

HCS HB 1653 -- INTOXICATING LIQUOR

SPONSOR: Cornejo

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 8 to 4. Voted "Do Pass" by the Rules- Legislative Oversight Committee by a vote of 7 to 3 with 1 present.

This bill specifies that a wholesaler cannot directly or indirectly fund the cost of any cash rebate coupon provided by manufacturers of intoxicating liquor. The bill also authorizes retailers of intoxicating liquor to offer and advertise coupons, premiums, prizes, rebates, and other promotional programs of any type to consumers as an inducement to purchase alcohol, so long as no advertisement for intoxicating liquor contains a price that is below the retailer's actual cost. The retailer must also assume the cost of the sale or discounted price. Retailers who offer a loyalty program for intoxicating liquor purchases must include all intoxicating liquors in the loyalty program and the rewards must be applied at the same rate for all intoxicating liquor purchases. The bill allows retailers to purchase, publish, or display advertisements of intoxicating liquors that list the amount of the rebate or discount and the retail price after the rebate or discount.

This bill is similar to HB 433 (2017).

PROPONENTS: Supporters say that this change allows consumers to see the cost of the products before going to the store. The consumers benefit by seeing which store is offering the best price. Supporters say that the current restrictions on advertisements are an infringement on free speech.

Testifying for the bill were Representative Cornejo; Total Wine And More; Missouri Broadcasters Association; Missouri Press Association; and the Missouri Retailers Association.

OPPONENTS: Those who oppose the bill say that this bill gives large national retailers like Total Wine an advantage over smaller Missouri owned businesses. Since Missouri has a three-tiered system that requires retailers to buy liquor from wholesalers, Missouri business owners don't have the relationship with large manufacturers needed to obtain the manufacturer rebates but large national stores with locations in Missouri will be able to obtain such rebates and be able to sell liquor at lower prices to consumers, thereby running the smaller Missouri owned businesses out of business. Supporters say that the Missouri legislature should be supporting Missouri industry and not making policy

decisions that hurt Missouri businesses.

Testifying against the bill were Missouri Licensed Retail Beverage Association; Citizens For Fair Competition; Jase Bennett, Randalls Wine And Spirits; Peter Cain, Wallis Companies; Stone Hill Winery; Missouri Grape And Wine Alliance; Patrick Doohan; Dr. Peter Hofherr, St. James Winery; Missouri Grape and Wine Alliance; Scott Livingston, Baltimore Bend Vineyard; Missouri Petroleum Marketing and Convenience Store Association; and Todd Randall, Randall's Wine and Spirits.

OTHERS: Others testifying on the bill say wholesalers do not have an opinion on this bill.

Testifying on the bill was Missouri Association of Beer Wholesalers.