

**§ 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