FIRST REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 279

98TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, April 30, 2015, with recommendation that the Senate Committee Substitute do pass.

0979S.03C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 311.091 and 311.730, RSMo, and to enact in lieu thereof six new sections relating to intoxicating liquor.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 311.091 and 311.730, RSMo, are repealed and six new 2 sections enacted in lieu thereof, to be known as sections 311.067, 311.091, 3 311.201, 311.730, 311.735, and 311.910, to read as follows:

311.067. 1. Notwithstanding any other provisions of law or rule to the contrary, any advertising provided or paid for by any retailer offering any sale or price discount for any intoxicating liquor sold or provided at retail in the original package for consumption off the premises or sold or provided at retail by the drink for consumption on or off the premises is hereby permitted so long as the retailer is responsible for assuming the cost of the sale or price discount and no advertised retail price is below the retailer's cost.

9 2. The supervisor of the division of alcohol and tobacco control 10 within the Missouri department of public safety may consider the 11 implications of the First and Twenty First Amendments of the 12 Constitution of the United States and any other constitutional 13 requirements if deciding whether to promulgate any new regulations 14 not specifically required by general law and if considering the repeal 15 or modification of existing regulations as allowed by general law.

311.091. 1. [Except as provided under subsection 2 of this section and]2 Notwithstanding any other provisions of this chapter to the contrary, any person

SCS HB 279

3

4

5

6

7

who possesses the qualifications required by this chapter and who meets the requirements of and complies with the provisions of this chapter may apply for and the supervisor of alcohol and tobacco control may issue a license to sell intoxicating liquor, as defined in this chapter, by the drink at retail for consumption on the premises of any boat, or other vessel licensed by the United

8 States Coast Guard to carry [one hundred] **thirty** or more passengers for hire on 9 navigable waters in or adjacent to this state, which has a regular place of 10 mooring in a location in this state or within two hundred yards of a location 11 which would otherwise be licensable under this chapter. The license shall be 12 valid even though the boat, or other vessel, leaves its regular place of mooring 13 during the course of its operation.

14 2. [Any person who possesses the qualifications required by this chapter 15and who meets the requirements of, and complies with the provisions of, this chapter may apply for, and the supervisor of alcohol and tobacco control may 16 17issue, a license to sell intoxicating liquor by the drink at retail for consumption on the premises of any boat or other vessel licensed by the United States Coast 18 19 Guard to carry forty-five to ninety-nine passengers for hire on a lake with a 20shoreline that is in three counties, one of which is any county of the third classification without a township form of government and with more than 2122thirty-three thousand but fewer than thirty-seven thousand inhabitants and with 23a city of the fourth classification with more than three thousand but fewer than three thousand seven hundred inhabitants as the county seat, one of which is any 2425county of the third classification without a township form of government and with 26more than twenty-nine thousand but fewer than thirty-three thousand inhabitants and with a city of the fourth classification with more than four 27hundred but fewer than four hundred fifty inhabitants as the county seat, and 28one of which is any county of the first classification with more than fifty thousand 29but fewer than seventy thousand inhabitants. The boat must have a regular 30 place of mooring in a location in this state or within two hundred yards of a 3132location which would otherwise be licensable under this chapter. The license shall be valid even though the boat, or other vessel, leaves its regular place of 33 mooring during the course of its operation. 34

35 3.] For every license for sale of liquor by the drink at retail for 36 consumption on the premises of any boat or other vessel issued under the 37 provisions of this section, the licensee shall pay to the director of revenue the sum 38 of three hundred dollars per year.

 $\mathbf{2}$

311.201. 1. Any person who is licensed to sell intoxicating liquor in the original package at retail as provided in subsection 1 of section $\mathbf{2}$ 3 311.200 may sell from thirty-two to one hundred twenty-eight fluid ounces of draft beer to customers in containers filled by any employee 4 of the retailer on the premises for consumption off such 5premises. Before such beer may be sold, an employee of the licensee 6 shall first close the filled container with a one-time-use tamper-proof 7 8 seal. Any employee of the licensee shall be at least twenty-one years of 9 age to fill containers with draft beer.

2. No provision of law or rule of regulation of the supervisor of 10 alcohol and tobacco control shall be interpreted to allow any 11 12 wholesaler, distributor, or manufacturer of intoxicating liquor to 13 furnish dispensing or cooling equipment, or containers that are filled or refilled under subsection 1 of this section, to any person who is 14 licensed to sell intoxicating liquor in the original package at retail as 1516 provided in subsection 1 of section 311.200.

3. (1) Containers that are filled or refilled under subsection 1 of 17this section shall be affixed with a label or a tag that shall contain the 18 following information in type not smaller than three millimeters in 19height and not more than twelve characters per inch: 20

21

(a) Brand name of the product dispensed;

22

(b) Name of brewer or bottler;

23(c) Class of product, such as beer, ale, lager, bock, stout, or other 24brewed or fermented beverage;

25(d) Net contents;

26(e) Name and address of business that filled or refilled the 27container;

28

29

(f) Date of fill or refill;

(g) The following statement: "This product may be unfiltered and unpasteurized. Keep refrigerated at all times.". 30

(2) Containers that are filled or refilled under subsection 1 of 3132 this section shall be affixed with the alcoholic beverage health warning statement as required by the Federal Alcohol Administration Act, 27 33 CFR Sections 16.20 to 16.22. 34

4. (1) The filling and refilling of containers shall only occur on 35 demand by a customer and containers shall not be prefilled by the 36 37 retailer or its employee.

40

38 (2) Containers shall only be filled or refilled by an employee of39 the retailer.

(3) Containers shall be filled or refilled as follows:

41 (a) Containers shall be filled or refilled with a tube as described
42 in subdivision (4) of this subsection and:

43 a. Food grade sanitizer shall be used in accordance with the
44 Environmental Protection Agency registered label use instructions;

b. A container of liquid food-grade sanitizer shall be maintained
for no more than ten malt beverage taps that will be used for filling and
refilling containers;

c. Each container shall contain no less than five tubes that will
be used only for filling and refilling containers;

50 d. The container shall be inspected visually for contamination;

61 e. After each filling or refilling of a container, the tube shall be 52 immersed in the container with the liquid food-grade sanitizer; and

53 f. A different tube from the container shall be used for each 54 filling or refilling of a container; or

55 (b) Containers shall be filled or refilled with a contamination-56 free process and:

a. The container shall be inspected visually for contamination;

b. The container shall only be filled or refilled by the retailer's
employee; and

c. The filling or refilling shall be in compliance with the Food
and Drug Administration Code 2009, Section 3-304.17(c).

62 (4) Containers shall be filled or refilled from the bottom of the
63 container to the top with a tube that is attached to the malt beverage
64 faucet and extends to the bottom of the container or with a commercial
65 filling machine.

66 (5) When not in use, tubes to fill or refill shall be immersed and 67 stored in a container with liquid food-grade sanitizer.

68 (6) After filling or refilling a container, the container shall be
69 sealed as set forth in subsection 1 of this section.

311.730. 1. Except as otherwise provided under subsection 2 of this section, all fees collected by the director of revenue as provided for in this chapter, including licenses, inspection and gauging fees, shall be paid into the state treasury, to the credit of the ordinary state revenue fund.

5 2. Seventy percent of all fees for licenses and permits collected

4

6 under this chapter shall be paid to the credit of the division of alcohol

7 and tobacco control fund established under section 311.735.

311.735. 1. There is hereby created in the state treasury the "Division of Alcohol and Tobacco Control Fund". The state treasurer $\mathbf{2}$ shall be custodian of the fund. In accordance with sections 30.170 and 3 30.180, the state treasurer may approve disbursements. The fund shall 4 be a dedicated fund and, upon appropriation, money in the fund shall 5be used solely by the division of alcohol and tobacco control for the 6 7 administration of this chapter and sections 407.925 to 407.934, and any duties under such chapter and sections relating to licensing, training, 8 technical assistance, and regulations. 9

2. Notwithstanding the provisions of section 33.080 to the
contrary, any moneys remaining in the fund at the end of the biennium
shall not revert to the credit of the general revenue fund.

3. Appropriation of funds by the general assembly from the fund
 shall be used to support the division of alcohol and tobacco control for
 the purposes provided under subsection 1 of this section.

311.910. 1. Upon receipt of an application, the division of alcohol and tobacco control may issue a brew-on-premises license to a person who provides brewing supplies and facilities to members of the public for the private manufacture of beer, malt beverages, cider, mead, or wine on the licensed premises.

6 2. No person shall permit the use of his or her property for any 7 consideration or remuneration for the production of beer, malt 8 beverages, cider, mead, or wine for personal consumption unless such 9 person has been issued a brew-on-premises license by the division of 10 alcohol and tobacco control.

3. The brew-on-premises license does not authorize the sale of beer, malt beverages, cider, mead, or wine in any manner or the consumption of alcoholic beverages on the premises.

4. The premises shall be considered suitable for operating a
brew-on-premises license if it is in compliance with all local building,
health, and fire codes, ordinances, and orders.

5. An application for a license under this section shall be accompanied by an initial license fee of fifty dollars. The annual license renewal fee thereafter shall be twenty-five dollars.

20

6. Any person issued a license under this section and any person

21using the premises for the personal brewing of beer, malt beverages, 22cider, mead, or wine is subject to federal regulations including, but not 23limited to, 27 CFR 25.205, 27 CFR 25.206, and 27 CFR 24.75.

247. Any person issued a license under this section shall, in addition to complying with any federal regulations, comply with the 25following conditions: 26

27(1) The licensee shall keep records relating to all persons using 28the premises for the manufacture of any beer, malt beverages, cider, 29mead, or wine. Information in these records shall include the name, address, and age of the manufacturing individual, the number of adults 30 residing in the individual's household, and the quantity of beer, malt 31beverages, cider, mead, or wine produced by that individual on the 3233 licensed premises during each calendar year;

34(2) The records shall be available for inspection by an authorized investigator of the division of alcohol and tobacco control during the 35 36 business hours of the facility;

(3) The licensee shall not provide physical assistance to 37 individuals in the production of or bottling of beer, malt beverages, 38 cider, mead, or wine on the premises, but may provide advice and 39 40instruction;

(a) Physical assistance in the production of beer, malt beverages, 41 42 cider, mead, or wine includes:

43a. Filling of vessels with brewing ingredients;

44b. Mixing of ingredients;

45c. Movement of beer, malt beverages, cider, mead, or wine from 46 one container to another container; or

47

d. Filtering and bottling of the final product;

48 (b) The following activities do not constitute providing physical assistance in the production of beer, malt beverages, cider, mead, and 4950wine:

51a. Cleaning, maintenance, and repair of brewing and bottling 52equipment;

b. Maintenance of climate and temperature control; 53

c. Disposal of spent grains and wastes; 54

d. Quality control, including laboratory examination, of beer, 55malt beverages, cider, mead, and wine; or 56

e. Preheating of vessels or containers. 57

58 8. An individual using the licensee's premises for personal 59 brewing use is responsible for brewing, handling, or transporting the 60 beer, malt beverages, cider, mead, and wine produced, and shall be at 61 least twenty-one years of age or older.

62 9. An individual using the licensee's premises for personal 63 brewing may produce beer, malt beverages, cider, mead, or wine within the prescribed quantity of limitations prescribed below, shall not 64 transport in excess of twenty gallons of beer, malt beverages, cider, 65 66 mead, or wine produced on any particular day, and shall not sell beer, malt beverages, cider, mead, or wine produced. Beer, malt beverages, 67 cider, mead, or wine produced at a brew-on-premises facility shall be 68 removed only for the personal use of the customer. 69

(1) Any beer, malt beverages, cider, mead, or wine produced on
the premises shall not exceed the alcohol by volume limits for beer as
defined by Missouri law;

(2) The production of beer, malt beverages, cider, mead, or wine
per household for personal or family use shall not exceed:

(a) Two hundred gallons per calendar year if there are two or
more adults twenty-one years of age or older residing in the household;
or

(b) One hundred gallons per calendar year if there is only one
adult twenty-one years of age or older residing in the household;

(3) Partnerships, corporations, associations, or any entity other
than an individual person shall not use the brew-on-premises facility
and shall not produce beer, malt beverages, cider, mead, or wine for
personal use; and

(4) Brewed beer, malt beverages, cider, mead, or wine produced
shall be taken away from the premises at the time of bottling. The
brew-on-premises facility shall not allow more than twenty cases to
remain on the premises at any given time.

10. Any violation of the provisions of this section shall be
enforced in accordance with any of the appropriate enforcement
provisions contained in this chapter.

91 11. The division of alcohol and tobacco control may promulgate
92 rules and regulations necessary to effectuate the provisions of this
93 section. Any rule or portion of a rule, as that term is defined in section
94 536.010, that is created under the authority delegated in this section

95shall become effective only if it complies with and is subject to all of 96 the provisions of chapter 536 and, if applicable, section 536.028. This 97section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay 98the effective date, or to disapprove and annul a rule are subsequently 99 held unconstitutional, then the grant of rulemaking authority and any 100 rule proposed or adopted after August 28, 2015, shall be invalid and 101 102 void.

103 12. A special permit shall be issued to an out of state 104 manufacturer who is not licensed in the state of Missouri for participation in festivals, bazaars, or similar events. Registration 105106 requirements under section 311.275 shall be waived for the event. The amount of intoxicating liquor shipped in the state under this permit 107 shall not exceed two hundred gallons. Excise taxes shall be paid by the 108 licensed manufacturer that holds a retail license organizing the event 109 110in the same manner as if it were produced or purchased by the 111 manufacturer. A permit issued under this section by the division shall 112be valid for no more than seventy-two hours. An applicant shall 113complete a form provided by the supervisor of liquor control and pay a fee of twenty-five dollars before a special permit shall be issued. 114

 \checkmark