 5,000 barrels.
- V. Beverage manufacturers shall pay a fee as required by RSA 178:26 for each gallon of beverage sold or provided under paragraphs III, IV, and IV-a.
- VI. The holder of a beverage manufacturer license may sell beverages manufactured on its premises or manufactured by the licensee at a host brewer facility *at retail* to New Hampshire wholesalers, subject to the conditions of RSA 180.

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VII. Beverage manufacturers may hire representatives to promote their products, who shall carry a copy of the beverage manufacturer's license and a letter authorizing them to conduct business for the manufacturer on their person at all times when conducting the beverage manufacturer's business.

VIII. Each beverage manufacturer shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A beverage manufacturer in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.

IX. The holder of a beverage manufacturer license may act as a host brewer for one or more tenant brewers licensed under RSA 178:12-b.

X. The holder of a beverage manufacturer license may be issued a tenant brewer license under RSA 178:12-b if the licensee meets the requirements of RSA 178:12-b. Beer or specialty beer produced or packaged by a beverage manufacturer as a tenant brewer at a host brewer facility shall be included in the production and sales limits in subparagraph IV(b).

XI. A beverage manufacturer or brew pub may enter into a contract brewing arrangement with a [contract brewer] beverage manufacturer who shall become a contract brewer. Beverages produced by a contract brewer intended for sale inside or outside the state may be warehoused at the beverage manufacturer's facility or at some other facility accessible only to the beverage manufacturer. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A contract brewer shall file all contract brewing arrangements with the commission.

XII. Beverage manufacturers, tenant brewers, and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Beverage manufacturers, tenant brewers, and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the beverage manufacturer, tenant brewer, or contract brewer using the facility and shall be made available to the commission upon request.

XIII. The holder of a beverage manufacturer's license may produce a "specialty cider" as defined in RSA 175:1, LXIV-aa. Such specialty cider may be produced and sold not more than twice in any licensing year. A beverage manufacturer that chooses to manufacture a specialty cider shall:

(a) Provide 30 days advanced notice to the commission of the intent to produce a specialty cider.

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1	(b) Provide the commission with an estimated quantity of specialty cider to be produced
2	and shall report to the commission the production of specialty cider separately from other beverages
3	produced.
4	(c) Not produce more than 1,000 cases holding 24 12-ounce containers, or the equivalent,
5	in a licensing year.
6	(d) Notify the commission after the production of specialty cider has ended during a
7	licensing
8	year.
9	XIV. For an additional annual fee of \$120, any beverage manufacturer may
10	transport its products to a wine manufacturer's facility licensed under RSA 178:8, for the
11	purpose of sampling or selling its products. Samples may be sold or given away. Retail
12	sales made at the wine manufacturer's facility shall be limited to products in their
13	unopened original containers and to customers and persons of legal drinking age.
14	Beverage manufacturers shall be subject to the following additional limitations under this
15	section:
16	(a) Beverage manufacturer licensees shall be limited to one sampling event per
17	day.
18	(b) Sampling and sales of the beverage manufacturer licensee's products shall
19	conform to the normal business hours of the winery licensee.
20	(c) Sample sizes shall be limited to one 16-ounce glass per person if no food is
21	available and 2 16-ounce glasses if food is available.
22	(d) Beverage manufacturer licensee products brought to a sampling event shall
23	be brought to the wine manufacturer's facility on the day of the event and all such
24	products shall be removed at the end of the event.
25	(e) Beverage manufacturer licensees shall notify the commission of date, times,
26	and location of each sampling event not less than 5 days before each event.
27	XV. Any beverage manufacturer or brew pub licensee shall have the right to ship
28	their products directly to consumers of legal age within the state of New Hampshire.
29	(a) These orders may be accepted by mail, telephone, Internet or any other
30	electronic means.
31	(b) All shipments directly to New Hampshire consumers must be in packages
32	clearly marked "Alcoholic Beverages adult signature (over 21 years of age) required." Al
33	shipments shall be made by a licensed carrier and such carriers are required to obtain an
34	adult signature. Carriers shall not ship into areas of the state where alcohol beverages
35	may not be lawfully sold.
36	2 Fees; Beverage Manufacturers. Amend RSA 178:29, III(a) to read as follows:

(a) Beverage manufacturer license:

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	·
1	(1) Domestic sales under 500 barrels per year, \$240.
2	(2) Domestic sales of 501 to 2500 barrels per year, \$480.
3	(3) Domestic sales of 2,501 to 15,000 barrels or less per year, \$1,200;
4	[(2)] (4) Domestic sales of more than 15,000 barrels per year, \$1,692.
5	3 Contract Brewer; Definition. Amend RSA 175:1, XXV-a - XXV-b to read as follows:
6	XXV-a. "Contract brewer" means a [brewery] beverage manufacturer hired by a beverage
7	manufacturer $or\ brew\ pub$ to produce a beverage for the beverage manufacturer $or\ brew\ pub$.
8	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
9	manufacturer or brew pub pays another [brewer] beverage manufacturer to produce a beverage
10	for the beverage manufacturer or brew pub for sale.
11	4 Limited Credits; Nano Brewery; Cross References Removed. Amend RSA 179:13 to read as
12	follows:
13	179:13 Limited Credits.
14	I. Each holder of a wholesale distributor, brew pub, [nano brewery,] or beverage
15	manufacturer license shall report to the commission the name and license number of any on-
16	premises or off-premises licensee who is delinquent in making payment of accounts over a total of
17	\$100 within 10 days, including Sundays and holidays, from the date of delivery of beverages on the
18	premises of such on-premises or off-premises licensee or on the premises of a liquor/wine/beverage
19	warehouser storing the beverages for an on-premises or off-premises licensee. Each holder of a
20	wholesale distributor license, brew pub license, [nano-brewery-license,] beverage manufacturer
21	license, or beverage vendor license shall report to the commission the name and license number of
22	any holder of a wholesale distributor license who is delinquent in making payments of accounts
23	within 30 days from the date of delivery of beverages on the premises of such holder of a wholesale
24	distributor license. Such report to the commission shall include the amounts purchased and the
25	dates when payments were due and shall be forwarded to the commission within 5 days after said
26	accounts become delinquent, unless the fifth day of such period is a Sunday or holiday in which case
27	the report shall be forwarded the day following such Sunday or holiday.
28	II. Each holder of a beverage manufacturer license, beverage vendor license, brew pub
29	license, [nane brewery license,] or wholesale distributor license shall immediately notify the
30	commission of the receipt of the payment of any account which has been reported to the commission
31	as delinquent. Post-dated checks beyond the 5-day reporting period shall not constitute payments of
32	accounts for the purchases of beverages. Checks given in payment for beverages which are returned
33	for nonpayment after the 5-day reporting period shall immediately constitute a delinquency and

delinquent unless actually received at the place of business of the holder of the beverage manufacturer license, beverage vendor license, brew pub license, [nano-brewery license,] or wholesale distributor license on or before the fifth day of the reporting period. When collections are

shall, upon return, be reported to the commission. Payments collected by agents shall be reported as

34 35

36

Amendment to SB 125-FN - Page 6 -

made by an agent, the sales slips or invoices shall be clearly marked with the name of the person making the collection and the date of such collection. Nothing in this section shall prohibit a licensee from making a payment by credit card, debit card, or other acceptable commercial means. Holders of a beverage manufacturer license, beverage vendor license, brew pub license, [nane brewery-license,] or wholesale distributor license may add a transactional fee to the delinquent account when accepting a payment method that incurs a transactional fee. Nothing in this section shall require a beverage manufacturer licensee, beverage vendor licensee, brew pub licensee, [nane brewery licensee,] or wholesale distributor licensee to accept a credit card, debit card, or other acceptable commercial means.

III. The commission shall inform holders of beverage manufacturer licenses, beverage vendor licenses, brew pub licenses, [nane brewery licenses,] and wholesale distributor licenses of the names of licensees who are delinquent in making payments of a total amount of \$100 or more under the provisions of this section and no holder of a beverage manufacturer license, beverage vendor license, brew pub license, [nane brewery license,] or wholesale distributor license shall knowingly make any delivery of beverages to any licensee whose payments for purchases of beverages are reported as delinquent under this section. The commission may withhold names of delinquent licensees under circumstances in which there is a dispute over payments, an agreement to liquidate which has been approved by the commission, or other reason which the commission may deem proper.

IV. The commission may impose a fine of not less than \$100 nor more than \$500 for a violation of this section. Determinations of a failure to comply with this section shall be made by the commission.

V. Each wholesale distributor, brew pub licensee, [nano brewery,] or beverage manufacturer shall notify any retailer reported to the commission pursuant to RSA 179:13, I who is delinquent in making payment of accounts. Notification shall be delivered in writing to the licensee by a representative of the wholesaler, brew pub licensee, [nano brewery,] or beverage manufacturer. Proof of notification shall be forwarded to the commission, whose enforcement division shall issue an administrative notice for a violation of the provisions of RSA 179:13, I and shall forward a report of violation for administrative action. Any license issued to any business violating the provisions of RSA 179:13, I may be suspended by the commission for nonpayment of accounts which are delinquent more than 15 days from the date of the wholesale distributor's, brew pub licensee's, [nano brewery's,] or beverage manufacturer's notification, providing the requirements of this section have been met.

5 Size of Beer Containers; Nano Breweries; Cross References Removed. Amend RSA 179:33 to read as follows:

179:33 Sizes of Beer Containers; Promotions; Notification.

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- I. Holders of beverage vendor, brew pub, [nano brewery,] or beverage manufacturer licenses shall have their packaging or containers specifically approved by the commission and shall be fined \$250 for each packaging or container violation. Container and packaging approval shall not require delivery of a physical sample unless the commission determines a physical sample is necessary for approval.
- II. All details of transactions between retailers and wholesale distributors, beverage manufacturers, [nano-breweries,] or brew pubs shall be reflected on pertinent invoices. Promotions shall be clearly identified by both brands and sizes and cash discounts shall be shown as credit and itemized as such. All items noted on delivery slips shall also be noted on wholesale distributor's account receivable ledger records.
- III. All wholesale distributors, beverage manufacturers, [nane-breweries,] and brew pubs shall make their current prices for wholesale sales available to the commission in writing by brand package. Prices shall remain in effect until such time as they are changed in writing by the wholesale distributor, beverage manufacturer, [nane-brewery,] or brew pub to the commission. Price changes shall be in the commission offices no later than 5 working days prior to any change of prices.
- IV. The liquor commission shall not, by rule or otherwise, require a beverage vendor, beverage manufacturer, [nane brewery,] or brew pub to obtain federal label approval for beverage, as defined in RSA 175:1, VIII, sold exclusively in the state of New Hampshire.
- 6 Free Drinks; Nano Breweries; Cross Reference Removed. Amend RSA 179:44, II-a to read as follows:
- II-a. Notwithstanding paragraph I, wine manufacturers, beverage manufacturers, [nane breweries,] and brew pubs may provide samples for tasting to persons of legal drinking age at a farmers' market provided they have received written authorization by the town or city's governing body, which authorization shall remain effective until revoked in writing, and they have provided the commission with a copy of that authorization. Provision of samples shall be restricted to clearly defined areas approved by the commission. Samples shall be limited to one 4-ounce sample per label per person for any beer, specialty beer, or cider, and one 2-ounce sample per label per person for any wine.
- 7 Definitions; Nano Breweries; Cross Reference Removed. Amend RSA 175:1, LXVI to read as follows:
- LXVI. "Wholesale distributor" means a person licensed by the commission to engage in the purchase of beverages only from the holders of wholesale distributor licenses, beverage manufacturer licenses, beverage vendor licenses, or brew pub licenses, [or-nano-brewery licenses]. Wholesale distributors may resell, to other licensees, beverages in their original containers, as prepared for the market by the manufacturer, but not for consumption, except for tasting on the premises of the wholesaler.
 - 8 Repeal. The following are repealed:

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- I. RSA 178:12-a, relative to nano brewery license.
- 2 II. RSA 178:8, VIII, relative to enabling wine manufacturers to transport products to a nano
- 3 brewer for sale.
- 4 9 Effective Date. This act shall take effect July 1, 2021.

Amendment to SB 125-FN - Page 9 -

2021-0358s

AMENDED ANALYSIS

This bill:

- I. Makes changes to the requirements for serving samples for beverage manufacturers.
- II. Repeals the provisions regarding nano breweries, creating a class of small beverage manufacturers.

Amendment to SB 125-FN

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

- 1 Beverage Manufacturers License. Amend RSA 178:12, IV(a)(2) to read as follow:
- (2) The general public for off-premises consumption [in-quantities not to exceed a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per day]; or
- 2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after paragraph VIII the following new paragraphs:
- IX. Each nano brewery shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A nano brewer in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
- X. A nano brewer may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the nano brewer has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the nano brewer's facility or at some other facility accessible only to the nano brewer. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A nano brewer shall file all contract brewing arrangements with the commission. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XI. Nano brewers and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Nano brewers and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality, and destination of beverages removed from storage. Such records shall be retained by the nano brewer or contract brewer using the facility and shall be made available to the commission upon request. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XII. Annual on-site production by a nano brewer shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production,

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- including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,000 barrels annually.
- 3 XIII. The nano brewer shall submit to the liquor commission an annual report of all 4 beverages by:
 - (a) The nano brewer on-site.
- 6 (b) Any tenant brewer.

- (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.
 - 3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.

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1	XIII. The brew pub shall submit to the liquor commission an annual report of all beverages
2	by:
3	(a) The brew pub on-site.
4	(b) Any tenant brewer.
5	(c) Any contract brewer the brew pub has contracted with under paragraph X.
6	XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew
7	pub.
8	4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175:1, XXV-a - XXV-b to
9	read as follows:
10	XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, nano
11	brewery, or brew pub to produce a beverage for the beverage manufacturer.
12	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
13	manufacturer, nano brewery, or brew pub pays another brewer to produce a beverage for the
14	beverage manufacturer, nano brewer, or brew pub for sale.
15	5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting
16	after section 27-a the following new section:
17	178:27-b Intrastate Shipments of Alcohol by New Hampshire Manufacturers.
18	I. Notwithstanding any other provision of law to the contrary, any person currently licensed
19	in the state of New Hampshire as a beverage manufacturer, nano brewery, or brew pub shall apply
20	for a intrastate direct shipper permit from the commission. There shall be no fee to obtain a
21	shipping permit under this section.
22	II. An intrastate direct shipper may ship directly to New Hampshire consumers over 21
23	years of age or licensees in packages clearly marked "Alcoholic Beverages, adult signature (over 21
24	years of age) required." All shipments from intrastate direct shippers shall be made by a licensed
25	carrier and such carriers are required to obtain an adult signature. Intrastate direct shippers or
26	carriers shall not ship into areas of the state where alcohol beverages may not be lawfully sold.
27	Shipments of any other products shall be considered unlicensed shipments under the provisions of
28	RSA 178:1, I.
29	III.(a) Intrastate direct shippers shall file reports to the commission. Such reports shall be
30	filed once per month for any month in which a shipment was made in a manner and form required
31	by the commission and include the following information:
32	(1) The total amount of alcoholic beverages shipped within the state for the
33	preceding month.
34	(2) The names and addresses of the purchasers to whom the alcoholic beverages
35	were shipped.
36	(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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(b) The commission may assess a \$250 penalty for failure to report to the commission in a timely manner.

- (c) Intrastate direct shippers shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, or wholesale distributor.
 - IV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
- (a) The application procedures and form for the intrastate direct shipper permit authorized under paragraph I.
- (b) The signature form or other identification procedures to be used by intrastate direct shipper to ensure that consumers to which liquor and beverage are being shipped are over 21 years of age.
 - (c) Filings of intrastate direct shipper under paragraph III.
 - V. Violations of this section shall be subject to the penalties contained in RSA 179:58.
- 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
- II-b. Each beverage manufacturer shall have the right to obtain one beverage manufacturer retail outlet, for off-premises consumption any beverages limited to those products manufactured by the licensee. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed third party food vendor, prepared on or off the premises.
- 7 New Subparagraph; Nano Brewery License. Amend RSA 178:12-a, VI by inserting after subparagraph (c) the following new subparagraph:
- (d) Each nano brewery licensee shall have the right to obtain one beverage manufacturer retail outlet, for off-premises consumption any beverages limited to those products manufactured by the licensee. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide

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- samples for free or for a fee which shall be limited to one 4-ounce sample per label or one 16-ounce
- 2 glass per person. At such times as food is available, a nano brewery licensee may serve no more
- 3 than one additional 16-ounce glasses per person in any areas approved by the commission. For the
- 4 purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed
- 5 third party food vendor, prepared on or off the premises.
- 8 Effective Date. This act shall take effect July 1, 2021.

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2021-0657s

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.

Amendment to SB 125-FN

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

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

 $\frac{20}{21}$

- (2) The general public for off-premises consumption [in quantities not to exceed a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per day]; or
- 2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after paragraph VIII the following new paragraphs:
- IX. Each nano brewery shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A nano brewer in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
- X. A nano brewer may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the nano brewer has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the nano brewer's facility or at some other facility accessible only to the nano brewer. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A nano brewer shall file all contract brewing arrangements with the commission. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XI Nano brewers and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Nano brewers and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality, and destination of beverages removed from storage. Such records shall be retained by the nano brewer or contract brewer using the facility and shall be made available to the commission upon request. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XII. Annual on-site production by a nano brewer shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production,

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- including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,000 barrels annually.
 - XIII. The nano brewer shall submit to the liquor commission an annual report of all beverages by:
 - (a) The nano brewer on-site.
 - (b) Any tenant brewer.

- (c) Any contract brewer the nano brewer has contracted with under paragraph X.
- XIV. All taxes due on product that is made by a contract brewer shall be paid by the nano brewer.
 - 3 New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.

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1	XIII. The brew pub shall submit to the liquor commission an annual report of all beverages
2	by:
3	(a) The brew pub on-site.
4	(b) Any tenant brewer.
5	(c) Any contract brewer the brew pub has contracted with under paragraph X.
6	XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew
7	pub.
8	4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175.1, XXV-a - XXV-b to
9	read as follows:
LO _.	XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, nano
L1.	brewery, or brew pub to produce a beverage for the beverage manufacturer.
12	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
13	manufacturer, nano brewery, or brew pub pays another brewer to produce a beverage for the
L 4	beverage manufacturer, nano brewer, or brew pub for sale.
15	5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting
l6	after section 27-a the following new section:
17	178:27-b Intrastate Shipments of Alcohol by New Hampshire Manufacturers.
18	I. Notwithstanding any other provision of law to the contrary, any person currently licensed
L9	in the state of New Hampshire as a beverage manufacturer, nano brewery, brew pub, wine
20	manufacturer, importer, wholesaler or retailer shall apply for a intrastate direct shipper permit
21	from the commission. There shall be no fee to obtain a shipping permit under this section.
22	II. An intrastate direct shipper may ship directly to New Hampshire consumers over 21
23	years of age or licensees in packages clearly marked "Alcoholic Beverages, adult signature (over 21
24	years of age) required. All shipments from intrastate direct shippers shall be made by a licensed
25 .	carrier and such carriers are required to obtain an adult signature. Intrastate direct shippers or
26	carriers shall not ship into areas of the state where alcohol beverages may not be lawfully sold.
27	Shipments of any other products shall be considered unlicensed shipments under the provisions of
28	RSA 178:1, I
29/	III.(a) Intrastate direct shippers shall file reports to the commission. Such reports shall be
30	filed once per month for any month in which a shipment was made in a manner and form required
31	by the commission and include the following information:
32	(1) The total amount of alcoholic beverages shipped within the state for the
33	preceding month.
34	(2) The names and addresses of the purchasers to whom the alcoholic beverages
35	were shipped.
36	(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.

Amendment to SB 125-FN - Page 4 -

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

- (c) Intrastate direct shippers shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, or wholesale distributor.
 - IV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
- (a) The application procedures and form for the intrastate direct shipper permit authorized under paragraph I.
- (b) The signature form or other identification procedures to be used by intrastate direct shipper to ensure that consumers to which liquor and beverage are being shipped are over 21 years of age.
 - (c) Filings of intrastate direct shipper under paragraph III.
 - V. Violations of this section shall be subject to the penalties contained in RSA 179:58.
- 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
- II-b. Each beverage manufacturer shall have the right to manufacture beverages and specialty beer as defined by RSA 175:1 at the beverage manufacturer's New Hampshire licensed premises, to sell those beverages and specialty beers to New Hampshire wholesalers and, in quantities provided by statute, to the public at the beverage manufacturer's retail outlets, and transport said beverages and specialty beer to the state line. The beverage manufacturer shall pay an annual fee of \$336 to the commission for the beverage manufacturer retail outlet. The beverage manufacturer may transport beverages it manufactures to its beverage manufacturer retail outlet for sample or sale. Visitors of legal drinking age at the beverage manufacturer retail outlet may be provided with samples of beverages manufactured by the licensee in this state for tasting. A beverage manufacturer may either provide samples for free or for a fee which shall be limited to one 4-ounce sample per label or one 16-ounce glass per person. At such times as food is available, a beverage manufacturer may serve no more than one additional 16-ounce glasses per person in any areas approved by the commission. For the purpose of this section, food and non-alcoholic beverages may be provided by a properly-licensed third party food vendor, prepared on or off the premises.
- 7 New Paragraph; Definition; Beverage Manufacturer Retail Outlet. Amend RSA 175:1 by inserting after paragraph IX the following new paragraph:
- IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling, production or manufacturing and promotion of beverages and other products manufactured by a beverage manufacturer licensee.
 - 8 Effective Date. This act shall take effect July 1, 2021.

2021-0703s

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.



Amendment to SB 125-FN

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

- 1 Beverage Manufacturers License. Amend RSA 178:12, IV(a)(2) to read as follow:
- (2) The general public for off-premises consumption [in quantities-not to exceed-a single 15.5 gallon keg or the equivalent of one case of 12 ounce containers per person per day]; or
- 2 New Paragraphs; Nano Brewer; Contract Brewing. Amend RSA 178:12-a by inserting after paragraph VIII the following new paragraphs:
- IX. Each nano brewery shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A nano brewer in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
- X. A nano brewer may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the nano brewer has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the nano brewer's facility or at some other facility accessible only to the nano brewer. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A nano brewer shall file all contract brewing arrangements with the commission. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XI. Nano brewers and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Nano brewers and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality, and destination of beverages removed from storage. Such records shall be retained by the nano brewer or contract brewer using the facility and shall be made available to the commission upon request. A nano brewer shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
- XII. Annual on-site production by a nano brewer shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production,

Amendment to SB 125-FN - Page 2 -

- including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,000 barrels annually.
- 3 XIII. The nano brewer shall submit to the liquor commission an annual report of all beverages by:
 - (a) The nano brewer on-site.
- 6 (b) Any tenant brewer.

- (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.
- New Paragraphs; Brew Pub Contract Brewing. Amend RSA 178:13 by inserting after paragraph VIII the following new paragraphs:
 - IX. Each brew pub shall have the right to transport the beverage it manufactures in barrels, kegs, bottles, or other closed containers within the state for sale to licensees and to the state border for transportation and sale outside the state. A brew pub in a contract brewing arrangement may transport the beverage produced by the contract brewer in barrels, kegs, bottles, or other closed containers within the state for storage or to the state border for transportation and sale outside the state.
 - X. A brew pub may enter into a contract brewing arrangement with a contract brewer brewing in the state of New Hampshire after the brew pub has been in operation for one year. Beverages produced by a contract brewer intended for sale outside the state may be warehoused at the brew pub's facility or at some other facility accessible only to the brew pub. A contract brewer shall not deliver beverages to on-premises and off-premises licensees within the state. A brew pub shall file all contract brewing arrangements with the commission. A brew pub shall not enter into a contract brewing arrangement with a contract brewer if it does not brew at least 10 barrels annually.
 - XI. Brew pubs and contract brewers shall be allowed to store beverages manufactured in accordance with the provisions of this title in a storage facility licensed by the commission. Brew pubs and contract brewers storing beverages in a warehouse licensed under RSA 178:11, or other facility approved by the commissioner for the purpose of storing alcohol, shall keep records of the type, quality and destination of beverages removed from storage. Such records shall be retained by the brew pub or contract brewer using the facility and shall be made available to the commission upon request.
 - XII. Annual on-site production by a brew pub shall not be less than their production for the calendar year prior to entering into an arrangement with a contract brewer. Total production including tenant and contract brewers, shall be at least 10 barrels and shall not exceed 2,500 barrels annually.

Amendment to SB 125-FN - Page 3 -

	•
1	XIII. The brew pub shall submit to the liquor commission an annual report of all beverages
2	by:
3 .	(a) The brew pub on-site.
4	(b) Any tenant brewer.
5	(c) Any contract brewer the brew pub has contracted with under paragraph X.
6	XIV. All taxes due on product that is made by a contract brewer shall be paid by the brew
7	pub.
8	4 Contract Brewers; Nano Brewers and Brew Pubs Added. Amend RSA 175:1, XXV-a - XXV-b to
9	read as follows:
10	XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer, nano
11	brewery, or brew pub to produce a beverage for the beverage manufacturer.
12	XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage
13	manufacturer, nano brewery, or brew pub pays another brewer to produce a beverage for the
14	beverage manufacturer, nano brewer, or brew pub for sale.
15	5 New Section; Intrastate Shipment of Beverages; Specialty Beer. Amend RSA 178 by inserting
16	after section 27-a the following new section:
17	178:27-b Intrastate Shipments of Alcohol by New Hampshire Manufacturers.
18	I. Notwithstanding any other provision of law to the contrary, any person currently licensed
19	in the state of New Hampshire as a beverage manufacturer, nano brewery, brew pub, wine
20	manufacturer, importer, wholesaler, or retailer shall apply for a intrastate direct shipper permit
21	from the commission. There shall be no fee to obtain a shipping permit under this section.
22	II. An intrastate direct shipper may ship directly to New Hampshire consumers over 21
23	years of age or licensees in packages clearly marked "Alcoholic Beverages, adult signature (over 21
24	years of age) required." All shipments from intrastate direct shippers shall be made by a licensed
25	carrier and such carriers are required to obtain an adult signature. Intrastate direct shippers or
26	carriers shall not ship into areas of the state where alcohol beverages may not be lawfully sold.
27	Shipments of any other products shall be considered unlicensed shipments under the provisions of
28	RSA 178:1, I.
29	III.(a) Intrastate direct shippers shall file reports to the commission. Such reports shall be
30	filed once per month for any month in which a shipment was made in a manner and form required
31	by the commission and include the following information:
32	(1) The total amount of alcoholic beverages shipped within the state for the
33	preceding month.
34	(2) The names and addresses of the purchasers to whom the alcoholic beverages
35	were shipped.
36	(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.

Amendment to SB 125-FN - Page 4 -

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

- (c) Intrastate direct shippers shall maintain records for at least 3 years which will permit the commission to ascertain the truthfulness of the information filed and permit the commission to perform an audit of the beverage manufacturer, nano brewery, brew pub, or wholesale distributor.
 - IV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to:
- (a) The application procedures and form for the intrastate direct shipper permit authorized under paragraph I.
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 - (c) Filings of intrastate direct shipper under paragraph III.
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- 6 New Paragraph; Beverage Manufacturer Licenses. Amend RSA 178:12 by inserting after paragraph II-a the following new paragraph:
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- IX-a. "Beverage manufacturer retail outlet" means an outlet for the sale, sampling, production or manufacturing and promotion of beverages and other products manufactured by a beverage manufacturer licensee.
 - 8 Effective Date. This act shall take effect July 1, 2021.

Amendment to SB 125-FN - Page 5 -

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.

Committee Minutes

SENATE CALENDAR NOTICE Commerce

Sen Harold French, Chair Sen Bill Gannon, Vice Chair Sen Jeb Bradley, Member Sen Donna Soucy, Member Sen Kevin Cavanaugh, Member

Date: February 10, 2021

HEARINGS

Tuesday		02/16/2021		
	(Day)	(Date)		
Commerce	e` 	REMOTE 000	9:00 a.m.	
(Name of	Committee)	(Place)	(Time)	
9:00 a.m.	SB 66-FN	allowing on-premises licensees to transport beve delivery to consumers.	erages and wines for	
9:15 a.m.	SB 125-FN	relative to beverage manufacturer licenses.		
9:30 a.m.	SB 124-FN	adopting omnibus legislation relative to insurar	ncė.	

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

- 1. Link to Zoom Webinar: https://www.zoom.us/j/91421694755
- 2. To listen via telephone: Dial(for higher quality, dial a number based on your current location):
- 1-312-626-6799, or 1-646-558-8656, or 1-301-715-8592, or 1-346-248-7799, or 1-669-900-9128, or 1-253-215-8782
- 3. Or iPhone one-tap: 13126266799, 91421694755# or 16465588656, 91421694755#
- 4. Webinar ID: 914 2169 4755
- 5. To view/listen to this hearing on YouTube, use this link:

https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA

6. To sign in to speak, register your position on a bill and/or submit testimony, use this link: http://gencourt.state.nh.us/remotecommittee/senate.aspx

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

Sponsors: SB 66-FN

Sen. French

Sen. Carson

Sen. Avard

Sen. Cavanaugh Sen. Prentiss

Sen. Giuda

Sen. Rosenwald SB 125-FN

Sen. Gannon

Sen. Perkins Kwoka

Rep. Welch

Sen. Carson Rep. Weyler Sen. Rosenwald

Sen. Bradley SB 124-FN Sen. Cavanaugh

Aaron Jones 271-4063

Harold F. French Chairman

Senate Commerce Committee

Aaron Jones 271-4063

SB 125-FN, relative to beverage manufacturer licenses.

Hearing Date:

February 16, 2021

Time Opened:

9:31 a.m.

Time Closed:

10:17 a.m.

Members of the Committee Present: Senators French, Gannon, Bradley, Soucy

and Cavanaugh

Members of the Committee Absent: None

Bill Analysis:

This bill makes changes to the requirements for serving samples

for beverage manufacturers and nano breweries.

This bill also allows wholesale distributors to sell specialty cider.

Sponsors:

Sen. Gannon

Sen. Perkins Kwoka

Sen. Carson

Sen. Rosenwald

Sen. Bradley

Rep. Welch

Rep. Weyler

Who supports the bill: Please refer to sign-in sheets

Who opposes the bill: Please refer to sign-in sheets

Who is neutral on the bill: Scott Schaier (NH Beer Distributors Association)

Summary of testimony presented in support:

Senator Bill Gannon

- This bill, along with Amendment 21-0348s, were introduced to help unencumber the craft beer industry.
- In New Hampshire, the industry generates \$506 million, provides 4,700 jobs, and pays an average of \$42,000 per employee.
- Senator Gannon said the purpose of this bill is to simplify food requirements and clarify that the industry should have a volume-based structure, which would make enforcement and access to the market easier.
- This amendment would allow beverage manufacturers to open an additional retail location that doesn't have a full brew pub attached to it.
- Senator Gannon concluded that the more the state unencumbers businesses, the easier it's for them to work.

Andy Day, Owner, Cask & Vine, Daydreaming Brewing Company, Doire Distilling, & Meadow Vineyards

- This bill would allow the industry to better compete with surrounding states.
- Additionally, it would allow wineries and breweries to collaborate by allowing them to serve products in each other's locations. By collaborating, these facilities increase the exposure of products and provide consumers with more choices.
- Currently, wineries can open a satellite location. If breweries could do the same, Mr. Day said it would help him grow his business and attract more customers.
- Senator Gannon asked if Mr. Day thought having satellite locations would be a huge asset for businesses in the North Country.
 - o Mr. Day replied that it would. Satellite locations, in conjunction with other businesses, can make cities and towns destination hotspots for in state and out-of-state customers. Mr. Day said if another winery decided to open a satellite tasting room in Derry, he would welcome that because it gives customers another reason to come to his town.
- As a restaurant owner, Mr. Day still supported this bill. Unlike breweries, restaurants can provide customers with unlimited pours.
- Restaurants, bakeries, and food trucks already collaborate with breweries to provide food services.
- Ultimately, this bill is about bringing New Hampshire into parity with other states.

Mike Appolo, Owner, Appolo Vineyards

- This bill is about achieving parity within the industry because wineries are already allowed to sell by the glass and to operate remote tasting rooms.
- After wineries were permitted to do this, sales and customer engagement increased. In fact, Mr. Appolo said that this remains a significant portion of his business.
- Selling more wine, and more beer if this legislation is passed, increases tax revenue to the state. The increase would offset any decrease in licensing revenue.
- Remote tasting rooms allow businesses to increase their production without having to relocate.
- Through his sampling license, Mr. Appolo can provide wine samples at nano breweries. Since wineries and breweries are off cycle from one another, the ability to provide samples at each other's locations during the off season would be mutually beneficial.
- All licensees are responsible for not overserving customers.

Jeff Cozzens, President, New Hampshire Brewers Association

• 80 out of the 90 members of the New Hampshire Brewers Association are in support of this bill.

- A vast majority of members are independent craft brewers whose businesses are family-owned.
- Small breweries in New Hampshire have grown from 17 in 2013 to over 90 in 2021. As Senator Gannon stated, the economic impact of these breweries is over \$500 million.
- New Hampshire ranks in the top 10 for breweries per capita. Mr. Cozzens said this demonstrated the importance breweries have within the communities throughout the state.
- Craft breweries overlap multiple economic sectors, such as outdoor recreation, emerging technologies, and Main Street artisanship. Also, they attract destination tourism and they have helped transform dozens of towns throughout the state. In the North Country, for example, breweries have attracted younger residents, more tourism, and more entrepreneurs who are willing to relocate.
- Mr. Cozzens said that craft breweries are vital to protecting and boosting the post-pandemic economy.
- Due to complex regulations, New Hampshire has become less attractive to customers and businesses who would prefer to go to Massachusetts, Maine, or Vermont. Mr. Cozzens said he almost opened his brewery in Vermont due to overregulation.
- As Senator Gannon mentioned, this bill would simplify the food requirements for pint services at breweries. Pints are the most lucrative products at breweries.
- Also, this bill would bring New Hampshire into parity with surrounding states, streamline licensing types by introducing a four-tier volume-based structure, rectify direct shipping and contract brewing laws, and allow every brewery to open an additional retail store per license.
- The ability to open an additional store would benefit rural breweries because they would be able to open a storefront at a much lower cost compared to opening another brewery altogether.
- If 5 breweries opened a satellite location, according to Mr. Cozzens, tax revenue would increase by \$128 million over the course of a year.
- To summarize, this bill would allow New Hampshire to run alongside surrounding states by deregulating, simplifying, and expanding consumer choice.
- Mr. Cozzens concluded that neither the bill nor the amendment permits the creation of bars or allows for the unlimited service of beer without food.

Robert North, Owner, Great North Aleworks

- Mr. North said Great North Aleworks is a family-owned business that's a member of the New Hampshire Brewing Association.
- Reiterating previous speakers, Mr. North said this bill would bring New Hampshire into parity with other states.

- For several years, Great North Aleworks has engaged in contract brewing with smaller brewery license holders to help them satisfy the demand for their products.
- In 2020, Great North Aleworks had entered into a contract agreement with two New Hampshire brew pubs; however, the Liquor Commission rejected the agreement because brew pubs aren't permitted to enter into contract brewing relationships.
- This bill would rectify this issue by clarifying that larger breweries can contract brew for smaller New Hampshire-based breweries.

Erol Moe, Stoneface Brewing Company

- As a larger brewery, Stoneface Brewing works through the 3-tier system and they have wholesale partners.
- Currently, New Hampshire can be viewed as a "fly over" when it comes to tourism and brewery visitations.
- Under existing laws, many breweries have been forced into restaurant ownership. When Stoneface Brewing was started, Mr. Moe said that wasn't their intention. Instead, the intention was for their brewery to be a community-based company where people could come to enjoy themselves. This bill would address this issue.
- The opportunity for breweries to have a satellite location and to be able to interact with customers outside of their facilities is increasingly important as consumers shift their preferences.
- Ultimately, this bill and its amendment are about meeting consumer expectations rather than competition.

CJ Haines, Executive Director, New Hampshire Brewers Association

- Amendment 21-0358s would still require food to be served; however, small breweries would have the ability to serve up to 2 pints without food.
- Additionally, the amendment would allow third-party vendors, such as food trucks, to provide food services at breweries.
- Many of the terms used in the amendment have been transferred over from existing language in other statutes pertaining to license types.
- Finally, allowing brewers to engage in direct shipment would provide them with a large revenue stream.

Jim Alden

- Reiterating previous speakers, Mr. Alden said that New Hampshire is at a competitive disadvantage with neighboring states due to the patchwork of archaic laws that govern the craft brewing industry.
- It's antithetical to the spirit of the state for New Hampshire to be less competitive.

Summary of testimony presented in opposition:

Aidan Moore, Legal Coordinator, New Hampshire Liquor Commission

- This bill would make minor as well as fundamental changes to the system without taking into consideration the other tiers.
- The repeal of the nano brewer statute, RSA 178:12-a, would affect all beverage manufacturers in the state, including Anheuser-Busch.
- The Liquor Commission wasn't opposed to the amendment as drafted; however, they recommended the Committee not rush into making any changes that would have an indeterminable impact on the existing system.
- Attorney Moore said the Commission has the experience, expertise, and historical background to assist in any legislative proposals.
- The Commission recommended three policy changes that could help the industry while the Committee studied the remaining and more significant policy changes.
 - o First, sales at beverage manufacturer facilities are limited to only one single 15.5-gallon keg, which is equivalent to a single 12-ounce case per person, per day. The Commission wasn't unopposed to changing the amount of sales that can be made at these facilities.
 - o Second, the Commission recently supported Senator Sherman's efforts to allow nano breweries and brew pubs to engage in contract brewing.
 - o Finally, the Commission proposed creating a new statute, RSA 178:27-b, to allow breweries to participate in the intrastate shipment of alcohol.
- Attorney Moore emphasized that it's necessary to look at the proposed changes in the manufacturing tier in totality and to take into consideration the wine and liquor industries.

Kate Frey, Vice President of Advocacy, New Futures

- Ms. Frey said that New Futures would continue to oppose bills that increase
 access to alcohol without revenue being provided to address unintended
 consequences.
- This bill would deviate from the 3-tier system, which has regulations in place for public safety.
- Ms. Frey hadn't seen the amendment, so she was unable to provide specifics on
 it. However, New Futures was concerned about the addition of satellite locations
 because it would increase alcohol outlets. Additionally, they were concerned
 about taking away the service of food when serving alcohol.

Brian Moran, Director of Government Affairs, New England Convenience Store & Energy Marketers Association

• Reiterating previous speakers, Mr. Moran said it was difficult to comment on the amendment when it hadn't been distributed.

- This bill would deviate from the existing licensing categories and permits within the 3-tier system.
- Also, this bill would negatively affect the sales of beverages and wines at convenience stores, which those stores rely on.
- Despite remaining open during the pandemic, Mr. Moran said convenience stores have still been impacted by decreased sales.

Henry Veilleux, on behalf of the New Hampshire Lodging & Restaurant Association

- Any time the 3-tier system is changed, there's the potential to benefit one stakeholder, while negatively impacting the others.
- This bill would negatively impact restaurants because breweries would be able
 to serve an unlimited quantity of beer as well as allow third-party vendors to
 provide food services. In essence, this bill would create bars.
- In comparison, restaurants have strong food requirements that require an operational full-sized kitchen in order to service food.
- If the Committee approved of this change, then Mr. Veilleux said restaurant licensees should be provided the same opportunities as breweries.
- Mr. Veilleux emphasized that if the "lanes" of the 3-tier system are going to be changed, then a broader discussion among all stakeholders must happen.
- Mr. Veilleux concluded that the Committee should retain this bill, especially since none of the stakeholders had a chance to review the amendment.

Neutral Information Presented:

Scott Schaier, New Hampshire Beer Distributors Association

- The New Hampshire Beer Distributors Association was neutral on the underlying bill; however, they were concerned about the language within the amendment pertaining to satellite locations.
- Under the 3-tier system, there are manufacturers, wholesalers, and retailers such as restaurants.
- In 2020, brewery volume increased by 5 percent because the middle tier, wholesalers, helped to provided new products to consumers in outlets.
- The existing regulatory system has protected citizens, provided a structure for safety, provided a significant amount of consumer choice, and enabled craft breweries of all sizes to thrive. For example, most grocery stores in New Hampshire feature products from within the state alongside imported brands.
- Mr. Schaier said they were concerned that the opening of satellite retail locations that don't require any production would violate the 3-tier system. If this section were passed, he predicted that the constitutionality of the 3-tier system would be challenged by large out-of-state suppliers. Consequently, this section could lead to unintended consequences for decades.
- Mr. Schaier concluded that the New Hampshire should focus on other issues, such as helping the hospitality industry recover, helping to streamline reporting and filing procedures, and fully funding New Hampshire's tourism budget.

AJ Date Hearing Report completed: February 23, 2021

Speakers

Commerce Committee Testify List for Bill SB125 on 2021-02-16

Support: 498 Oppose: 36 Neutral: 1 Total to Testify: 13

Name	Representing	Position	Testifying
Day, Andy	Myself	Support	Yes
Appolo, Mike	Myself - Owner of Appolo Vineyards (Winery)	Support	Yes
Frey, Kate	Myself	Oppose	Yes
Moran, Brian	NECSEMA	Oppose	Yes
Veilleux, Henry	NH Lodging & Restaurant Association	Oppose	Yes _
Cozzens, Jeff	My business and the NH Brewers' Association	Support	Yes
North, Robert	Great North Aleworks	Support	Yes
Drummond, Andrew	Myself	Support	Yes
Moor, Aidan	NH Liquor Commission	Oppose	Yes
Schaier, Scott	NH Beer Distributors Association	Neutral	Yes
Teixeira, Pam	Myself	Support	Yes
Tower, Heather	Myself	Support	Yes_
Seavey, Jeff	Myself	Support	Yes
Mead, Peter	Myself	Support	No
Ginalski, Walt	Myself	Support	No
Burton, Kaitlin	Myself	Support	No
Puntin, Anthony	Myself	Support	No
Tourangeau, Carol	Myself	Support	No
Hanrahan, Erik	Myself	Support	No_
Fermino, Frank	Myself	Support	No
Daniels, Amy	Myself	Oppose	No
Wunderli, Dawn	Myself	Support	No
Mayland, Elisabeth	Myself	Support	No
Herlihy, Daniela	Myself	Support	No

Commerce Committee Testify List for Bill SB125 on 2021-02-16

Support: 498 Oppose: 36 Neutral: 1 Total to Testify: 13

Name	Representing	Position	Testifying
McKivergan, Jim	Myself	Support	No
Nneeell, Sran	Myself	Support	No
Nossiff, Virginia	Myself	Support	No
Coll, Peter	Myself	Support	No
Szekely, Rudy	Myself	Support	No
Simanson, Jamison	A Beer Drinking Member of the Public	Support	No
Belanger, Ian	Myself	Support	No
Frisoli, Nate	Myself	Support	No
Bryant, Kriste	Myself	Support	No
Thiede, Meaghan	Myself	Support	No
godek, gregory	Myself	Support	No
Jackson, Cris	Myself	Support	No
Lenzini, John	Schilling Beer Co.	Support	No
Veale, Maria	_ Myself	Support	No
Lewis, Brian	Myself	Oppose	No
Moher, Sylvia	Myself	Support	No
Cozzens, Stuart	Myself	Support	No
Moore, Joseph	Myself	Support	No
Uchacz, Thomas	Myself	Support	No
Hurteau, Lauren	Myself	Support	No
Uchacz, Karen	Myself	Support	No
smolak, jim	Schilling Beer Co. Littleton	Support	No
Sheehan, Ryan	Schilling beer co. Littleton	Support	No
Kovacs, Miriam	Myself	Support	No
Flynn, Gregory	Myself	Support	No
Buttrick, James	Myself	Support	No
VanBuskirk, Ashley	Myself	Support	No
Hampton, Mel	Myself	Support	No

Commerce Committee Testify List for Bill SB125 on 2021-02-16

Support: 498 Oppose: 36 Neutral: 1 Total to Testify: 13

Name	Representing	Position	Testifying
Yarworth, Duncan	Myself	Support	No
Shoemaker, Peter	Myself	Support	No
Bryan, Sarah	Myself	Support	No
Jakubec, Todd	Myself	Support	No
Horton, Rick	Myself	Support	No
Porter, Zac	Schilling Beer Co.	Support	No
Murphy, Patrick	Schilling Beer Co - Littleton	Support	No
Kinne, Matthew	Great North Aleworks Manchester	Support	No
Fahlbeck, Mark	Myself	Support	No
Pollard, Donald	Myself	Support	No
Haines, CJ	NH Brewers Association	Support	No
Slotnick, Justin	Myself	Support	No
Drake, Chris	Myself	Support	No
Raimer, Jennifer	Myself	Support	No
McNeil, Drew	Myself	Support	No
Cozzens, Richard	Myself	Support	No
Perrotta, Anthony	Myself	Support	No
Cozzens, Amanda	Myself	Support	No
Rosenwald, Cindy	SD 13	Support	No
Brassard, Louise	Myself	Oppose	No
Cowell, Matt	Gilmanton	Support	No
Brownlie, Christopher	Myself	Support	No
Kobylenski, Scott	A beer drinking member of the public	Support	No
Lee, Annette	Throwback Brewery	Support	No
Papenfuss, Kevin	Myself	Support	No
Moline, Rachel	Myself	Support	No
Watson, Mark	Myself	Support	No
Finnerty, Steven	Myself	Support	No

Name	Representing	Position	Testifying
Senecal, Amandaa	Myself	Support	No
Ortega, Caitlin	Myself	Support	No
Connors, MB	Myself	Support	No
morrison, sharon	Myself	Support	No
Molnar, Dennis	Concord Craft Brewing Co, Concord, NH	Support	No
Breen, Anne	Myself	Support	No
Blake, Robert	Myself	Support	No
Townsend, Jacob	Myself	Support	No
Bresnahan, Geraldine	Myself	Support	No
Malaterra, Eugene	Myself	Support	No
Davis, Michelle	Myself	Support	No
Farnham, Shawn	Myself	Support	No
Getts, Joseph	Great North Aleworks, Manchester	Support	No
Watts, Jessica	Myself	Support	No
Muzzy, Mike	Myself	Support	No
Taylor, Daniel	Myself, Town of Merrimack	Oppose	No
Frost, Chad	Chad frost Belmont	Support	No
Ford, Kevin	Myself	Oppose	No
Charkowski, Michael	Myself	Support	No
Brooks, William	Myself	Support	No
Harrington, Mark	Myself	Support	No
Keane, George	Myself	Support	No
Rutherford, Erika	Myself	Support	No
Johnson, Paul	Myself	Support	No
Ebol, Thomas	Myself	Oppose	No
Cram, Brian	Myself	Support	No
Wolf, Allan	Myself	Support	No

Name	Representing	Position	Testifying
Taylor, Rebecca	Myself	Support	No
Lydick, Gary	Myself	Support	No
Hamilton, Emily	Myself	Support	No
McQuarrie, Irena	Myself	Support	No
Frain, Melinda	Myself	Support	No
Boisvert, Gary	Myself	Support	No
Rudolf, Becky	Great North Aleworks, Manchester	Support	No
Lydick, Sarah	Myself	Support	No
Palmer, Lori	Myself	Support	No
Winters, Melissa	Myself	Support	No
Bradbury, Stephen	Myself	Support	No
Parda, Brian	Great North Aleworks, Manchester	Support	No
Breeden, Ann	Myself	Support	No
Kincaid, Andrew	Myself	Support	No
Paul, Malandrino	Myself	Oppose	No
Mennella, Alexandra	Myself	Oppose	No
Hailson, Michael	Myself	Support	No
Poisson, Leigh	Myself	Support	No
Little, Seth	Deep Roots Brewing Company	Support_	No
Pacelli, Andrew	Myself	Support	No
Austin, Susan	Myself	Support	No
Damiano, Michael	Myself	Support	No
Belcher Jr, Earl	Myself	Support	No
Studier-Tarzia, Lydia	Myself	Support	No
Boyd, Jeni	Myself	Support	No
McCarthy, Joseph	Myself	Support	No
Guitard, Stephanie	Myself	Support	No
Libby, Hope	Myself town of epping	Oppose	No

Name	Representing	Position	Testifying
Lee, Peter	Myself	Support	No
Connors, Griffin	Myself	Support	No
David, Lovequist	Myself	Support	No
Brackley, Mark	Myself	Support	No
Sayers, Jeremy	Myself	Support	No
Marsh, David	Myself	Support	No
Lowe, Monica	Myself	Support	No
Hanson, Mary Dee	Myself	Support	No
Houston, Eric	Myself	Support	No
Cunningham, Keith	Myself	Support	No
Hayward-Specht, Mary	Myself	Support	No
Rowan, Michelle	Myself	Support	No
Wood, Tamara	Myself	Support	No
Cairns, Scott	Myself	Support	No
Frain, Jeff	Myself	Support	No
Erin, Marley	Erin Marley	Support	No
Lombardi, Ed	Myself	Support	No
Lane, Sandra	Myself	Support	No
Kelly, Sean	Stripe Nine Brewing Co., Somersworth, NH	Support	No
Harrington, Jason	Vulgar Brewing Company	Support	No
Termini, Joni	Myself	Support	No
Savage, Matthew	Myself	Support	No
Provencher, Pamela	Myself	Support	No
Carson, Sharon	Senate District 14	Support	No
Dowling, Ian	Myself	Support	No
Booth, Randy	Twin Barns Brewing Co., Meredith	Support	No
Eames, Yvonne	Myself	Support	No

Name	Representing	Position	Testifying
Stearns, Chad	Schilling Beer Co., Littleton	Support	No
Fraga;a, Ryan	Myself	Support	No
Hennessey, Erin	SD1	Support	No
Murro, Ronald	Schilling Beer Co, Littleton	Support	No
Perkins Kwoka, Senator Rebecca	Myself (SD 21)	Support	No
Fahlbeck, Wendy	Myself	Support	No
Oeser, Michelle	Polyculture Brewing Company, Croydon	Support	No
Allman, Steve	Myself	Support	No
Prost, Christopher	Polyculture Brewing Company, Croydon	Support	No
Lewis, Damon	Vulgar Brewing Company in Franklin	Support	No
O'Brien, Steve	Elm City Brewing Co.	Support	No
O'Brien, Crystal	Myself	Support	No
McDonald, Alex	Myself	Support	No
Bogle, John	Myself	Support	No
Yarrington, David	Myself	Support	No
Ferguson, Mark	Oddball Brewing	Support	No
Eames, Jere	Schilling Beer Co, Littleton	Support	No
Holland, Michael	Copper pig brewery llc	Support _	No
Walden, William	Oddball Brewing Co Suncook NH	Support	No
Hackler, Donald	Myself	Support	No
Clark, Judi	Myself	Support	No
Picarillo, David	Twin Barns Brewing, Meredith, NH	Support	No
Anderson, John	Dam Brewhouse, Campton, NH	Support	No
Cooper, Justin	Exeter Brewing Co.	Support	No
Johnson, Eric	West LA Beer Company, Swanzey NH	Support	No
Whitten, Jolynn	Myself	Support	No

<u>Name</u>	Representing	Position	Testifying
Quimby, Curt	Myself	Oppose	No
Murphy, Christine	Myself	Support	No
Bouchard, Kristine	Myself	Support	No
Cassell, Renetta	Myself	Support	No
Renetta, Caseell	Myself	Support	No
Levine, Robert	Whym Craft Pub & Brewery	Support	No
Lovequist, Catherine	Catherine Lovequist Eaton, NH	Support	No
Hitchcock, Jeremy	Myself	Support	No
OSullivan, Kristin	Myself	Support	No
Fitchett, Jeremy	Myself	Support	No
Ward, Katie	Myself	Support	No
Lombardi, Edward	Myself	Support	No
Share, Jennifer	Myself	Support	No
Miller, Tyler	Myself	Support	No
Dodge, Dana	Myself	Support	No
Ivey, Nathan	Myself	Support	No
Gagne, Michael	Myself	Support	No
Proulx, Scott	Myself	Oppose	No
Proulx, Laycia	Myself	Oppose	No
Bullock, Kaleigh	Myself, NH beer consumers	Oppose	No
Morin, Lynn	Myself	Oppose	No
Hall, Brandon	Myself	Support	No
Noonan, Amanda	Myself	Support	No
Williams, Jim	Myself	Oppose	No
Currier, David	HONORABLE DAVID P. CURRIER	Support	No
Woodman, Sandra	Woodman's Brewery, Bristol	Support	No
O'Kelly, John	Myself	Support	No
Fuller, Audra	Myself	Support	No

Name	Representing	Position	Testifying
Fuller, Kenneth	Myself	Support	No
Nagle, Emily	Myself	Support	No
North, Lisa	Myself	Support	No
fournier, ron	Epsom	Oppose	No
Share, Aaron	Myself	Support	No
Bonnette, Trevor	Branch and Blade Brewing Company, Inc.	Support	No
Ainsworth, Steve	myself	Support	No
Nevers, Josie	Craft beer supporter, Pittsfield	Support	No
Farmer, Anna	Myself	Support	No
Farrington, John	Myself	Support	No
Marcille, Melissa	Myself	Support	No
Kolden, Troy	Myself	Oppose	No
Farmer, Dean	Myself	Support	No
Judge, Kristin	Craft Beer!	Support	No
Morrison, Michael	Myself	Support	No
Hankin, Leon	Myself	Oppose	No
Yergeau, Craig	Great North Aleworks, Manchester	Support	No
Coplan, Shari	Myself	Support	No
Coplan, Craig	Myself	Support	No
Cleland, Ashley	Myself	Support	No
Harrington, Eileen	Myself	Support	No
Tuttle, Erica	Myself	Support	No
Goodnow, Michael	Myself	Support	No
Garcia, Caitlin	Craft Beer New London	Support	No
Bostrom, Judith	A beer drinking member of the Public	Support	No
Dias, Chris	Myself, City of Rochester	Oppose	No
Symonds, Peter	Myself	Oppose	No

<u>Name</u>	Representing	Position	Testifying
taylor, christine	Myself	Support	No
Arcand, William	Myself	Support	No
Lilly, Amy	Myself	Support	No
Chaput, Brian	Myself	Support	No
stanciu, nik	Myself	Support	No
Eshelman, Lisa	Myself	Support	No
deutsch, brandi	Representing craft beer, Barrington	Support	No
Lang, Krystine	Craft Beer supporter. Dover, NH	Support	No
Prindle, Thomas	Myself	Support	No
Eshelman, Donald	Myself	Support	No
Paulson, Steve	Myself	Support	No
Liber, Jeffrey	A beer drinking member of the public	Support	No
Gilman, Brian	Myself	Support	No
Serpico, Dean	Myself	Support	No
Carmichael, Scott	Myself	Support	No
Coker, Clark	Craft Beer supporter Dover NH	Support	No
Philbrick, Tom	Myself	Oppose	No
Pierce, Lindsay	Myself	Support	No
Somers, Seth	NH local retailer (beer stores)	Oppose	No
Pouliot, Katherine	Myself	Support	No
Cancelliere, Liz	Myself	Support	No
Wendelboe, Alisha	Myself	Support	No
Morrison, Laura	Myself	Support	No
avery, jim	Myself	Oppose	No
Boulanger, Gregory	Myself	Support	No
Dilorio, Joseph	Myself	Support	No
Wishart, Azanna	Myself	Support	No
Orrok, Tammie	Myself	Support	No

Name	Representing	Position	Testifying
Caswell, William	Myself	Support	No
Leverone, David	A Beer Drinking Member of the Public	Support	No
Carpenter, Debra	Myself	Support	No
Golden, John	Myself	Support	No
Gail, Johnson	Myself	Support	No
Luciano, Jordan	Myself	Support	No
Meschino, Jeremy	Myself	Support	No
Dickinson, David	New Hampton, NH	Support	No
Browne, Teri	Myself	Support	No
Cleary, Ally	Myself	Support	No
Coulombe, Joseph	Myself	Support	No
Mathews, Garrett	Myself	Support	No
Stanford, Geoffrey	Myself	Support	No
Goddard, Margaret	Myself	Support	No
Zuppa, Michael	Myself	Support	No
Bubar, Julia	Julia Bubar, Rochester	Support	No
Landry, Karla	Myself	Support	No
Moryan, Willow	Myself	Support	No
Miller, Erin	Myself	Support	No
Morgan, Brown	Myself	Support	No
Jessica, Kipnes	Myself	Support	No
Rein, William	Myself	Support	No
Fiore, Nicholas	Myself	Support	No
Kucman, Larysa	Myself	Support	No
Cutillo, Michael	Myself	Support	No
Judkins, Alan	Myself	Support	No
Herald, Matthew	Myself	Support	No
Schiavo, Ronald	Myself	Support	No

Name	Representing	Position	Testifying
Jacobs, Alison	Schilling Beer Co.	Support	No
Katy, Michael	Myself	Support	No
Karl, Daniel	Myself	Support	No
Spaulding, Christopher	Myself	Support	No
O'DOHERTY, Ronan	Myself	Support	No
McGrain, Todd	Myself	Support	No
whittingham, tim	Myself	Support	No
Quesenberry, Ken	Myself	Support	No
Moses, Caitlin	Myself Caitlin Moses Windham NH	Support	No
Birdsell, Senator Regina	Senate District 19	Support	No
Creaney, Sarah	Myself	Support	No
devane, melissa	Myself	Support	No
Berglund, Mark	Myself	Support	No
Covey, Herbert	Myself	Support	No
Van Cleave, Andrew	Myself	Support	No
Bodnar, Tina	Myself	Support	No
Dukette, Robert	Myself	Support	No
Cawley, Lauren	Craft beer supporter and town	Support	No
Burke, PRECIOUS	Myself	Support	No
Rafferty, Colleen	Myself	Support	No
Durand, Michael	Myself	Support	No
Plante, Amy	Myself	Support	No
Ames, Melissa	Myself	Support	No
Ames, Erik	Myself	Support	No
Boisvert, Jesse	Myself	Support	No
marchand, Jill	Myself	Support	No
Oberti, Janet	Myself	Support	No
Macomber, Harold	Myself	Support	No

Name	Representing	Position	Testifying
stewart, Antonia	Myself a beer drinking member of the	Support	No
	community	Support	
Mackin, Anne	Myself	Support	No
Flanders, Janine	Myself	Support	No
Veno, Ryan	Myself	Support	No
Cracco, Joseph	Myself	Support	No
Turner, Justin	A beer drinking member of the public	Support	No
Holman, Joshua	Myself	Support	No
Manning, Kevin	Myself	Support	No
Manning, Jennifer	Myself	Support	No
Cottone-Willey, Linda	Myself	Support	No
Fairbrother, Michael	Myself	Support	No
Gonsalves, Justin	Myself	Support	No
Hamill, Donna	Myself	Support	No
Pelletier-Ruggiero, Kristen	Myself	Support	No
Smith, Kaitlin	Myself	Support	No
Morgan, Nathaniel	Myself	Support	No
Worobey, Brian	Myself	Support	No
Hawkins, Holly	Myself	Support	No
Urquhart, Keith	Myself	Support	No
Haggart, Scott	Myself	Support	No
Stephanie, Oeser	Myself	Support	No
James, Hume	Myself	Support	No
Walton, Bruce	Twin Barns Brewing Co, Meredith	Support	No
Guerin, Nicholas	A beer drinking member of the public	Support	No
Claussen, Brian	Myself	Support	No
Carruthers, Anthony	The beer drinking public	Support	No
Varnum, Don	Myself	Support	No

<u>Name</u>	Representing	Position	Testifying
Peelstrom, Dave	Myself	Support	No .
sledjeski, frank	Myself	Support	No
Lewis, Candy	Myself	Support	No
Elizabeth, Deutsch	Myself	Support	No
MICHNO, EDWARD	Myself	Support	No
Smith, Randy	Myself	Support	No
Wallace, Todd	Craft beer supporter Bedford NH	Support	No
Smith, Martin	Myself	Support	No
Fischbein, Charles	Myself and the brewing industry	Support	No
BURKE, Andrew	Myself	Support	No
Connelly, Curt	Myself	Oppose	No
Connelly, Lori	Myself	Oppose	No
Vogel, Fred	Myself, Town of Epping	Oppose	No
Ouellette, Greg	Martha's Exchange Brewing Co.	Support	No
Odenede, Greg	Nashua	Support	
Bradbury, Mara	Myself	Oppose	No
Curtis, Carla	Myself	Support	No
Stagnone, Philip	Myself	Support	No
Laro, Gregory	Myself	Support	No
Vanover, Mark	Myself	Support	No
Pelizza, Nicole	Myself	Support	No
Harris, William	Myself	Oppose	No
Coombs, Kimberly	Myself	Support	No
Coombs, Raymond	Myself	Support	No
murphy, tom	a beer drinking member of the public	Support	No
Greer, Scott	Myself	Support	No
Hildreth, Alexander	Craft Beer Supporter & Town	Support	No
Emmett, Danielle	Craft Beer Supporter & Town	Support	No

<u>Name</u>	Representing	Position	Testifying
Rillahan, Brian	Myself	Support	No
Wilson, Kathy	Myself	Support	No
Boisvert, Sally	Myself	Support	No
Popham, Jeff	Myself	Support	No
Beaudet, Wk	Myself -	Support	No
Godsoe, Ryan	A beer drinking member of the Public	Support	No
Benson, Mark	Myself	Support	No
Smith, Brian	Beer Industry	Oppose	No
Caldwell, Beth	Myself	Support	No
Garofalo, Michael	Myself	Oppose	No
Carruthers, Lorraine	Myself	Support	No
Samperi, Tom	Representing Craft Beer and Merrimack, NH	Support	No
Painchaud, Thomas	Myself, Concord NH	Oppose	No
Croteau, Tamara	Stoneface Brewing Company, Newington, NH	Support	No
MacLeod, Tyler	Craft beer supporter, Dover	Support	No
Burhoe, Rob	Myself	Oppose	No
Givens, Brittany	Myself	Support	No
Wares, Stephanie	Craft Beer and Dover	Support	No
Fifield, LeAnne	Myself	Support	No
Isabelle, Jacob	A Beer drinking member of the public	Support	No
Thomas, Renee	Finestkind Brewing, Hampton	Support	No
Doucette, Derek	NH nano breweries	Support	No
Haines, Dan	Myself	Support	No
Miller, Justin	Myself	Support	No
Baldwin, Lee	Myself	Support	No
Steel, Timothy	Myself.	Support	No

Name	Representing	Position	Testifying
Mercer, Debby	Myself	Support	No
Loveday, Courtney	Myself	Support	No
Zagami, Frank	Deciduous Brewing Company, Newmarket, NH	Support	No
Jeffrey, Schwotzer	Myself	Support	No
Gordon, Kevin	Myself	Support	No
Thomas, Michaela	Myself	Support	No
Loveday, Christopher	Myself	Support	No
Arsenault, Erin	Myself	Support	No
Dionne, David	Myself	Support	No
Murphy, Andrea	Myself	Support .	No
LaPorte-Belanger, Donna	Myself	Support	No
Albright, Thomas	Out.Haus Ales, Northwood	Support	No
Zywusko, Traci	Myself	Support	No
Blanchard, John	Myself	Support	No
Philbin, Jeremy	Myself	Support	No
Moe, Erol	Stoneface Brewing Co., Newington, NH	Support	No
Dagostinodudka, Russell	Myself	Support	No
Cheng, Ethan	Myself	Support	No
Dionne, Caitlin	Myself	Support	No
Potucek, John	Myself	Support	No
Grabowski, Mark	Myself	Support	No
Tecce, Felice	Myself	Support	No
Parolise, Amanda	Myself	Support	No
G, N	Myself	Support	No
Smith, Richardo	Myself	Support	No
Zagami, Maryann	Myself	Support	No

Name	Representing	Position	Testifying
Carrier, Robert	Myself	Support	No
Steadman, Kelly	Myself	Support	No
Schnetzer, Eric	Myself	Support	No
Moge, Scott	Myself	Support	No
Lawson, Mary Ann	Myself	Support	No
Sharon, Curley	Myself	Support	No
Fisk, Melissa	Myself	Support	No
Wetherbee, Neil	Myself	Support	No
Cunningham, Molly	Myself	Support	No
Hilton, Richard	Myself	Support	No
Tilton, Ben	Tilton Brothers Brewing, Hampton	Support	No
Hilton, Jennifer	Myself	Support	No
Hart, Tom	Myself - Craft beer supporter & town	Support	No
Lepkowicz, Julianne	Myself	Support	No
Cleary, Robert	Myself	Support	No
Chase, Mary	Myself	Support	No
Sorenson, Shane	Myself	Support	No
Pacheco, William	Myself	Support	No
Hughes, Michael	Myself	Support	No
Shattuck, Nicole	Myself	Support	No
Davis, Glenn	Myself	Support	No
Neves, Kirsten	Tuckerman Brewing Co, Conway, NH	Support	No
Tannian, Joshua	Myself	Support	No
Moorhouse, Ethan	Myself	Support	No
Latham, Josh	Myself	Support	No
Macdonald, Colleen.	Myself	Support	No
Williams, Brian	Myself	Support	No
Winn, STEPHEN	Myself	Support	No

<u>Name</u>	Representing	Position	Testifying
Cushing, David	Myself	Support	No
Eddie, Clements	Myself	Support	No
Pitarys, Tara	Myself	Support	No
Hallihan, Ryan	Myself	Support	No
Rathburn, Doug	Myself	Support	No
Rowe, Paul .	Myself	Support	No
Martell, Aaron	Myself	Support	No
Dube, Elizabeth	Myself	Support	No
Latham, Amy	Myself	Support	No
MacDonald, Ian	Myself	Support	No
MacDonald, Jennifer	Myself	Support	No
Greenwood, Amanda	Myself	Support	No
Allberg, Erik	Myself	Support	No
Francis, Joyce	Myself	Support	No
Sundberg, Madison	Craft beer supporters - Rochester	Support	No
Metts, Rick	Myself	Support	No
Smith, David	West LA Beer Company, Swanzey	Support	No
Santangelo, Mariano	Myself	Support	No
Bliss, Todd	Myself	Support	No
Harvey, Tom	Myself	Support	No
Beaulier, Crystal	Myself	Support	No
Blake, Ricky	Myself	Support	No
Pinches, Jon	Myself	Support	No
Priebe, Libby	Myself	Support	No
N, C	Myself	Support	No
lussier, shawn	Myself	Support	No
del'Etoile, Nicholas	Myself	Support	No
Colarusso, Michael	Myself	Support	No

Name	Representing	Position	Testifying
Grover, Christina	Myself	Support	No
Thuma, Caroline	Myself	Support	No
Crowley, Brian	Myself	Support	No
Clark, Courtney	Myself	Support	No
Gallant, Jason	Myself	Support	No
Hall, Jason	Myself	Support	No
Zee, Kae	Myself	Support	No
Rumfelt, Rebecca	Myself	Support	No
Gilbert, Susane	Myself	Support	No
McCauley, Bill	Myself	Support	No
Brewster, Katrina	Myself	Support	No
Cleary, Michael	Myself	Support	No
Roblee, Leland	Myself	Support	No
Harrington, Shelly	Myself	Support	No
O'Malley, Patrick	Myself	Support	No
Baker, Stacey	Myself	Support	No
Butman, Sue	Myself	Support	No
Sherman, Lindsay	Myself	Support	No
Knight, Jason	Myself	Support	No
Coots, Orlo	Myself	Support	No
Wong, Margaret	Myself	Support	No
Gosselin, Steven	Myself	Support	No
Hicks, Jean Michel	Myself	Support	No
Boone, Richard	Myself	Support	No
Richard, Ann	Myself	Support	No
Alden, Dylan	Myself	Support	No
Thibodeau, Kevin	Myself	Support	No
Normandin, F	Myself	Support	No

<u>Name</u>	Representing	Position	Testifying
Resnick, Adam	Myself	Support	No
Bailey, Raymond	Myself	Support	No
Nelson, Lynn	Myself Loudon	Support	No
Brown, Chris	Myself	Support	No
Rogers, Shawn	Myself	Support	No
Jache, Bruce	Myself	Support	No
Jarry, Leon	Myself	Support	No
WILT, RAY	Myself	Support	No
Conley, Michael	Myself	Support	No
Davis, James	Myself	Support	No
Benton, Kerri	Myself	Support	No
Gleason, Jen	Myself	Support	No
Nelson, David B.	Myself	Support	No
Ochoa, Susan	Myself	Support	No
Ryan, Joseph	Craft beer supporter, Rochester, NH	Support	No
Sweeny, Jeff	Myself	Support	No
Pickering, Jamie	Myself	Support	No

Testimony





Deciduous Brewing Company 12 Weaver St, Ste B Newmarket, NH 03857

Support of SB 125

Members of Senate Commerce Committee:

My name is Frank Zagami, co-founder and lead brewer at Deciduous Brewing Company located in Newmarket, NH. My partner and wife, Maryann Zagami and I both **Support SB 125** in its entirety.

Both Maryann and I would like to address a few items in the bill that would positively affect our small NH family run brewery.

We support the simplification of the definition of "food" and allowing third parties to provide this "food".

- This puts us in parity with our surrounding states.
- This allows us to work with, not compete with our neighboring restaurants.

We support the ability to open a second retail location without an actual brewery.

- This puts us in parity with our surrounding states.
- This allows more direct-to-consumer sales which increases NH state tax revenue. We are a small brewery who depends on direct-to-consumer sales.
- This allows more beer to stay within NH which also increases NH state tax revenue.
- This allows us to create more jobs within NH.

We support direct shipping to our NH customers.

- This puts us in parity with breweries outside of NH.
- We are a small brewery who depends on direct-to-consumer sales. We have seen a disruption
 to our NH business due to the influx of out of state breweries shipping to our NH customers.
 We would like to have the ability to ship directly to those NH customers and compete with out
 of state breweries.
- This allows more beer to stay within NH which also increases NH state tax revenue.

We would like to thank the Committee for giving us the opportunity to submit our written testimony. If you would like to contact us with any further questions, these can be emailed to frank@deciduousbrewing.com.

Thank you,

Frank Zagami

Managing Member

Deciduous Brewing Company

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February 14th, 2021

Exeter Brewing Co. 1 Rockingham St., Unit 1D Exeter, NH 03833

Support of SB 125

Members of Senate Commerce Committee:

On behalf of Exeter Brewing Co. and its owners, Justin Cooper & Eric Rackliffe, we would like to state our full **support of SB 125**.

Exeter Brewing Co. currently holds a nanobrewery license in the state of NH. The current RSA supporting the nanobrewery license was a great start to spur growth in the brewery industry in the state of NH. However, small brewery business owners such as Exeter Brewing Co. are extremely limited in options to continue growing the business without significant investment due to the current language in the RSA around "samples" and food requirements.

By expanding the language to allow for (2) 16 ounce glasses of beer and removing the requirement to prepare and serve food directly to customers, this will afford us the opportunity to continue to grow at the pace of revenue and reinvestment in the business versus being hamstrung with the need to invest hundreds of thousands of dollars to buildout the appropriate services required by the law today. We strongly believe this positively impacts our local community by allowing for local business to grow and thrive in what is already an environment stacked against family & community owned establishments. It also creates opportunities for more small business looking to provide food services at local breweries to prosper. (e.g. food trucks, etc.)

While we appreciate the Commission's comments against the proposed changes, we feel the comments do not represent the spirit of the nanobrewery license as it was intended to help grow small businesses in the state of NH. The comment comparing a nanobrewery to a "bar," we believe, is an inaccurate statement as we look across the industry in neighboring states (VT, ME & MA) and the positive influence breweries continue to have on local communities in terms of tourism, local spending and community-based craft businesses.

In closing, we appreciate the opportunity to submit written testimony in **support of SB 125** to the Senate Commerce Committee and hope the committee sees the benefits of continuing to support local breweries in the state of NH such as 1) small business growth in local communities, 2) tourism benefits in attracting visitors from surrounding states, and 3) the potential for increased tax revenue as our business grows and expands.

Thank you,

Justin Cooper

Co-Owner

Exeter Brewing Co.

Dam Brewhouse, LLC 1323 NH Rt 175 Campton, NH 03223 www.dambrewhouse.com brewer@dambrewhouse.com February 14, 2021



Support of SB 125

Members of Senate Commerce Committee:

We own and manage a small brewhouse (smallest 10% nationally) with a beverage manufacturer license in a rural community between the lakes and mountains are strong supporters of SB 125. We started a brewery in order to bring community together, give a place for people to meet, hang out, relax, unwind etc. with some great local hand-crafted beer, one of societies finest social lubricants. John has been a member of this community for over 25 years. and has been living in the heart of the community for 21.

When we applied for our liquor license, the law had just changed to allow serving a pint for those with a beverage manufacturer license. While serving pints was not originally in our business plan, it only made sense for us to peruse this license instead of the nano brewery license for the additional revenue afforded us by serving a pint directly at a higher price per volume and a lower cost per serving. We had, and continue to have NO DESIRE to have a food service license and serve meals. Food adds complexity to the business with licensing, staffing, inventory, equipment, maintenance. Essentially adding foods adds a second business, and as a "Mom and Pop" business there are only 2 people doing all of the work, it would be too much.

It took almost a year for us to recognize we need to educate every customer who enters our brewery as to the laws that govern our liquor license. As most individuals don't recognize us as a beverage manufacturer, but rather identify us a a 'Brewpub' we needed to inform every new customer about the limits that we have for our service, and we do get quite a few comments and discussions about the laws. One of the comments we hear most often is "What happened to Live Free and Die".

We Support SB 125 for it would allow us to offer a better customer experience. Less education about our laws and more about our product.

We Support SB 125 for it would allow us a higher operating margin. Serving pints has our highest margin. IT also has the highest tax rate a win for both us and the state.

We support SB125 for it would lower our costs. We have a license that exceeds our needs and a tiered license would allow us a more appropriate licensing fee for our needs.

We thank the members of the Senate Commerce Committee for the opportunity to submit testimony and would be happy to speak further and answer any questions.

John Anderson and Sarah Dreshaj

Walle - Sout Drusty

Owners/Managers

Dam Brewhouse



Canterbury AleWorks LLC

305 Baptist Hill Rd.
Canterbury, NH 03224
603 491 4539
canterburyaleworks@gmail.com
www.facebook.com/canterburyaleworks
TTB # BR-NH-21002
NH # 200322
EIN # 45-4691337

Members of Senate Commerce Committee,

Canterbury Aleworks is a one man show nano brewery operating in Canterbury providing a singularly unique 5 star destination craft brewery experience for locals and tourists since 2012.

Canterbury Aleworks SUPPORTS SB125

Please support SB125 because it will reduce the confusing number of license types and create more business opportunity, clarity and parity by streamlining the system for breweries as well as the NHLC in regard to licensing, auditing, enforcing reducing expenses and costs for all parties and the State of NH.

Thank you for your consideration. Please feel free to reach out with any questions.

Celebrate Everything!



Steve Allman Owner, Brewer

Canterbury AleWorks LLC

305 Baptist Hill Road

Canterbury, NH 03224 USA

603 491 4539

canterburyaleworks@gmail.com

canterburyaleworks.com

BR-NH-21002 NH# 200322

EIN# 45-4691337

Aaron Jones

From:

rek-lis brewing <reklisbrewing@gmail.com>

Sent:

Friday, February 12, 2021 9:54 AM

To:

Aaron Jones

Subject:

SB 125

To: Members of Senate Commerce Committee

I am Ian Dowling and my wife, Marlaina Renton, and I own Rek-Lis Brewing Company in Bethlehem, NH. We have been open since 2016.

We fully support and welcome this bill as it brings more commonsense to the craft brewing laws in NH. While the Liquor Commission has always been very helpful we still find navigation of our rules very confusing. This bill will help us do several things that we've tried to do only to be told that we're not allowed. For example, prior to Covid, we had planned to open a remote location in Conway but found it to be too expensive as we would need to open with a new operational brewery as a part of any new location. We also have tried to market Direct-to-consumer but again, we were told we were not allowed. This was particularly difficult to swallow because breweries from other states are allowed to ship Direct to consumer to NH customers.

This bill would, without a doubt, even the playing field and allow us to create more revenue streams.

Thank you, lan Dowling

Marlaina Renton (360)852-1234 lan Dowling (603)370-1932 Owners - Rek-Lis Brewing Company 2085 Main Street Bethlehem, NH 03574





2/15/2021

Polyculture Brewing Company 3 Camel Hump Road Croydon, NH 03773

Support of SB 125

Members of Senate Commerce Committee:

We are a small, family-owned brewery in the small town of Croydon, NH about to enter our fourth year of operation. We run our brewery and tasting room out of a barn on our property and focus on providing fresh beer with local ingredients for the Dartmouth/Lake Sunapee community. **We support SB 125.**

Our brewery is one of the smallest in the state, with an annual production of less than 50 barrels. However, due to language in the current Nano brewery license law and the Liquor Commission's interpretation of that law, our brewery has been unable to obtain the Nano Brewery license. Instead, we and several other very small, family-run breweries have been forced to obtain a Beverage Manufacturer license and pay the significantly (5 times) higher annual fee. At the same time, legislative changes in recent years have opened up new opportunities for some but not all license types, resulting in an increasingly complex system of brewery licensing laws that restricts the flexibility with which small breweries can operate. We feel that this reality goes against the spirit of the original Nano Brewery law, which was enacted with the intent of supporting small breweries and fostering a rich craft brewery environment in the state of New Hampshire.

SB 125 is an opportunity to make good on the intent of previous legislation while simplifying the needlessly complex brewery licensing laws of our state. Specifically, it is most important to us that there is a simple, tiered license structure with fees based on annual beer production. We also want to see all brewery licensees put on a level playing field in terms of what they are allowed to offer their customers and how they are allowed to operate. In particular, the ability to operate a satellite location and offer tastings at wineries would be of great benefit to many breweries, especially those like ours who operate in rural locations.

We thank you for your time and consideration of what we have shared with you. We can be reached at info@polyculturebrewing.com or (603) 276-8367 if you have any questions.

Thank you,

Christopher Prost and Michelle Oeser

Chart applean

Owners

Polyculture Brewing Company



2/15/2021

Stoneface Brewing Co. 436 Shattuck Way Newington, NH 03801

Support of SB 125

Members of Senate Commerce Committee:

Stoneface Brewing Company began making and selling beer in 2014. My name is Erol Moe; I started the company along with Peter Beauregard in a warehouse in Newington. We have grown from a two-person operation to one of the state's largest craft brewers, with 40 employees, distribution in four states, and a full-service restaurant attached to the brewery.

During our 7+ years of operation, I have seen small changes to legacy statutes, but those relatively minor adjustments have not gone far enough to keep NH competitive in the minds of local craft beer fans. Our neighboring states have installed common-sense laws related to beer consumption and sales that help ensure the success of their respective craft beer industries. Plainly speaking, many of NH's breweries are unable to meet the expectations of a modern craft beer fan as a result of restrictions imposed by archaic and inconsistent laws. The effect is akin to "ankle weights" placed on NH breweries, while ardent beer fans choose to visit out-of-state breweries that provide better visitation experiences.

The problems with visiting NH breweries begin with consumer confusion about what they will be allowed to do during their visit. It would be impossible to adequately educate NH residents and non-residents on the nuances of our existing liquor laws. Instead, brewery owners and their staff are backed into lengthy, awkward, sometimes brand-damaging conversations with patrons who do not understand the differences between license types and what is permitted during their visit. Conversely, the customer knows that if they venture to a brewery in Maine or Massachusetts, they are virtually guaranteed to find the same visitation experience from place to place. These negative impressions do not just hurt us, as NH brewery owners, at the brewery; they also translate to the market, where that consumer frustration may carry over to a buying decision at their favorite restaurant or grocery store.

The opportunity to meet or exceed customers' expectations – whether with samples, flights, pints, or food service – is paramount to the success of our businesses. Beyond addressing confusion regarding

on-site consumption, SB 125 modernizes archaic laws regarding limits on beer sales to go. These changes make the state's craft breweries more competitive relative to out-of-state breweries and are likely to help keep more revenue in the state.

Thank you for the opportunity to share our experiences. I can be reached at 603-682-6810 or erol@stonefacebrewing.com for additional comment or to answer any questions you may have.

Thank you,

Erol Moe

Stoneface Brewing Co.

436 Shattuck Way

Trol Moe

Newington, NH 03801



February 16, 2021

Testimony of Brian Moran Director of Government Affairs, New England Convenience Store & Energy Marketers Association

New Hampshire General Court Commerce and Consumer Affairs Committee

SB 125 - An Act related to beverage manufacturers licenses.

Chairman French, Vice Chair Gannon, and Members of the Committee:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. According to the National Association of Convenience Stores, there are almost 900 convenience stores in New Hampshire (655 of which sell motor fuels) that employ over 14,000 people.

As proposed SB 125 would revise existing retail sales limitations and allow licensees to sell unlimited quantities of beverages for on or off-premises consumption.

NECSEMA opposes SB 125. Allowing manufacturer licensees to retail unlimited quantities of beverages for on or off-premises consumption gives manufacturers an advantage to off-premises permit holders which depend on beer and wine sales for a significant percentage of their revenue.

SB 125 blurs license and permit categories, disadvantages current off-premises permit holders, and may unintentionally picks winners in an evolving post-pandemic retail landscape.

Thank you for your thoughtful consideration of our position, and we sincerely hope the Committee votes that this amendment "ought not to pass".

Respectfully,

Director Government Affairs

brian@necsema.net | 781-297-9600 x5



Testimony in Support of SB 125 and Amendment

16 February 2021

Honorable Members of the Senate Commerce Committee:

Thank you for allowing me to speak today in support of Senate Bill 125 with the corresponding amendment. This bill is great news for the Granite State's small business community!

My name is Jeff Cozzens. I co-founded Schilling Beer Company with my family in Littleton in 2013 and serve as its CEO. I was elected President of the New Hampshire Brewers Association in 2020. Prior to starting our business I was a senior counterterrorism advisor to the US Government.

Today I am speaking on behalf of approximately 80 of the 90 independent craft breweries in New Hampshire—the vast majority of them small, family-owned businesses that stretch from Nashua to Colebrook. The people behind these breweries embody entrepreneurship in its purest form. They represent stories remarkably similar to my own: they left professions, drained savings accounts and worked long hours to pursue their dream of small business ownership and brewing with family or friends. They also bet that the communities in which they invested would grow alongside their breweries—and grow this sector has:

- New Hampshire breweries increased from 17 in 2013 to over 90 today.
- The 2019 economic impact of NH craft breweries was \$506M.
- NH breweries account for over 4500 jobs at an average salary of over \$42,000 per year.
- NH ranks in the top-10 nationally in breweries per capita—a statistic that we believe bolster's New Hampshire's "best quality of life" claim.

Beyond the numbers, craft breweries function uniquely within the state's new economy. They straddle multiple sectors including outdoor recreation, emerging technology and Main Street, owing to similar consumer interests and demographics. Their impact on destination tourism and overall community vitality has transformed dozens of New Hampshire towns over the last decade. Even in the most unlikely spots in the North Country, craft breweries are helping the state get younger and more attractive to tourists, other entrepreneurs, and those looking to



relocate to our beautiful state. Craft breweries, we would argue, should be at the heart of what the state should protect and promote to boost its post-COVID economy.

What makes the above even more impressive is that, for far too long, complex and archaic regulations have shackled New Hampshire's breweries, making them generally less attractive than those in Massachusetts, Vermont and Maine. In fact, these states have been eating our industry's lunch because of overregulation. This has been well known for years, but unfortunately, the underlying issues remain unaddressed. Every craft brewer that I know in New England shares this perspective, and why my business, Schilling, was almost started in Vermont.

For example:

- The laws defining the conditions for full pint service (as opposed to taster pours or limited pints) are more regulated and confusing than those in neighboring states. This is tragic, as the ability to serve pints directly to brewery guests is the single most important economic exchange in our industry. On this crucial point, we do not have parity with neighboring states.
- Further, the licensing structure is needlessly complex, creating barriers for market entry, growth and enforcement.
- Current law also deprives the smallest breweries the right to contract with larger ones—a tragedy during COVID, when small breweries are struggling to stay afloat and generally do not have the canning and storage facilities to bring their products to market.
- Further, the law prohibits NH breweries from shipping direct to consumers within the state. This is burdensome, especially as out-of-state beers are flowing into New Hampshire's market. Yes, you heard me right: Currently, out of state brewers can ship their beers to NH consumers, but NH brewers cannot ship to the very same people.

Our state's craft beer industry is behind the rest of New England's because of overregulation. This is not the New Hampshire way. That is why Senate Bill 125 and its amendment are so important.

1. SB 125 proposes the simplification, not removal of, food requirements for pint service at breweries. This brings our industry into parity with surrounding states', making the experience of visiting Granite State breweries more appealing and less confusing.



- 2. SB 125 streamlines brewery license types via the removal of the "nano brewery" designation and the introduction of a four-tiered, volume-based beverage manufacturer structure that smaller breweries can grow into while expanding their current permitted service. It omits different rules for different sized brewers; no longer are business practices and privileges lost or gained depending on expansion. It simplifies the structure under one license type and evens the playing field.
- 3. It allows every brewery licensee in the state to maintain one additional retail location storefront per license, minus a full brewery, as is done in neighboring states. For instance, it would allow Rek-Lis, Iron Furnace or Copper Pig to open a storefront in Portsmouth or elsewhere at a fraction of the cost that it took to open their breweries. This is a massive boost for North Country businesses. If just five breweries did this, New Hampshire Brewers' Association (NHBA) estimates show tax revenues for a 12-month period at over \$128K based on expanded pint service.
- 4. Finally, SB 125 and its amendment clarify direct shipping and contract brewing language to ensure that all New Hampshire breweries can participate in these crucial revenue streams. This enables smaller breweries to work with larger ones, providing needed revenues to both. It also evens the playing field with breweries outside of NH. No longer will out-of-state breweries alone be able to ship directly to customers within New Hampshire.

Senate Bill 125 and its amendment provide greater parity for New Hampshire's craft breweries vis-à-vis those in surrounding states, boosting this important industry's financial outlook and curb appeal. This isn't just about beer—it's about supporting opportunities for our businesses, families and communities through responsible deregulation, simplification and expanded consumer choice.

That is the New Hampshire way, and a smart approach for the future.

Thank you for the opportunity to testify. I am happy to answer any questions that you may have.

Respectfully submitted,

leff-Gozzens

2/15/2021



VULGAR BREWING COMPANY 378 Central St Franklin, NH 03235

Support of SB 125

Members of Senate Commerce Committee:

We are Jason and Shelly Harrington and Damon and Megan Lewis, the owners of Vulgar Brewing Company in Franklin, NH. We are writing today in support of SB 125.

We wholeheartedly support this legislation because it will greatly benefit not only our business, but the New Hampshire craft beer industry as a whole, as well as the local and state economies. Below we have outlined how we feel this bill will specifically benefit our business.

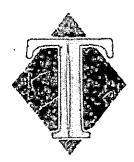
- Two Pint Rule: Under the current laws, our license does not allow us to simply serve pints. We must have our kitchen open to be able to serve beer. This has already hindered us several times in the year and a half we've been open. We have had to pass on opportunities to connect with the community through special events like our local farmer's market and events put on by Mill City Park because they occurred on days we are not normally open. To open for them, we would have to staff our kitchen, which would put our staff into overtime, something we simply cannot afford as a new business during the era of COVID. If we were able to serve two pints per customer without offering our full menu, we could take advantage of these opportunities to connect with the community and let more people sample our beer.
- Cider: We get asked daily if we offer cider, both by non-beer drinkers and by those with medical conditions like Celiac's Disease who cannot safely consume beer. We have to turn these people and their money away each time. Craft cider is an exciting and rapidly growing market that we would love to tap into, but are prohibited from doing so under current law.
- Contract Brewing: Our brewery is in a very cozy space in a renovated building in Franklin. We are continually being asked where people can buy our beer, other than on-premise. Unfortunately, with our small space, the only real way for us to ever significantly can and/or distribute would be through contract brewing. We just don't physically have the space or capacity to produce and can on our own. Additionally, the money required to secure equipment and additional space for production is simply not feasible for many small breweries. Contract brewing is our best option for getting our products into wider distribution and would have a profound impact on our growth potential, sales, and tax contributions.

We sincerely thank you for the opportunity to submit our thoughts on why we feel SB 125 is a step in the right direction for the New Hampshire craft beer industry as a whole, and our small brewery specifically. We feel it would benefit breweries of all sizes across the state, as well as local and state economies.

Thank you,

Damon Lewis
Owner/Brewer

Vulgar Brewing Company



2/15/21

Tuckerman Brewing Co, LLC 66 Hobbs St Conway, NH 03818

Support of SB 125

Members of Senate Commerce Committee:

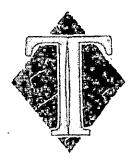
I'm writing in on behalf of Tuckerman Brewing Co, located in Conway, NH and we Support SB 125.

We opened Tuckerman Brewing in 1998, and in 23 years, we have witnessed significant change in the craft brewing industry in NH. When we opened, we rarely had any visitors to the brewery and when we did, people visited to take a tour of the facility and have a quick sample of beer, and if we were lucky, they would buy a 6 pack or a t shirt on the way out. Over the last two decades, we have watched as brewery tasting rooms have become increasingly popular with locals and tourists alike and tasting rooms have become an integral part of the communities that they're located in. Our customers are from all walks of life, locations, and age groups, and our tasting room serves as a community meeting place for everyone.

SB 125 aims to bring NH's brewery licensing to reflect the current state of the craft brewing industry.

For us,

- It would benefit our operation by eliminating pint limits without requiring us to obtaining a secondary restaurant license. We will still provide food but we wouldn't need to obtain a beer and wine or full liquor license and it would eliminate the need to build and run a full restaurant which would distract us from our brewery operations. It would also allow us to continue to work with local restaurants and food trucks to provide interesting and fun items to supplement our menu, and not be in competition with our local restaurant partners.
- It would also eliminate the restrictions on the quantity of beer sold to customers for off premise consumption. This limit is very confusing to customers visiting from other states.



- It brings brewery licenses to the same set of rules. It is very confusing to explain to customers why they have limits to what they can purchase at our tasting room, versus when they visit a nanobrewery's (with a plus license) tasting room in the next town.
- It would allow us to have a satellite location, in another area of the State that may not have the seasonal fluctuations we experience in the North Country. This would allow us to introduce more varieties of our products that couldn't be sold in stores, due to the competition for shelf space that exists in retail and chain stores, or because the beers have special care instructions for refrigeration and handling, that only a brewer could (or would want to) explain to a customer. In our tasting room presently, we have 13 beers on draft, and only 6 of those are distributed throughout the state because of those reasons listed above.
- Overall, it brings the experience of visiting a tasting room in NH to the same level as visiting a brewery in ME, MA, VT.

Thank you very much for taking the time to read my testimony. Please let me know if you have any questions.

Thanks again,

Kirsten Neves

Managing Member

Tuckerman Brewing Co, LLC

Vice President

NH Brewers Association



February 15, 2021

Concord Craft Brewing Company, LLC 117 Storrs Street Concord, NH 03301

Support of SB 125

Members of Senate Commerce Committee:

My name is Dennis Molnar, and my wife and I own Concord Craft Brewing Company located just a block or two from the Statehouse in Concord, NH. We opened our brewery in 2017, and we would like you to know that we are in *Support SB 125*.

We are the brewery closest in the cut point between Nanobrewery and Beverage Manufacturer with over 1800 barrels produced last year. The differences between the two license types are incongruous and confusing. We have spoken the NH Liquor Commission several times about the advantages of remaining a Nanobrewery to avoid the disadvantages of paying the larger fee to produce over 2000 barrels in a year.

We strongly support having some form of food available for patrons in any situation where alcohol is served as a responsible thing to do. However, the current laws are not consistent with affordably offering food that patrons would find appealing. Furthermore, our current laws on food and alcohol pairings are confusing and not consistent to consumers compared to our neighbors. For example, in Maine, breweries can have food truck on or near their property to provide appealing and quality food that customers actually want to eat while tasting beer.

It costs us hundreds of thousands dollars to buy and maintain brewing equipment and weeks or months to make high quality beer. It also takes a lot of personnel time, expertise and space to make beer. We also pay state and federal taxes on each drop of beer that we produce. We do not want to have high quality beer paired with low quality food. Yet, many of us do not have the physical facilities needed for the sanitary preparation of high quality food. In addition, many of us would prefer to offer beer for limited hours or days at times when people would drink alcohol. So, having breakfast or lunch service is not compatible with that goal. We are hoping that a simpler set of rules can be established that support the availability of "filling" meals either on site or arranged (off-site or for delivery to the site).

We also learned just a few weeks ago that NH is the easiest state in the country for shipment from out-of-state breweries, yet in state breweries are prevented from shipping our beer to our NH customers. We think that is inequitable. We hope that SB 125 can remedy some of these challenges. Please feel free to contact us if you have any questions or would like to discuss our business in any way.

Sincerely,

Dennis Molnar Co-Owner Concord Craft Brewing Company, LLC

Phone: 603-731-5335

Email: dmolnar@concordbrewco.com

From: Nicholas (Nik) Coates < townadmin@townofbristolnh.org>

Sent: Monday, February 15, 2021 1:56 PM

To: William Gannon < William.Gannon@leg.state.nh.us >; Jeb Bradley < Jeb.Bradley@leg.state.nh.us >

Cc: Bob Giuda < Bob. Giuda@leg.state.nh.us >

Subject: Support for SB 125

Good Afternoon Senator Gannon and Senator Bradley,

I wanted to voice my support for Senate Bill 125 relative to NH's craft breweries that will be before the Senate Commerce Committee tomorrow. The Town of Bristol has two craft breweries in Town--Shackett's and Woodman's--and they are key contributors to our economy and culture of the community. As a resident of Campton, the same can be said of our brewery the Dam Brewhouse.

The bill would support the simplification of food requirements for unlimited pint service at breweries and provides a common sense definition of food. It's hard enough to run a successful business and even harder during a pandemic. Creating more streamlined and more common sense rules for our craft breweries will help these small businesses and their owners continue to survive and thrive in Bristol and the state.

I appreciate your support of our local businesses and would be happy to answer any questions you may have.

Thank you,

-Nik



The Outlaw Brewing Company 215 Scotland Road Winchester NH 03470

Support of SB 125

Members of Senate Commerce Committee:

Please support SB 125. We are a small brewery in the southwest corner of the state. We are nestled in the "sunny valley" of, a pass through border town, Winchester New Hampshire. We border Massachusetts and one town over from Vermont. We had created a destination for travelers from all over.

As you review this bill please consider the fact that our competition isn't next door or even a town over. Our competition is the breweries of Massachusetts, New York, Connecticut and Vermont. We need to have at least an even playing field with our neighboring states. When we started our brewery we had one or two breweries just south of us. Now there are half a dozen just over the border with one of Massachusetts largest breweries, Tree House, coming this spring.

Through the last 4 years I have had to navigate the New Hampshire liquor laws. When I started this business the licensing would not allow for a Nano to be on a residential property. Even though the building was separate the Nano RSA included "a public place" which "public place" is defined as "not a residential property". This was the first of many road blocks that I needed to overcome in the process. We became a beverage manufacture(\$1000 increase on licensing fees) not because we needed to be able to produce more beer but because it was the only license that would allow us to begin our journey.

This bill will not only streamline the licensing process but most important allow us to sell more beer with less restrictions. We understand that this state will never do away with the food requirement when alcohol is served. But we should have a better understanding of what breweries are in todays market place. The current regulations allow us to provide as many 4 ounce samples per patron as they want. We have 16 taplines....that is 64 ounces of beer or 4 pints. Why put pint restrictions if we are meeting the food requirements?

Please support SB 125 and support the future of breweries and New Hampshire destinations. If you would like to chat more please contact me via email rhorton7333@gmail.com or 4136279700(cell).

Thank you,

Rick Horton
Owner of The Outlaw Brewing Company

Aaron Jones

From: Rob North <rob@greatnorthaleworks.com>

Sent: Monday, February 15, 2021 10:02 PM

To: Aaron Jones

Subject: Testimony in Support of SB 125

2/15/2021

Great North Aleworks 1050 Holt Ave., Unit #14 Manchester, NH 03109

Support of SB 125

Members of Senate Commerce Committee:

My name is Robert North and I am the president of Great North Aleworks, located in Manchester. My wife and I founded the company in 2011, and by 2015, with 3 employees, we started brewing beer. Today we have 18 full-time staff and 7 part-time staff. Today I am writing to ask for your help by supporting Senate Bill 125.

SB 125, with its proposed amendments to RSA 178, updates and streamlines many of the rules that govern brewing in New Hampshire, and has the full support of the New Hampshire Brewers Association and its members. Included in the proposed amendments to RSA 178 are important clarifications regarding contract brewing. Contract brewing has become an important part of our business, accounting for 12% of our revenue in 2020.

Great North Aleworks has offered contract brewing services to other New Hampshire breweries in need of capacity, equipment, and personnel to meet the demand for their beers. Great North Aleworks has acted as contract brewer for all brewery license types in New Hampshire and has consistently sought the approval by The New Hampshire Liquor Commission for these arrangements. Great North Aleworks has provided The Commission with copies of the contracts, production data, and other information as requested.

We believe that without passage of SB 125 and the critical revisions to RSA 178:12 (and by extension RSA 175:1), our ability to contract brew for other New Hampshire breweries is in jeopardy. In December 2020, The New Hampshire Liquor Commission denied our request to enter into contract brewing agreements with two New Hampshire brewpubs, and rejected a request to contract brew for third brewpub for which it had granted approval in 2019. In its decision, The Commission cited RSA 175:1:

XXV-a. "Contract brewer" means a brewery hired by a beverage manufacturer to produce a beverage for the beverage manufacturer.

XXV-b. "Contract brewing arrangement" means a business relationship in which a beverage manufacturer pays another brewer to produce a beverage for the beverage manufacturer for sale.

SB 125 addresses this issue, by updating RSA 178:12 to say:

"A beverage manufacturer <u>or brew pub</u> may enter into a contract brewing arrangement with a beverage manufacturer, irrespective of any prior definition of a contract brewing arrangement."

SB 125 also includes important revisions to the classes of brewery licenses, by replacing the Nano Brewery license type with two new tiers of Beverage Manufacturer licenses. This change will preserve our ability to provide contract brewing services to several small (but growing) New Hampshire breweries.

SB 125 is extremely important to New Hampshire breweries like Great North Aleworks who offer contract brewing services, and to other breweries looking for contract brewing services, so that we may continue to grow our businesses, provide meaningful employment to our staff, and pay our taxes, while producing New Hampshire-made beer that we can be proud of.

Thank you for supporting New Hampshire breweries.

Sincerely,

Robert North

President - Great North Aleworks 1050 Holt Ave., Unit #14 Manchester, NH 03109 rob@greatnorthaleworks.com (603) 498-8152

Aaron Jones

From:

Trevor Bonnette <trevor@babbrewing.com>

Sent:

Monday, February 15, 2021 5:27 PM

To:

Aaron Jones

Subject:

Testimony in Support of SB 125

2/15/21

Branch and Blade Brewing Company, Inc. 17 Bradco Street Keene, NH 03431

Support of SB 125

Members of Senate Commerce Committee:

My name is Trevor Bonnette, President of Branch and Blade Brewing in Keene. We are coming up on three years in business in May and we **Support SB 125**.

We have spent a lot of time and effort on the quality of brews and have opened up our market to customers from surrounding states and all over the country due to our unique flavor profiles. Especially after working in collaboration with breweries all over, from Maine to California, we acknowledge a need for legislature change in New Hampshire to help our industry not only grow, but also to survive. As hard as Covid has been on us and the industry as a whole, the hardest part of our journey as a business was meeting the guidelines for opening.

When we were reaching out to industry friends getting ready to open in 2018, we had one question constantly asked of us: Why would we want to open a brewery in the red-tape state? New Hampshire has the motto of "live free or die," but all of the restrictions on the beer industry in our state directly oppose this statement. From the need for food, label approval requirements and lack of off-site or second-location storefronts (none of our surrounding states have these requirements), all of the regulations currently in place hold the state back from the cutting edge advancements of our counterparts in our surrounding states. Starting a brewery has HUGE upfront costs, and the state currently requires another large investment of operating a full restaurant in order to serve the beer we work so hard to produce.

Going even further than SB 125 goes, the need for food in any capacity is not something required by neighboring states, and further pushes New Hampshire behind the "curve" of what is expected of a brewery in the modern age. This is an industry built on passion, experimentation, camaraderie and an abundance of hard work. Our support of SB 125 is something we see as a small step toward getting the same privileges our industry friends in other states have had for a long time. Not only will this bill help businesses in the state, it will ease the barrier of entry for a well-loved and financially profitable and sustainable industry with huge growth potential for the state we live and work in.

We hope this bill is well received by the Senate Commerce Committee and opens up further discussions on how to improve the regulatory structures placed on our industry. No system will ever be perfect, but there is a lot of room for improvement on the current infrastructure surrounding the beer

industry in the State of New Hampshire. We appreciate your willingness to work with us to help improve our ability to earn a living in this state, while also providing the state with a large inflow from taxes.

Thank you for your time and consideration on this bill, and I would be happy to discuss this issue further with you to help see the point of view of somebody who makes their living in this industry.

Thank you,

Trevor Bonnette

President

Branch and Blade Brewing Company, Inc.

Trevor Bonnette

President
Branch and Blade Brewing Company
17 Bradco Street, Keene, NH 03431
603-354-3478
Trevor@babbrewing.com

Aaron Jones

From:

Jeff C <jeff@schillingbeer.com>

Sent:

Friday, February 26, 2021 10:48 AM

To:

Harold French; William Gannon; Kevin Cavanaugh; Jeb Bradley; Donna Soucy; Aaron

Jones

Subject:

NHLC Performance Audit

Members of Senate Commerce:

My name is Jeff Cozzens, I'm the CEO of Schilling Beer Co in Littleton and the President of the New Hampshire Brewers Association.

As I'm sure you are aware, a performance audit of the NHLC was recently completed. This report is very timely. As you will see, many of the current licensing difficulties we spoke about during the public hearing of SB 125 have been documented in this aduit.

We believe that SB 125 will help make enforcement and audits easier for NHLC in the future by simplifying the license structure and bringing greater parity.

Audit

http://www.gencourt.state.nh.us/LBA/AuditReports/PerformanceReports/Liquor Enforcement 2021.pdf

Audit Highlights:

- "The statutory and regulatory framework was complex, at times unnecessarily so. There were 45
 alcohol-related license and permit types with over 100 variations, or subtypes. Rules were poorly
 maintained and at times outdated, incomplete, and inaccurate, leading to broad, ad hoc rulemaking.
 Complexity, ad hoc rulemaking, and other defects in the control framework led to waste and abuse."
- "Knowledge management was inadequate. Division components collected operational data and
 information that often remained within that component. Data and information were undervalued and
 not leveraged to inform organizational management and help achieve expected outcomes.
 Inadequacies rendered many transactions unauditable. Records were inconsistently reliable to a
 degree that we qualify every conclusion resting on them. Documentation of management controls
 was inconsistent, particularly lacking for administrative functions."

News Coverage

- Union Leader: Liquor commission's license, enforcement arm panned in audit
- Concord Monitor: Audit finds N.H. Liquor Commission overwhelmed by enforcement duties

Thank you for your time,

Jeff Cozzens

Jeffrey B. Cozzens

CEO/Co-Founder, Schilling Beer Co.

Cell: (603) 986-3003 www.schillingbeer.com

President, New Hampshire Brewers Association The Honorable Harold French Chairman, Commerce Committee 107 North Main Street Concord, NH 03301

Dear Chairman French and Members of the Senate Commerce Committee,

The New Hampshire Grocers Association is writing today to express our opposition to Section 6 of Amendment #2021-0657s to SB 125, relative to beverage manufacturer licenses. The NHGA represents over 900 members in the state of New Hampshire, from small independent mom-and-pop establishments and convenience stores to large chain operated supermarkets. Our membership also includes numerous categories of suppliers and several craft beer and wine manufacturers, with close to 100,000 full and part-time employees.

Section 6 of the amendment would allow beverage manufacturers to create a second retail and on-premises sales location separate from their manufacturing facility. We believe this would be a clear violation of the three-tier system and should not move forward. This amendment would also allow for the sale of up to two 16-ounce servings of beer and the serving of food prepared either on or off premise. It is logical for this practice to take place at the beverage manufacturers facility but allowing a beverage manufacturer to create a new location closely resembling a restaurant but with limited regulation could have unintended consequences on the existing three-tier system.

No one can argue the rapid increase in popularity and number of craft beer options available for consumers. As demand has increased over the last few years, current methods of distribution have continued to increase the number of products widely available throughout the state. Maintaining the current three-tier system is incredibly important to ensuring consumer safety. Beverage manufacturers and small brewing facility have thrived under the current system offering significant consumer choice and are already afforded large amount of flexibility. Allowing satellite retail and tasting locations could put the entire system at risk.

The New Hampshire Grocers Association would ask that you remove section 6 from the amendment prior to moving forward with the bill.

Voting Sheets

Senate Commerce Committee

EXECUTIVE SESSION RECORD 2021-2022 Session

-1	Bill # SB 175-FN
Hearing date: 2 16 7	
Executive Session date: 397	
Motion of: AMPADMENT (07038)	Vote: 5-0
Committee Member Made by Second Sen. French, Chair	d Yes No Vote: 5-0
Committee Member Made by Second	
Sen. French, Chair Sen. Gannon, V-Chair Sen. Bradley Sen. Cavanaugh Sen. Soucy	And the state of t
	Vote:5~\\
Committee Member Made by Second Sen. French, Chair	d Yes No
Reported out by: Stor Common	<u> </u>

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE FOR THE CONSENT CALENDAR

Wednesday, March 10, 2021

THE COMMITTEE ON Commerce

to which was referred SB 125-FN

AN ACT

relative to beverage manufacturer licenses.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0745s

Senator Bill Gannon For the Committee

As introduced, this bill sought to simplify the statutes governing the craft beer industry to enable New Hampshire to be more competitive with surrounding states. The Committee heard testimony that the original bill would have had an indeterminable effect on the Liquor Commission's three-tier system, which consists of manufacturers, wholesalers, and retailers. As amended, this bill would incorporate recommendations from the Liquor Commission, wholesalers, and craft brewers. Also, as amended, this bill wouldn't fundamentally alter the three-tier system. Instead, it would increase the amount of beverages allowed to be sold at beverage manufacturer facilities; permit nano brewers and brew pubs to contract brew; allow for the intrastate shipment of specialty beers; and permit beverage manufacturer licensees to have a retail outlet that can sell, sample, and produce, manufacture, or promote products that they manufacture themselves.

Aaron Jones 271-4063

FOR THE CONSENT CALENDAR

COMMERCE

SB 125-FN, relative to beverage manufacturer licenses. Ought to Pass with Amendment, Vote 5-0. Senator Bill Gannon for the committee.

As introduced, this bill sought to simplify the statutes governing the craft beer industry to enable New Hampshire to be more competitive with surrounding states. The Committee heard testimony that the original bill would have had an indeterminable effect on the Liquor Commission's three-tier system, which consists of manufacturers, wholesalers, and retailers. As amended, this bill would incorporate recommendations from the Liquor Commission, wholesalers, and craft brewers. Also, as amended, this bill wouldn't fundamentally alter the three-tier system. Instead, it would increase the amount of beverages allowed to be sold at beverage manufacturer facilities; permit nano brewers and brew pubs to contract brew; allow for the intrastate shipment of specialty beers; and permit beverage manufacturer licensees to have a retail outlet that can sell, sample, and produce, manufacture, or promote products that they manufacture themselves.

General Court of New Hampshire - Bill Status System

Docket of SB125

Docket Abbreviations

Bill Title: relative to beverage manufacturer licenses.

Official Docket of **SB125.**:

Date	Body	Description
2/3/2021	S	Introduced 01/06/2021 and Referred to Commerce; SJ 3
2/10/2021	S	Remote Hearing: 02/16/2021, 09:15 am; Links to join the hearing can be found in the Senate Calendar; SC 11
3/10/2021	S	Committee Report: Ought to Pass with Amendment #2021-0745s, 03/18/2021; Vote 5-0; CC; SC 15
3/18/2021	S	Committee Amendment #2021-0745s , RC 23Y-1N, AA; 03/18/2021; SJ 8
3/18/2021	S	Ought to Pass with Amendment 2021-0745s, RC 23Y-1N, MA; OT3rdg; 03/18/2021; SJ 8
3/31/2021	Н	Introduced (in recess of) 02/25/2021 and referred to Commerce and Consumer Affairs HJ 4 P. 50
4/21/2021	Н	Public Hearing: 04/27/2021 11:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/96624100489 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
4/28/2021	Н	Public Hearing on non-germane Amendment #2021-1237h : 05/04/2021 10:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/93919075701
5/5/2021	Н	Executive Session: 05/13/2021 10:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/93883325643
5/26/2021	Н	Majority Committee Report: Ought to Pass with Amendment #2021-1237h (Vote 13-6; RC) HC 26 P. 16
5/26/2021	Н	Minority Committee Report: Inexpedient to Legislate
6/3/2021	Н	Amendment #2021-1237h: AA VV 06/03/2021 HJ 8 P. 88
6/3/2021	H	Ought to Pass with Amendment 2021-1237h: MA DV 238-134 06/03/2021 HJ 8 P. 88
6/10/2021	S	Sen. French Moved to Concur with the House Amendment, MA, VV; 06/10/2021; SJ 19
7/1/2021	Н	Enrolled (in recess of) 06/24/2021
7/1/2021	S	Enrolled Adopted, VV, (In recess 06/24/2021); SJ 20
8/16/2021	S .	Signed by the Governor on 08/06/2021; Chapter 0180; Effective 07/01/2021

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NH House	NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SO 175-FN Senate Committee: COMMENCE		
Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside		
Y Final docket found on Bill Status		
Bill Hearing Documents: (Legislative Aides)		
Bill version as it came to the committee		
All Calendar Notices		
Hearing Sign-up sheet(s)		
Prepared testimony, presentations, & other submissions handed in at the public hearing Hearing Report		
Revised/Amended Fiscal Notes provided by the Senate Clerk's Office		
Committee Action Documents: {Legislative Aides}		
All amendments considered in committee (including those not adopted): - amendment # 21-03585 \(\frac{1}{2} \) - amendment # 21-07105		
\times - amendment # $21-0$ 5 to \times - amendment # $21-0$ tubes		
Executive Session Sheet		
Committee Report		
Floor Action Documents: {Clerk's Office}		
All floor amendments considered by the body during session (only if they are offered to the senate):		
amendment # amendment #		
amendment # amendment #		
Post Floor Action: (if applicable) {Clerk's Office}		
Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):		
Enrolled Bill Amendment(s)		
Governor's Veto Message		
All available versions of the bill: {Clerk's Office}		
final version		
Completed Committee Report File Delivered to the Senate Clerk's Office By:		
ACCOC JONES 7/71/21 Committee Aide Date		

Senate Clerk's Office