

Title 27: Alcohol, Tobacco and Firearms

PART 19

DISTILLED SPIRITS PLANTS (DSP)

(Exerpts from TTB Regulations pertaining to Alcohol Fuel Plant (AFP) qualifications and bonds – Visit www.ttb.gov and search the Code of Federal Regulations, Part 19 for a complete copy of applicable regulations.)

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Source:

T.D. ATF–198, 50 FR 8464, Mar. 1, 1985, unless otherwise noted.

Editorial Note:

Nomenclature changes to part 19 appear by T.D. ATF–463 and T.D. ATF–462, 66 FR 42733, 42736, Aug. 15, 2001.

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Penalties of Perjury

§ 19.100 Execution under penalties of perjury.

- (a) **Declaration.** When a return, claim, form, or other document called for under this part, or in the instructions thereon, is required to be executed under penalties of perjury, it shall contain the following declaration:

I declare under the penalties of perjury that this (insert type of document, such as report, or claim), including supporting documents, has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete.

- (b) **Signing.** The declaration shall bear the signature and title of the proprietor or other duly authorized person.

(Act of August 16, 1954, Pub. L. 591—Chapter 736, 68A Stat. 749 (26 U.S.C. 6065))

Subpart Y - Distilled Spirits for Fuel Use

§ 19.901 Scope of subpart.

This subpart implements 26 U.S.C. 5181, which authorizes the establishment of distilled spirits plants solely for producing, processing and storing, and using or distributing distilled spirits to be used exclusively for fuel use. This subpart relates to the qualification and operation of such distilled spirits plants. Distilled spirits plants established under this subpart are designated as alcohol fuel plants.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.902 Waiver for alcohol fuel plants.

All provisions of subparts A through X of this part and all provisions of 26 U.S.C. Chapter 51 are hereby waived except:

- (a) Any provision specifically incorporated by reference in this subpart and the cited authority for that provision;
- (b) Any provision requiring the payment of tax;
- (c) Any provisions dealing with penalty, seizure, or forfeiture which is applicable to distilled spirits; and
- (d) 26 U.S.C. 5181.

(Sec. 232, Pub. L. 93–224, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.903 Alternate methods or procedures.

The proprietor, on specific approval by the appropriate TTB officer as provided in this paragraph, may use an

alternate method or procedure in lieu of a method or procedure specifically prescribed in this subpart or subparts A through X of this part where the provisions of those subparts have been incorporated by reference in this subpart. The appropriate TTB officer may approve an alternate method or procedure, subject to stated conditions, when he finds that—

- (a) Good cause has been shown for the use of the alternate method or procedure;
- (b) The alternate method or procedure is within the purpose of, and consistent with the effect intended by, the specifically prescribed method or procedure, and affords equivalent security to the revenue; and
- (c) The alternate method or procedure will not be contrary to any applicable provision of law, and will not result in an increase in cost to the Government or hinder the effective administration of this part. No alternate method or procedure relating to the giving of any bond, to the assessment, payment or collection of tax, will be authorized under this section. Where the proprietor desires to employ an alternate method or procedure, he shall submit a written application to do so to the appropriate TTB officer. The application will specifically describe the proposed alternate method or procedure, and will set forth the reasons therefor. The proprietor shall not employ any alternate method or procedure until the application has been approved. The proprietor shall, during the period of authorization of an alternate method or procedure, comply with the terms of the approved application. Authorization for any alternate method or procedure may be withdrawn whenever in the judgment of the appropriate TTB officer the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such authorization. As used in this section, alternate methods or procedures include alternate construction or equipment. The proprietor shall retain, as part of the records available for examination by appropriate TTB officer, any application approved by the appropriate TTB officer under the provisions of this section.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.904 Emergency variations from requirements.

The appropriate TTB officer may approve construction, equipment, and methods of operation other than as specified in this part, where he finds that an emergency exists and the proposed variations from the specified requirements are necessary, and the proposed variations—

- (a) Will afford the security and protection to the revenue intended by the prescribed specifications;
- (b) Will not hinder the effective administration of this part; and
- (c) Will not be contrary to any applicable provisions of law. Variations from requirements granted under this section are conditioned on compliance with the procedures, conditions, and limitations with respect thereto set forth in the approval of the application. Failure to comply in good faith with such procedures, conditions, and limitations will automatically terminate the authority for such variations and the proprietor thereupon shall fully comply with the prescribed requirements of regulations from which the variations were authorized. Authority for any variation may be withdrawn whenever in the judgment of the appropriate TTB officer the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such variation. Where the proprietor desires to employ such variation, he shall submit a written application to do so to the appropriate TTB officer. The application will describe the proposed variations and set forth the reasons therefor. Variations will not be employed until the application has been approved, except when the emergency requires immediate action to correct a situation that is threatening to life or property. Such corrective action may then be taken concurrent with the filing of the application and notification of the appropriate TTB officer, via telephone. The proprietor shall retain, as part of the records available for examination by appropriate TTB officers, any application approved by the appropriate TTB officer under the provisions of this section.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.905 Taxes.

Distilled spirits may be withdrawn free of tax from the premises of an alcohol fuel plant exclusively for fuel use in accordance with this subpart. Payment of tax will be required in the case of diversion of spirits to beverage use or other unauthorized dispositions. The provisions of [subpart C](#) of this part are applicable to distilled spirits for fuel use as follows:

- (a) Imposition of tax liability (§§19.21 through 19.25);
- (b) Assessment of tax (§§19.31 and 19.32); and
- (c) Claims for tax (§§19.41 and 19.44).

(Sec. 201, Pub. L. 85–859, 72 Stat. 1314, as amended (26 U.S.C. 5001); sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

[T.D. ATF–207, 50 FR 23682, June 5, 1985]

§ 19.906 Special (occupational) tax.

- (a) **General rule.** A proprietor of an alcohol fuel plant established under this subpart shall be subject to a special (occupational) tax as prescribed in [subpart Ca](#) of this part, and shall hold a separate special tax stamp to cover the alcohol fuel operations except during the suspension period described in §19.49(a)(3) when special tax stamps are not issued.
- (b) **Exemption for small plants (effective July 1, 1989).** On and after July 1, 1989, paragraph (a) of this section shall not apply to small alcohol fuel plants as defined in §19.907. If the annual production (including receipts) of a small plant exceeds 10,000 proof gallons in any calendar year, special tax is due as provided in §19.49(a)(1) for the special tax year (July 1 through June 30) commencing during that calendar year, regardless of whether an application for change of plant type under §19.921(a) has been filed or approved. If a medium or large plant produces 10,000 or fewer proof gallons (including receipts) in any calendar year, the plant shall be exempt from special tax under this paragraph, as for a small plant, for the special tax year (July 1 through June 30) commencing during that calendar year, regardless of whether an application under §19.921(c) has been filed or approved.

(26 U.S.C. 5081)

[T.D. ATF–271, 53 FR 17543, May 17, 1988, as amended by T.D. ATF–285, 53 FR 12609, Mar. 28, 1989; T.D. ATF–312, 56 FR 31077, July 9, 1991; T.D. TTB–36, 70 FR 62243, Oct. 31, 2005]

Definitions

§ 19.907 Meaning of terms.

When used in this subpart, and in forms prescribed under this subpart, terms shall have the meaning given in this section. Words in the plural form include the singular and vice versa, and words indicating the masculine gender include the feminine. The terms “includes” and “including” do not exclude things not enumerated which are in the same general class.

Alcohol fuel plant or plant. An establishment qualified under this subpart solely for producing, processing and storing, and using or distributing distilled spirits to be used exclusively for fuel use.

Alcohol fuel producer's permit. The document issued pursuant to [26 U.S.C. 5181](#) authorizing the person named therein to engage in business as an alcohol fuel plant.

Bonded premises. The premises of an alcohol fuel plant where distilled spirits are produced, processed and stored, and used or distributed. Premises of small alcohol fuel plants, which are exempt from bonding under [§19.912\(b\)](#), shall be treated as bonded premises for purposes of this subpart.

CFR. The Code of Federal Regulations.

Fuel alcohol. Distilled spirits which have been rendered unfit for beverage use at an alcohol fuel plant as provided in this subpart.

Gallon or wine gallon. The liquid measure equivalent to the volume of 231 cubic inches.

Person. An individual, trust, estate, partnership, association, company or corporation.

Proof. The ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

Proof gallon. A gallon of liquid at 60 degrees Fahrenheit which contains 50 percent by volume of ethyl alcohol having a specific gravity of 0.7939 at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity, or the alcoholic equivalent thereof.

Proprietor. The person qualified under this subpart to operate the alcohol fuel plant.

Render unfit for beverage use. The addition to distilled spirits of materials which will not impair the quality of the spirits for fuel use as prescribed and authorized by the provisions of this subpart.

Secretary. The Secretary of the Treasury or his delegate.

Spirits or distilled spirits. That substance known as ethyl alcohol, ethanol, or spirits of wine in any form (including all dilutions and mixtures thereof from whatever source or by whatever process produced), but not fuel alcohol unless specifically stated. For purposes of this subpart, the term does not include spirits produced from petroleum, natural gas, or coal.

This chapter. Title 27, Code of Federal Regulations, Chapter I [[27 CFR Chapter I](#)].

Transfer in bond. The transfer of spirits between alcohol fuel plants or the transfer of spirits to or from a distilled spirits plant qualified under [26 U.S.C. 5171](#) and an alcohol fuel plant.

Type of plant. The following three types of alcohol fuel plants are recognized in this subpart:

- (a) **Small plant.** An alcohol fuel plant which produces (including receipts) not more than 10,000 proof gallons of spirits per calendar year.
- (b) **Medium plant.** An alcohol fuel plant which produces (including receipts) more than 10,000 and not more than 500,000 proof gallons of spirits per calendar year.
- (c) **Large plant.** An alcohol fuel plant which produces (including receipts) more than 500,000 proof gallons of spirits per calendar year.

U.S.C. The United States Code.

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. TTB-44, 71 FR 16933, Apr. 4, 2006]

Permits

§ 19.910 Application for permit required.

Any person wishing to establish an alcohol fuel plant shall first make application for and obtain an alcohol fuel producer's permit. The application for a permit will be on Form 5110.74. The application, in duplicate, will be submitted to the appropriate TTB officer. The description of stills on the approved application constitutes registration of stills as required by [27 CFR 196.45](#). Alcohol fuel producers' permits are continuing unless automatically terminated under [§19.920](#), suspended or revoked as provided in [§19.950](#), or voluntarily surrendered.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1355, as amended ([26 U.S.C. 5179](#)); sec. 232, Pub. L. 96-223, 94 Stat. 278 ([26 U.S.C. 5181](#)))

§ 19.911 Criteria for issuance of permit.

In general, an alcohol fuel producer's permit will be issued to any person who completes the required application for permit and who furnishes the required bond (if any). However, the appropriate TTB officer may institute proceedings for the denial of the application, if the appropriate TTB officer determines that:

- (a) The applicant (including, in the case of a corporation, any officer, director, or principal stockholder, and in the case of a partnership, a partner) is, by reason of business experience, financial standing, or trade connections, not likely to maintain operations in compliance with [26 U.S.C. Chapter 51](#), or regulations issued thereunder; or
- (b) The applicant has failed to disclose any material information required, or has made any false statement, as to any material fact, in connection with the application; or
- (c) The premises on which the applicant proposes to conduct the operations are not adequate to

protect the revenue. The procedures applicable to denial of applications are set forth in [27 CFR Part 71](#).

(Sec. 201, Pub. L. 85–859, 72 Stat. 1370, as amended ([26 U.S.C. 5271](#)); sec. 232, Pub. L. 96–223, 94 Stat. 278 ([26 U.S.C. 5181](#)))

§ 19.912 Small plants.

Persons wishing to establish a small plant shall apply for a permit as provided in this section. Except as provided in [paragraph \(c\) of §19.913](#), operations may not be commenced until the permit has been issued.

- (a) **Application for permit.** The application (Form 5110.74) shall be submitted to the appropriate TTB officer and shall set forth the following information:
- (1) Name and mailing address of the applicant, and the location of the alcohol fuel plant if not apparent from the mailing address;
 - (2) A diagram of the plant premises and a statement as to the ownership of the premises (if the premises are not owned by the proprietor, the owner's consent to access by appropriate TTB officers must be furnished);
 - (3) A description of all stills and a statement of their maximum capacity;
 - (4) The materials from which spirits will be produced; and
 - (5) A description of the security measures to be used to protect premises, buildings and equipment where spirits are produced, processed, and stored.

- (b) **Bond.** No bond is required for small plants.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 ([26 U.S.C. 5181](#)))

§ 19.913 Action on applications to establish small plants.

- (a) **Receipt by the appropriate TTB officer—**
- (1) **Notice of receipt.** Within 15 days of receipt of the application, the appropriate TTB officer shall send a written notice of receipt to the applicant. The notice will include a statement as to whether the application meets the requirements of [§19.912](#). If the application does not meet those requirements, the application will be returned and a new 15-day period will commence upon receipt by the appropriate TTB officer of the amended or corrected application.

- (2) **Failure to give notice.** If the required notice of receipt is not sent, and the applicant has a receipt indicating that the appropriate TTB officer has received the application, the 45-day period provided for in paragraphs (b) and (c) of this section will commence on the fifteenth day after the date the appropriate TTB officer received the application.

- (3) **Limitation.** The provisions of subparagraphs (1) and (2) of this section apply only to:
 - (i) The first application submitted with respect to any one small plant in any calendar quarter; and
 - (ii) An amended or corrected first application.
- (b) **Determination by the appropriate TTB officer.** Within 45 days from the date the appropriate TTB officer sent the applicant a notice of receipt of a completed application, the appropriate TTB officer shall either (1) issue the permit, or (2) give notice in writing to the applicant, stating in detail the reason that a permit will not be issued. Denial of an application will not prejudice any further application for a permit made by the same applicant.
- (c) **Presumption of approval.** If, within 45 days from the date of the notice to the applicant of receipt of a completed application, the appropriate TTB officer has not notified the applicant of issuance of the permit or denial of the application, the application shall be deemed to have been approved and the applicant may proceed if a permit had been issued.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 ([26 U.S.C. 5181](#)))

§ 19.914 Medium plants.

Any person wishing to establish a medium plant shall make application for and obtain in alcohol fuel producer's permit. Operations may not be commenced until the application has been approved and the permit issued.

- (a) **Application for permit.** The application (Form 5110.74) shall be submitted to the appropriate TTB officer and shall set forth the following information:
- (1) The information required by [§19.912 \(a\)](#);
 - (2) Statement of maximum total proof gallons of spirits that will be produced and received during a calendar year;
 - (3) Information identifying the principal persons involved in the business and a statement as

to whether the applicant or any such person has ever been convicted of a felony or misdemeanor under Federal or State law; and,

- (4) Statement of the amount of funds invested in the business and the source of those funds.

- (b) **Bond.** A bond of sufficient penal sum, as prescribed in §19.957, is required. The bond must be submitted on Form 5110.56 and approved before a permit may be issued.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.915 Large plants.

Any person wishing to establish a large plant shall make application for and obtain an alcohol fuel producer's permit. Operations may not be commenced until the application has been approved and the permit issued.

- (a) **Application for permit.** The application (Form 5110.74) shall be submitted to the appropriate TTB officer and shall set forth the following information:
 - (1) The information required by §19.912(a);
 - (2) Statement of the maximum proof gallons of spirits that will be produced and received during a calendar year;
 - (3) Information identifying the principal persons involved in the business and a statement as to whether the applicant or any such person has ever been convicted of a felony or misdemeanor under Federal or State law;
 - (4) Statement of the amount of funds invested in the business and the source of those funds;
 - (5) Statement of the type of business organization and of the persons interested in the business, supported by the items of information listed in §19.916; and,
 - (6) List of the offices, the incumbents of which are authorized by the articles of incorporation or the board of directors to act on behalf of the proprietor or to sign the proprietor's name.
- (b) **Bond.** A bond of sufficient penal sum, as prescribed in §19.957, is required. The bond must be submitted on Form 5110.56 and approved before a permit may be issued.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.916 Organizational documents.

The supporting information required by paragraph (a)(5) of §19.915, includes, as applicable, copies of—

(a) **Corporate documents.**

- (1) Corporate charter or certificate of corporate existence or incorporation.
- (2) List of officers and directors, showing their names and addresses. However, do not list officers and directors who have no responsibilities in connection with the operation of the alcohol fuel plant.
- (3) Certified extracts or digests of minutes of meetings of board of directors, authorizing certain individuals to sign for the corporation.
- (4) Statement showing the number of shares of each class of stock or other evidence of ownership, authorized and outstanding, and the voting rights of the respective owners or holders.

(b) **Statement of interest.**

- (1) Names and addresses of the 10 persons having the largest ownership or other interest in each of the classes of stock in the corporation, or other legal entity, and the nature and amount of the stockholding or other interest of each, whether the interest appears in the name of the interested party or in the name of another for him. If a corporation is wholly owned or controlled by another corporation, those persons of the parent corporation who meet the above standards are considered to be the persons interested in the business of the subsidiary, and the names thereof need be furnished only upon request of the appropriate TTB officer.
- (2) In the case of an individual owner or partnership, the name and address of each person interested in the plant, whether the interest appears in the name of the interested party or in the name of another for that person.

- (c) **Availability of additional documents.** The originals of documents required to be submitted under this section and additional items required under §19.918 such as the articles of incorporation, bylaws, State certificate authorizing operations, or articles of partnership or association (in the case of a partnership where required by State law) shall be made available to any appropriate TTB officer upon request.

(Sec. 201, Pub. L. 85–859, 72 Stat. 1370, as amended (26 U.S.C. 5271); sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.917 Powers of attorney.

The proprietor of a large plant shall execute and file with the appropriate TTB officer a Form 1534 (5000.8), in accordance with instructions on the form, for each person authorized to sign or act on behalf of the proprietor (Not required for persons whose authority is furnished in the application).

(Sec. 201, Pub. L. 85–859, 72 Stat. 1370, as amended (26 U.S.C. 5271))

§ 19.918 Information already on file and supplemental information.

If any of the information required by §§19.912 through 19.916 is on file with the appropriate TTB officer, that information, if accurate and complete, may be incorporated by reference and made a part of the application. When required by the appropriate TTB officer, the applicant shall furnish as a part of the application for permit, additional information as may be necessary to determine whether the application should be approved.

(Sec. 232, Pub. L. 96–223, 94 Stat. 278, (26 U.S.C. 5181))

Bonds

§ 19.955 Bonds.

An operations bond is required for medium and large plants. The bond will be executed, in duplicate, on Form 5110.56. Surety bonds may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary as set forth in the current revision of Treasury Department Circular 570. However, in lieu of corporate surety the proprietor may pledge and deposit as surety for his bond, securities which are transferable and are guaranteed as to both interest and principal by the United States, in accordance with the provisions of 31 CFR part 225. The appropriate TTB officer will not release such securities until liability under the bond for which they were pledged has been terminated.

(Sec. 805(c), Pub. L. 96–39, 93 Stat. 276 (26 U.S.C. 5173); CH. 390, Pub. L. 80–280, 61 Stat. 648, 650 (31 U.S.C. 9301, 9303, 9304, 9306); sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.956 Amount of bond.

The penal sum of the bond is based on the total quantity of distilled spirits to be produced (including receipts) during a calendar year. If the level of production and/or receipts at the plant is to be increased, and the bond is

not in the maximum penal sum, a new or strengthening bond shall be obtained.

- (a) **Medium plants.** A medium plant which will produce (including receipts) between 10,000 and 20,000 proof gallons of spirits per year requires a bond in the amount of \$2,000. For each additional 10,000 proof gallons (or fraction thereof), the bond amount is increased \$1,000. The maximum bond for a medium plant is \$50,000.
- (b) **Large plants.** The minimum bond for a large plant is \$52,000 (more than 500,000, but not more than 510,000 proof gallons annual production (including receipts)). For each additional 10,000 (or fraction) proof gallons, the amount of the bond is increased \$2,000. The maximum bond for a large plant is \$200,000 (more than 1,240,000 proof gallons).

(Sec. 805(c), Pub. L. 96–39, 93 Stat. 276 (26 U.S.C. 5173); sec. 232, Pub. L. 96–233, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.957 Instructions to compute bond penal sum.

- (a) **Medium plants.** To find the required amount of your bond, estimate the total proof gallons of spirits to be produced and received in a calendar year. The amount of the bond is \$1,000 for each 10,000 proof gallons (or fraction), subject to a minimum of \$2,000 and a maximum of \$50,000. The following table provides some examples:

Annual Production and Receipts in Proof Gallons

More than	But not over	Amount of bond
10,000	20,000	\$2,000
20,000	30,000	3,000
90,000	100,000	10,000
190,000	200,000	20,000
490,000	500,000	50,000

- (b) **Large plants.** To find the required amount of your bond, estimate the total proof gallons of spirits to be produced and received in a calendar year. The amount of the bond is \$50,000 plus \$2,000 for each 10,000 proof gallons (or fraction) over 500,000. The following table provides some examples:

Annual Production and Receipts in Proof Gallons

More than	But not over	Amount of bond
500,000	510,000	\$52,000
510,000	520,000	54,000
740,000	750,000	100,000
990,000	1,000,000	150,000
1,240,000		200,000

(Sec. 805(c), Pub. L. 96–39, 93 Stat. 276 (26 U.S.C. 5173; sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.958 Conditions of bond.

The bond shall be conditioned on payment of all taxes (including any penalties and interest) imposed by 26 U.S.C. Chapter 51, on compliance with all requirements of law and regulations, and on payment of all penalties incurred or fines imposed for violations of any such provisions.

(Sec. 805(c), Pub. L. 96–39, 93 Stat. 276 (26 U.S.C. 5173); sec. 232, Pub. L. 96–223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.959 Additional provisions with respect to bonds.

Subpart H of this part contains further provisions applicable to bonds which, where not inconsistent with this subpart, are applicable to bonds of alcohol fuel plants.

Construction, Equipment and Security

§ 19.965 Construction and equipment.

Buildings and enclosures where distilled spirits will be produced, processed, or stored shall be constructed and arranged to enable the proprietor to maintain security

adequate to deter diversion of the spirits. Distilling equipment shall be constructed to prevent unauthorized removal of spirits, from the point where distilled spirits come into existence until production is complete and the quantity of spirits has been determined. Tanks and other vessels for containing spirits shall be equipped for locking and be constructed to allow for determining the quantities of spirits therein.

(Sec. 201, Pub. L. 85–859, 72 Stat. 1353, as amended (26 U.S.C. 5178))

§ 19.966 Security.

Proprietors shall provide security adequate to deter the unauthorized removal of spirits. The proprietor shall store spirits either in a building, a storage tank, or within an enclosure, which the proprietor will keep locked when operations are not being conducted.

(Sec. 201, Pub. L. 85–859, 72 Stat. 1353, as amended (26 U.S.C. 5178); sec. 806, Pub. L. 96–39, 93 Stat. 279 (26 U.S.C. 5202))

§ 19.967 Additional security.

If the appropriate TTB officer finds that security is inadequate to deter diversion of the spirits, as may be evidenced by the occurrence of break-ins or by diversion of spirits to unauthorized purposes, additional security measures may be required. Such additional measures may include, but are not limited to, the following:

- (a) The erection of a fence around the plant or the alcohol storage facility;
- (b) Flood lights;
- (c) Alarm systems;
- (d) Watchman services; or,
- (e) Locked or barred windows.

The exact additional security requirements would depend on the extent of the security problems, the volume of alcohol produced, the risk to tax revenue, and safety requirements.

(Sec. 201, Pub. L. 85–859, 72 Stat. 1353, as amended (26 U.S.C. 5178); sec. 806, Pub. L. 96–39, 93 Stat. 279 (26 U.S.C. 5202))

[T.D. ATF–198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF–297, 55 FR 18065, Apr. 30, 1990]