

HCS HB 2054 -- SALE OF DRAFT BEER

SPONSOR: Cornejo

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Emerging Issues by a vote of 11 to 1. Voted "Do Pass with HCS" by the Select Committee on General Laws by a vote of 10 to 0.

This bill repeals the provision that makes the authority for cities and counties to collect fees and certain other liquor license provisions applicable to microbrewer licenses in the same manner as they apply to certain other licensed establishments.

The bill allows a brewer to lease up to one portable refrigeration unit per retail location, not to exceed 40 cubic feet in storage space, to retail licensees at a total lease value equal to the cost of the unit to the brewer and to wholesalers, who in turn may sublease them to retail licensees. The unit shall display advertising about the brewer's products visible to consumers within the retail outlet. The retail licensee can stock, display and sell any product in and from the unit. The terms of a lease between a brewer or wholesaler and a retail licensee shall not exceed five years. Any brewer or wholesaler entering into such lease will be required to notify the Division of Alcohol and Tobacco Control within thirty days of entering into the lease. The division will have the authority to enforce this law and ensure compliance therewith. This law will expire and no new leases can be entered into after January 1, 2020, however, any existing leases will remain in effect.

The bill also allows any person who is licensed to sell intoxicating liquor in the original package at retail under Section 311.200, RSMo, to sell between 32 to 128 ounces of draft beer to customers in containers filled by an employee of the retailer on the premises for consumption off the retail premises. Specifications for the labeling and sealing of the containers, compliance with federal law, and health and safety regulations for filling and refilling containers are specified in the bill. An employee filling or refilling containers with draft beer must be 21 years of age or older.

Any provision of law or rule of regulation of the Supervisor of Alcohol and Tobacco Control in the Department of Public Safety cannot be interpreted to allow any manufacturer, wholesaler, or distributor of intoxicating liquor to provide dispensing or cooling equipment or containers to any person who is licensed to sell intoxicating liquor in the original package at retail.

This bill expands the authorization for licensed liquor retailers to use table tap dispensing systems that allow patrons to self dispense up to 32 ounces of beer per patron to include self dispensing of up to 16 ounces of wine per patron, and removes references to table taps and instead refers to self-dispensing systems.

Every licensee will be required to keep displayed at all times on their premises any city or county licenses to sell intoxicating liquors.

A valid and unexpired state nondriver's license can be used as proof of age when purchasing or consuming alcoholic beverages.

A special permit shall be issued to an out-of-state manufacturer of intoxicating liquor who is not licensed in the state of Missouri for participation in festivals, bazaars or similar events.

PROPOSERS: Supporters say that this bill would allow retailers to promote more types of beer by freeing up space in the store's existing refrigeration units. Retailers are not required to lease these portable refrigeration units, it is entirely optional.

Testifying for the bill were Representative Cornejo; Missouri Grocers' Association; Anheuser Busch; Missouri Petroleum Marketers & Convenience Store Association (MPCA); Missouri Chamber of Commerce and Industry; and Jonathan Stephans.

OPPOSERS: Those who oppose the bill say that this bill would unfairly benefit large brewers. In practice brewers will only lease units to retailers who display the brewer's product in the unit. There are many small craft breweries in Missouri that cannot afford to buy multiple portable refrigeration units and would therefore be at a competitive disadvantage. There is no reason that retailers can't purchase refrigeration units without assistance from brewers.

Testifying against the bill were Brian Gelner; Bernie Fechtler, Fechtler Distributing; Jeff Krum, Boulevard Brewing; John Shine; Brian Durham, Pine River Brewery; Josh Stacy, Brewing Public House Company; Jeff Schragg; and Miller/Coors.