

HCS SCS SB 299 & SS SCS SB 616 -- LIQUOR CONTROL

SPONSOR: Purgason (Cooper, 120)

COMMITTEE ACTION: Voted "do pass" by the Committee on Local Government by a vote of 11 to 1.

This substitute changes the laws regarding liquor control. In its main provisions, the substitute:

- (1) States that the regulation of the sale and distribution of alcohol beverages under Chapter 311, RSMo, achieves the state policy goals of promoting responsible consumption, combating underage drinking, and maintaining an orderly marketplace;
- (2) Updates state merchandising regulations to the current trade practices to make them consistent with federal regulations, addresses nonintoxicating beverages in the context of merchandising practices, and establishes charges for late liquor license renewals;
- (3) Allows distillers, wholesalers, winemakers, or brewers to make monetary contributions to not-for-profit organizations for special event infrastructure expenses under certain conditions;
- (4) Removes the expiration date of January 1, 2007, for provisions allowing certain resorts licensed to sell intoxicating liquor by the drink at retail for consumption on the premises in Camden, Miller, and Morgan counties to remain open during the week until 3:00 a.m.;
- (5) Allows a licensed wine manufacturer from this state or any state which has a reciprocal shipping agreement with Missouri to obtain a wine direct shipper license in order to ship up to two cases of wine per month for personal use directly to a Missouri resident older than 21 years of age. Wine manufacturers must use a licensed alcohol carrier as specified in the substitute when shipping the wine;
- (6) Authorizes certain licensed wine manufacturers who allow consumption of wine on their premises to open on Sundays at 9:00 a.m. instead of 11:00 a.m.;
- (7) Allows wineries, distillers, manufacturers, wholesalers, or brewers to provide samples for customer tasting purposes on any temporary licensed retail premises or tax-exempt organization's licensed premises, or off a retail licensed premises under certain conditions; and
- (8) Allows a festival district promotional association to obtain

a license to sell intoxicating liquor and nonintoxicating beer for consumption within the festival district common areas.

FISCAL NOTE: Estimated Income on General Revenue Fund of \$97,304 in FY 2008, \$190,673 in FY 2009, and \$93,365 in FY 2010. Estimated Income on Other State Funds of \$100,000 in FY 2008, \$120,000 in FY 2009, and \$120,000 in FY 2010.

PROPONENTS: Supporters of Senate Bill 299 say that the expiration date originally was included in Section 311.178 because the State Highway Patrol and the State Water Patrol had concerns about it, but no problems have ever developed, so the expiration should be removed.

Supporters of Senate Bill 616 say that the provisions regarding the 9:00 a.m. Sunday opening and the customer tastings will be beneficial. The bill represents many months of discussions and negotiations between the interested parties. Current regulations over-regulate promotional merchandising.

Testifying for SB 299 was Senator Purgason. Testifying for SB 616 were Senator McKenna; Missouri Beer Wholesalers Association; Anheuser-Busch, Incorporated; Missouri Restaurant Association; Thomas Ells, Stone Hill Winery; Missouri Vintners' Association; and Missouri Wine and Grape Board.

OPPONENTS: Those who oppose Senate Bill 616 say that the policy language in Section 311.015 needs to be strengthened. The festival district language is too broad and could be applied in mixed use and residential areas, unlike entertainment districts, which can only be established in specific areas in downtown Kansas City. The festival district language could have the unintended consequence of requiring entertainment districts to get a permit from the city. The bill will weaken Missouri's three-tiered system of alcohol control.

Testifying against SB 616 were Gerrit DenHartog; Chuck Hatfield, Kansas City Entertainment District; and Glazer's Family of Companies.

OTHERS: Others testifying on Senate Bill 616 say that the Mutual Musicians Foundation has not had a liquor license to stay open until 6:00 a.m. for more than 70 years.

Testifying on SB 616 was Division of Alcohol and Tobacco Control, Department of Public Safety.