

HCS HB 2364 -- INTOXICATING LIQUOR

SPONSOR: Bondon

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 12 to 1. Voted "Do Pass" by the Rules- Legislative Oversight Committee by a vote of 9 to 2.

This bill requires that all intoxicating liquor purchased for resale in this state prior to being resold at retail physically come into the possession of a licensed wholesaler and be unloaded in, and distributed from, the licensed wholesaler's warehouse in this state, except for certain types of intoxicating liquor purchased or sold by specified manufacturers. Currently, the law requires only that malt beverages, and not all intoxicating liquor, physically come into the possession of wholesalers, and be distributed through wholesaler warehouses in this state.

This bill adds powdered alcohol to the definition of intoxicating liquor used in state liquor control laws. The bill requires anyone shipping or delivering powdered alcohol to a resident of this state for personal use to have an alcohol carrier license.

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 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 allows employees over the age of 18 to carry intoxicating liquor out of a licensed retail establishment to a customer's vehicle.

This bill allows employees of licensed wholesalers who are between the ages of 18 and 20 to unload delivery vehicles and transfer intoxicating liquor into retail licensed premises only when they are supervised by a delivery vehicle driver who is at least 21 years old. Currently, employees need to be 21 or older to perform

this task.

This bill specifies that any person, firm, or corporation who owns and operates more than one premise licensed to sell intoxicating liquor at retail may, with the permission of the supervisor of liquor control, designate one or more places in this state as a central warehouse in which liquor, except beer and other malt liquor, purchased from a wholesaler may be delivered and stored. The liquor stored in such warehouses may then be transferred to any premise in the state licensed to sell intoxicating liquor at retail which is owned and operated by the same person, firm, or corporation.

This bill is similar to SCS SB 841 and HB 2258 (2018).

PROPOSERS: Supporters say that this bill will not interfere with the three tiered system in this state. The original language in this bill was intended to ensure that wholesalers are accountable for their role in the system. There have been incidents recently of producers or manufacturers shipping directly to retailers without the wholesalers adequately checking the product.

Testifying for the bill were Representative Bondon; Robert Pagano, Southern Glaziers Wine and Spirits; and the Missouri Grocers Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the original bill just requires liquor wholesalers to meet the same standards that beer wholesalers already do. Beer wholesalers have been doing this since 1993 and it has proven to be a good system. Others testified that the exception for wineries in the bill is essentially for small wineries.

Testifying on the bill were Karen Dorton, Alcohol And Tobacco Control; Missouri Beer Wholesalers Association; and Peter Hofherr, Missouri Grape and Wine Alliance and St. James Winery.