State of Arizona Department of Liquor Licenses and Control

Arizona Growler Statutes

Updated September 9, 2015

RIZONA

A.R.S. §4-244. Unlawful acts

It is unlawful:

Growler law regarding age on-sale:

11. For an on-sale retailer to employ a person under nineteen years of age in any capacity connected with the handling of spirituous liquors. This paragraph does not prohibit the employment by an on-sale retailer of a person under nineteen years of age who cleans up the tables on the premises for reuse, removes dirty dishes, keeps a ready supply of needed items and helps clean up the premises.

Growler law regarding age off-sale:

10. For a licensee to employ a person under nineteen years of age to manufacture, sell or dispose of spirituous liquors. This paragraph shall not prohibit the employment by an off-sale retailer of persons who are at least sixteen years of age to check out, if supervised by a person on the premises who is at least nineteen years of age, package or carry merchandise, including spirituous liquor, in unbroken packages, for the convenience of the customer of the employer, if the employer sells primarily merchandise other than spirituous liquor.

Growler law regarding dispensing:

- 1. For a licensee or employee to knowingly permit spirituous liquor to be removed from the licensed premises, except in the original unbroken package. This paragraph shall not apply to either of the following:
 - a. A person who removes a bottle of wine which has been partially consumed in conjunction with a purchased meal from licensed premises if a cork is inserted flush with the top of the bottle or the bottle is otherwise securely closed.
 - b. A person who is in licensed premises that have noncontiguous portions that are separated by a public or private walkway or driveway and who takes spirituous liquor from one portion of the licensed premises across the public or private walkway or driveway directly to the other portion of the licensed premises.
 - c. A bar, beer and wine bar, liquor store, beer and wine store or microbrewery licensee who dispenses beer only in a clean container composed of a material approved by a National Sanitation Organization with a maximum capacity that does not exceed one gallon and not for consumption on the premises if:
 - i. The licensee or the licensee's employee fills the container at the tap at the time of sale.
 - ii. The container is sealed with a plastic adhesive and displays a government warning label.
 - iii. The dispensing of that beer is not done through a drive-through or walk-up service window. The department shall review the effects of this subdivision and submit a report by July 1, 2015 on the effects of this subdivision to the

governor, the speaker of the house of representatives and the president of the senate. The department shall provide a copy of this report to the secretary of state.

45. Except as authorized by paragraph 32, subdivision (c) of this section, for a person to reuse a bottle or other container authorized for use by the laws of the united states or any agency of the united states for the packaging of distilled spirits or for a person to increase the original contents or a portion of the original contents remaining in a liquor bottle or other authorized container by adding any substance.

State of Arizona

Department of Liquor Licenses and Control

TTB Growler Policy

This link to the TTB website: http://www.ttb.gov/beer/beer-faqs.shtml#b9, contains the following information on "growler" policy and other frequently asked questions regarding "growlers".

B9: What is TTB's policy with respect to "growlers"?

What is a "growler?"

A "growler" is a large container that we may consider as either a large glass or as a bottle. These containers are usually about a ½ gallon, but may be smaller. Some States place restrictions on removal of beer from brewpubs in ½ gallon growlers.

What are the concerns for filling a "growler?"

A growler is either a bottle or a large glass. The distinction is solely dependent on the manner in which the brewer fills the container.

When is a growler a "bottle?"

A growler is a bottle when the brewer fills the container in advance of sale. The brewer may fill the growler prior to removal, on the brewery premises, or after tax determination on the brewpub premises.

When is a growler a "large glass?"

A growler is a large glass when a consumer uses the container to make a purchase and the brewer then fills the container. Consumers may furnish their own growler or may purchase it from the brewer.

When is tax determined on beer used to fill growlers?

There are two conditions for tax determination (please refer to §§25.25(c), 25.157, and 25.158).

• If the brewer fills a "bottle" on the brewery premises, the tax is determined upon removal for consumption or sale. Since the growler is a bottle, tax is determined on the stated net contents.

• If the brewer fills a "glass" on the brewpub premises, the brewer must fill it from a tank that is tax determined.

What are the labeling requirements for growlers?

When you are required to label your growler you should note that the label must contrast with the background. If you silkscreen your containers, the ink colors must contrast with the filled containers.

What are the requirements for the government warning label?

The Alcoholic Beverage Labeling Act (ABLA) of 1998 applies to sealed containers the brewer offers for sale to consumers. The ABLA does not apply to glasses or containers a brewer uses to serve beer at the brewpub. These containers do not meet the definition for a sealed container in which an alcohol beverage is offered for sale to the public.

However, the law applies to any keg or serving tank from which the brewer dispenses beer to containers. The brewer must apply a government warning label to the keg or tank. The brewer must comply with 27 CFR Part 16 regardless of whether the public has view of the keg or tank.

The statement must comply with these conditions.

- It must be legible under ordinary conditions, and on a contrasting background.
- The words "GOVERNMENT WARNING" must be in capital letters and bold type. The rest of the statement may not appear in bold type.
- The maximum number of characters per inch of the warning statement is 25. All characters, including both upper and lower case, must be a minimum 2 millimeters in size.

What are the requirements for growlers that are "glasses?"

When the brewer fills a growler at the tap at the brewpub, and not in advance of sale, we consider the growler as a large glass sold at retail. These growlers are not subject to Federal labeling requirements. Some States consider this bottling activity and regulate accordingly. Brewers should check with State authorities.

What are the requirements for growlers that are "bottles?"

When the brewer fills on the brewery premises or on the brewpub in advance of sale, the growler is a bottle subject to labeling requirements of <u>27 CFR Part 16</u> and <u>27 CFR Part 25</u>. In some States the requirements of <u>27 CFR Part 7</u> also apply.

Since growlers may be considered bottles we recommend that brewers silkscreen or label their growlers with all of the mandatory label information to avoid potential problems with growlers the brewer might subsequently refill under conditions that we would consider bottling. (See § 25.142 and 27 CFR Part 16.)

What is the mandatory label information?

You must label your beer with this information:

Brewer name or trade name

Place of production – the place of production is the city, and, if necessary for identification, the state. The place of production must appear in direct conjunction with your name or trade name. If you operate more than one brewery you must choose one of these options:

- Show all brewery locations on the label
- Show the place of production on the label
- Show your principal place of business on the label

In the event that you select to show all your locations or your principal place of business, rather than the place of production, you must also mark your label with a code to show which location actually produces the beer.

Net contents – show net contents as ½ gallon. You may use "64 ounces" in addition to but not in place of "½ gallon."

Do not make a statement as to payment of internal revenue taxes.

Government warning label – use the guidelines above (see 27 CFR Part 16).

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B:10 What are the guidelines for a Nano brewery?

Nano-breweries, which we define as very small brewery operations, are springing up across the country. Nano brewing is a result of the steady appeal for craft-brewed beers and the beneficiary of the growing home brewing movement. We issue this advisory as a reminder that any beer produced for sale by home brewers is not exempt from Federal excise tax payment.

<u>Section 5092</u> of the Internal Revenue Code of 1986 (IRC) defines a brewer as a person who brews beer or produces beer for sale. <u>Section 5053(e)</u> of the IRC provides an exemption from Federal excise tax payment for beer that is produced for personal or family use.

<u>Pursuant to § 5053(e)</u> any adult may, without payment of tax, produce beer for personal or family use and not for sale. The aggregate amount of beer exempt from tax under this subsection with respect to any household shall not exceed-

- (1) 200 gallons per calendar year if there are 2 or more adults in such household, or
- (2) 100 gallons per calendar year if there is only 1 adult in such household.

For purposes of this subsection, the term "adult" means an individual who has attained 18 years of age, or the minimum age (if any) established by law applicable in the locality in which the household is situated at which beer may be sold to individuals, whichever is greater.

Persons who produce beer for sale, no matter how small the amount, must qualify as a brewer under the provisions of <u>26 U.S.C. 5401</u>. In addition to paying the Federal excise tax on any beer that is removed from the brewery for consumption or sale, consumer packages must contain the government health warning statement (*see* <u>27 CFR part 16</u>). Further, the labeling and advertising provisions of the Federal Alcohol Administration Act, which are found at <u>27 U.S.C 205</u>, may apply. Regulations implementing § 105 of the Act, as they relate to malt beverages, are set forth in part 7 of the TTB regulations (<u>27 CFR part 7</u>), Labeling and Advertising of Malt Beverages.

If you have a question regarding whether your operation qualifies for the exemption as found in § 5053(e) or whether you need to complete the brewery qualification process pursuant to 26 U.S.C. 5401, please contact the TTB National Revenue Center at 1-877-882-3277 or e-mail at: ttbquestions@ttb.treas.gov.