

**PART IV. ON-FARM-PRODUCED  
DENATURED ETHYL ALCOHOL**

<b>Chap.</b>	<b>101.</b>	<b>GENERAL PROVISIONS .....</b>	<b>Sec.</b> <b>101.1</b>
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**CHAPTER 101. GENERAL PROVISIONS**

- Sec. 101.1. Scope.
- 101.2. Definitions.
- 101.3. Licensing requirements.
- 101.4. Operation of the distillery.
- 101.5. Recordkeeping.
- 101.6. Inspections.
- 101.7. Annual report and fee.

**Authority**

The provisions of this Chapter 101 issued under section 1712 of The Administrative Code of 1929 (71 P. S. § 452), unless otherwise noted.

**Source**

The provisions of this Chapter 101 adopted April 20, 1990, effective April 21, 1990, 20 Pa.B. 2163, unless otherwise noted.

**§ 101.1. Scope.**

This chapter governs the licensing of on-farm producers of denatured ethyl alcohol and the manufacture, use and sale of on-farm-produced denatured ethyl alcohol.

**§ 101.2. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise.

*Bureau*—The Bureau of Weights and Measures of the Department.

*Department*—The Department of Agriculture of the Commonwealth.

*Denatured ethyl alcohol*—A flammable volatile hydrocarbon liquid that was fermented and distilled from raw agricultural products such as grains, fruits or forage crops, and that was rendered unfit for human consumption through the addition of an obnoxious substance that does not impair the usefulness of the alcohol for other purposes.

*Distillery*—A place or building located on a farm owned by the licensee where alcohol is manufactured.

*Farm*—Premises which were devoted to agricultural use during the preceding 3 years and which are not less than 10 contiguous acres in area or have

anticipated yearly gross income of \$2,000 from agriculture excluding income from the sale of denatured ethyl alcohol.

*On-farm-production*—The production in a distillery of denatured ethyl alcohol from Pennsylvania-grown crops.

*Person*—A natural person, corporation, partnership and association.

*Proof*—A number describing the strength of the denatured ethyl alcohol solution which is double the percentage of alcohol in the solution. For example, 100 proof means 50% alcohol.

### § 101.3. Licensing requirements.

(a) An application for a license to engage in the on-farm production of denatured ethyl alcohol shall be filed with the Department on an application form provided by the Department.

(b) An applicant for a license shall obtain a permit from the United States Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms before operating the distillery. A copy of this permit shall be submitted with the application form.

(c) A license issued under this chapter shall expire on December 31 in the year for which it is issued.

(d) A license issued under this chapter is not transferable.

### § 101.4. Operation of the distillery.

(a) A license issued under this chapter entitles only the licensee to produce denatured ethyl alcohol which shall be denatured under 27 CFR Part 21 (relating to formulas for denatured alcohol and rum).

(b) A licensee shall construct and operate its distillery and associated storage facilities in accordance with applicable Federal, State and local laws.

### § 101.5. Recordkeeping.

(a) A license under this chapter shall keep for each day it operates a distillery a record containing the following information:

- (1) Kind, quantity and the source of the crops used.
- (2) Quantity and proof of the denatured ethyl alcohol produced.

(b) A record required to be kept under this section shall be maintained for at least 5 years and shall be made immediately available to the Department upon request.

#### Cross References

This section cited in 70 Pa. Code § 101.6 (relating to inspections).

§ 101.6. Inspections.

(a) Upon the request of an agent of the Department during regular and usual business hours, or at other times when a reasonable belief that a violation of this chapter may exist, a licensee shall:

- (1) Produce for inspection records maintained under § 101.5 (relating to recordkeeping).
- (2) Permit the agent to examine the distillery and related storage facilities.

(b) The Department’s agent will advise the licensee that the inspection is being conducted under section 1712(f) of The Administrative Code of 1929 (71 P. S. § 452(f)) and this chapter.

(c) The Department reserves the right to enter and conduct an inspection at least annually and at other times upon complaint or reasonable belief that a violation of this chapter may exist. The Department reserves the right to enter and conduct a special inspection as a follow-up to a previous inspection that revealed noncompliance with this chapter.

(d) Failure of a licensee to produce records for inspection or to permit examination of its distillery or related storage facilities may be grounds for suspension, revocation or denial of a license issued under this chapter. An action taken by the Department under this subsection shall be subject to 2 Pa.C.S. § 504 (relating to hearing and record).

§ 101.7. Annual report and fee.

(a) *Annual report.* A person who was licensed under this chapter during the preceding calendar year shall file on or before January 30 an annual report with the Department covering the operation of the distillery during the preceding year. The report shall be on a form provided by the Department.

(b) *Fee.* The annual report shall be accompanied by a fee based upon the volume of denatured ethyl alcohol produced during the preceding year in accordance with the following schedule:

<i>Alcohol Produced</i>	<i>Fee</i>
Not over 1,000 gallons . . . . .	\$ 25
Over 1,000 gallons but not over 5,000 gallons . . . . .	\$ 50
Over 5,000 gallons but not over 20,000 gallons . . . . .	\$100
Over 20,000 gallons but not over 50,000 gallons . . . . .	\$200
Over 50,000 gallons . . . . .	\$200 plus \$1 for every 1,000 gallons over 50,000 gallons.

[Next page is 110-1.]

101-4

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