

# Distilleries and Home Breweries

## Federal Requirements for Spirits

You may not produce spirits for beverage purposes without paying taxes and without prior approval of paperwork to operate a distilled spirits plant. [See 26 U.S.C. 5601 & 5602 for some of the criminal penalties.] There are numerous requirements that must be met that also make it impractical to produce spirits for personal or beverage use. Some of these requirements are paying special tax, filing an extensive application, filing a bond, providing adequate equipment to measure spirits, providing suitable tanks and pipelines, providing a separate building (other than a dwelling) and maintaining detailed records, and filing reports. All of these requirements are listed in 27 CFR Part 19. Spirits may be produced for non-beverage purposes for fuel use only without payment of tax, but you also must file an application, receive TTB's approval, and follow requirements, such as construction, use, records and reports.

[View TTB website](#)

## Arizona Requirements

Below are the registration requirements for a still on private property for personal consumption in Arizona, activities which do not require a license in this state.

Giving your homemade liquor away to family and friends who are age 21 or older does not require a license.

### **A.R.S. §4-221. Registration of stills; forfeiture; sale; proceeds**

A. Every person having in his possession or custody or under his control a still or distilling apparatus shall register it with the director under the rules the director may prescribe, and every still or distilling apparatus not so registered, together with all

mash, wort or wash, for distillation or for the production of spirits or alcohol, and all finished products, together with all personal property in the possession or custody of, or under the control of any person, which may be used in the manufacture or transportation of spirituous liquors, and which is found in the building or in any yard or enclosure connected with the building in which the unregistered still or distilling apparatus is located, shall be forfeited to the state.

B. The still, distilling apparatus, mash, wort, wash or finished products shall forthwith be destroyed by any peace officer, and all personal property forfeited to the state shall be sold at public auction to the highest bidder for cash on five days' notice.

C. The notice shall be posted at the courthouse in the county in which the personal property was seized or at the office of the director and shall be published in a newspaper of general circulation published in this state which is nearest to the place where the personal property was seized. After paying the expenses of the publication and the expenses of sale from the proceeds of the sale, any balance shall be paid into the general fund of the state.

### **R19-1-314. Distilling Apparatus Requirements**

All distilling apparatus shall be registered with the Director. Such registration shall contain:

1. A description covering type, capacity and other physical details;
2. Names and addresses of owner or owners;
3. A correct and complete address of the premises where such still or distilling apparatus is in operation or is stored;
4. Purposes for which apparatus will be used;
5. Photographs of the assembled apparatus; and

6. Copy of Bureau of Alcohol, Tobacco and Firearms Still Registration Permit.

## **Distillery - liquor production for resale: In-State Producer Application Kit - Series 1**

This non-transferable liquor license allows an in-state producer to produce or manufacture all types of spirituous liquor and sell the product to a licensed wholesaler. A person who holds an In-State Producer license may also sell liquor produced or manufactured on the licensed premises for on-site consumption if the producer also holds an on-sale retail license (See series 06, 07 or 12 below). The retail license premises must be located on, or adjacent to, the licensed premises of the in-state producer.

[Link to License application](#)

### **Home Brewery:**

To deal in liquor (as described below in statute), you must; 1) have a business approved by your local government to operate from, and 2) have a liquor license.

Giving your homemade liquor away to family and friends who are age 21 or older does not require a license.

The law regarding "dealing in liquor" (selling, storing, producing, providing for profit) is below.

### **A.R.S. §4-244. Unlawful acts**

It is unlawful:

1. For a person to buy for resale, sell or deal in spirituous liquors in this state without first having procured a license duly issued by the board.
2. For a person to sell or deal in alcohol for beverage purposes without first complying with this title.

**A.R.S. §4-244.05. Unlicensed business establishment or premises; unlawful consumption of spirituous liquor; civil penalty; seizure and forfeiture of property**

A. A person owning, operating, leasing, managing or controlling a business establishment or business premises which are not properly licensed pursuant to this title and in which any of the following occur shall not allow the consumption of spirituous liquor in the establishment or on the premises:

1. Food or beverages are sold.
2. Entertainment is provided.
3. A membership fee or a cover charge for admission is charged.
4. A minimum purchase or rental requirement for goods or services is charged.

B. A person shall not consume spirituous liquor in a business establishment or on business premises which are not properly licensed pursuant to this title in which food or beverages are sold, entertainment is provided, a membership fee or a cover charge for admission is charged or a minimum purchase or rental requirement for goods or services is charged.

C. In addition to or in lieu of other fines or civil penalties imposed for a violation of this section or any other action taken by the board or director, the board or director may conduct a hearing subject to the requirements of section 4-210, subsection G to determine whether a person has violated subsection A of this section. If the board or director determines, after a hearing, that a person has violated subsection A of this section the board or director may impose a civil penalty of not less than two hundred nor more than five thousand dollars for each offense. A civil penalty imposed pursuant to this section by the director may be appealed to the board.

D. In addition to any other remedies provided by law, any monies used or obtained in violation of this chapter may be seized by any peace officer if the peace officer has probable cause to believe that the money has been used or is intended to be used in violation of this section.

E. In addition to any other remedies provided by law, the records of an establishment that is in violation of this section may be seized by any peace officer if the peace officer has probable cause to believe that the establishment is operating without a valid license issued pursuant to this title.

F. In addition to any other remedies provided by law, any amount of alcohol may be seized by any peace officer if the peace officer has probable cause to believe that the alcohol is being used or is intended to be used in violation of this section.

G. In addition to any other remedies provided by law, the following property shall be forfeited pursuant to section 13-2314 or title 13, chapter 39:

1. All proceeds and other assets that are derived from a violation of this section.
2. Anything of value that is used or intended to be used to facilitate a violation of this section.

H. A person who obtains property through a violation of this section is deemed to be an involuntary trustee of that property. An involuntary trustee and any other person who obtains the property, except a bona fide purchaser who purchases the property for value without notice of or participation in the unlawful conduct, holds the property, including its proceeds and other assets, in constructive trust for the benefit of the persons entitled to remedies pursuant to section 13-2314 or title 13, chapter 39.

I. The board or director may adopt rules authorizing and prescribing limitations for the possession or consumption of spirituous liquor at establishments or premises falling within the scope of subsections A and B of this section. Rules adopted

pursuant to this subsection shall authorize the possession or consumption of spirituous liquor only at establishments or premises which permit the consumption or possession of minimal amounts of spirituous liquor and which meet both of the following criteria:

1. The possession or consumption of spirituous liquor is permitted only as an incidental convenience to the customers of the establishment or premises.

2. The possession or consumption of spirituous liquor is permitted only within the hours of lawful sale as prescribed in this title, and is limited to no more than ten hours per day.

J. Any rules adopted pursuant to subsection I of this section shall prescribe:

1. The maximum permitted occupancy of an establishment or premises.

2. The hours during which spirituous liquor may be possessed or consumed.

3. The amount of spirituous liquor that a person may possess or consume.

4. That the director, the director's agents and any peace officer empowered to enforce the provisions of this title, in enforcing the provisions of this title, may visit and inspect the establishment or premises during the business hours of the premises or establishment.

K. Any rules adopted pursuant to subsection I of this section may prescribe separate classifications of establishments or premises at which spirituous liquor may be possessed or consumed and may establish any other provisions relating to the possession or consumption of spirituous liquor at establishments or premises falling within the scope of subsections A and B of this section which are necessary to maintain the health and welfare of the community.

L. This section does not apply to establishments or premises that are not licensed pursuant to this title and on which occurs the consumption of spirituous liquor if the establishment or

premises are owned, operated, leased, managed or controlled by the United States, this state or a city or county of this state.

### **R19-1-315. Exemptions to A.R.S. § 4-244.05**

Small restaurants, catering establishments, associations, and business establishments hosting private social functions are exempt from A.R.S. § 4-244.05 if the business establishment meets all of the following conditions:

1. The possession or consumption of spirituous liquor on the premises is limited to wine and beer and is permitted as an incidental convenience to patrons of the business establishment.
2. The business establishment limits possession or consumption of wine or beer on the premises to the hours between noon and 10 p.m.
3. The business establishment or premises allows a patron to possess no more than 24 ounces of beer per person, or 6 ounces of wine per person to be consumed on the premises.
4. The business establishment notifies the Department on a form prescribed by the Department that it permits patrons to consume or possess beer or wine on the premises.
5. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall comply with A.R.S. Title 4, Chapters 1, 2, and 3, and 19 A.A.C. 1.
6. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall not permit the number of patrons within the business establishment to exceed the maximum occupancy limitations. The maximum occupancy limitations are:
  - a. Small restaurant: shall not exceed 40 patrons.
  - b. Catering establishment: shall not exceed 300 patrons.
  - c. Associations: shall not exceed 300 patrons.
  - d. Business establishments hosting private social functions: shall not exceed 300 patrons.

7. If any clause, sentence, subsection, Section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subsection, Section or part thereof directly involved in the controversy in which such judgment shall have been rendered.