

By: Representative Moak

To: Ways and Means

HOUSE BILL NO. 715

1 AN ACT TO AMEND SECTIONS 27-71-5, 27-71-7, 27-71-11,
2 27-71-15, 27-71-21, 67-1-5, 67-1-9, 67-1-37, 67-1-41, 67-1-45,
3 67-1-51 AND 67-1-77, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
4 DISTRIBUTION OF WINE BY PRIVATE ENTITIES; TO PROVIDE THE ANNUAL
5 PRIVILEGE LICENSE TAX FOR A WINE DISTRIBUTOR'S PERMIT; TO PROVIDE
6 FOR AN EXCISE TAX ON WINE SOLD BY THE HOLDER OF A WINE
7 DISTRIBUTOR'S PERMIT AND THE COLLECTION OF SUCH TAX; TO REQUIRE
8 THE OPERATOR OF A VEHICLE TRANSPORTING WINE TO POSSESS AN INVOICE
9 ISSUED BY THE HOLDER OF A WINE DISTRIBUTOR'S PERMIT; TO PROVIDE
10 THAT PERSONS ENGAGED IN THE BUSINESS OF DISTRIBUTING WINE MAY BE
11 REQUIRED TO ENTER INTO A BOND PAYABLE TO THE STATE OF MISSISSIPPI
12 CONDITIONED THAT SUCH DISTRIBUTOR WILL CONDUCT HIS BUSINESS
13 LAWFULLY; TO AUTHORIZE THE STATE TAX COMMISSION TO PROMULGATE
14 RULES AND REGULATIONS GOVERNING THE PURCHASE FOR RESALE,
15 DISTRIBUTION AND SALE OF WINE; TO PROVIDE THAT THE STATE TAX
16 COMMISSION SHALL NOT BE A WHOLESALE DISTRIBUTOR OF WINE; TO
17 AUTHORIZE THE STATE TAX COMMISSION TO ISSUE WINE DISTRIBUTOR'S
18 PERMITS; TO PROVIDE THAT SUCH PERMITS SHALL AUTHORIZE THE HOLDER
19 THEREOF TO PURCHASE WINE FROM ANY MANUFACTURER OR IMPORTER,
20 TRANSPORT WINE INTO THE STATE OF MISSISSIPPI, STORE WINE AT THE
21 PRIVATE BONDED WAREHOUSE OF SUCH PERMITTEE'S CHOICE AND SOLICIT
22 ORDERS FROM AND SELL WINE TO PERMITTEES WHO ARE AUTHORIZED TO SELL
23 WINE AT RETAIL; TO PROVIDE THAT RECORDS OF ORDERS MUST BE KEPT FOR
24 THREE YEARS AND SHALL BE SUBJECT TO INSPECTION BY THE ALCOHOLIC
25 BEVERAGE CONTROL DIVISION AT ANY TIME; TO REQUIRE THE HOLDER OF A
26 WINE DISTRIBUTOR'S PERMIT TO DELIVER WINE WITHIN THREE DAYS OF
27 RECEIPT OF THE ORDER; TO MAKE IT UNLAWFUL FOR A WINE DISTRIBUTOR
28 TO HAVE A FINANCIAL INTEREST IN ANY PREMISES UPON WHICH ANY
29 ALCOHOLIC BEVERAGE IS SOLD AT RETAIL; AND FOR RELATED PURPOSES.

30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

31 SECTION 1. Section 27-71-5, Mississippi Code of 1972, is
32 amended as follows:

33 27-71-5. (1) Upon each person approved for a permit under
34 the provisions of the Alcoholic Beverage Control Law and
35 amendments thereto, there is levied and imposed for each location
36 for the privilege of engaging and continuing in this state in the
37 business authorized by such permit, an annual privilege license
38 tax in the amount provided in the following schedule:

39 (a) Manufacturer's permit, Class 1, distiller's and/or
40 rectifier's..... \$4,500.00



41	(b) Manufacturer's permit, Class 2, wine	
42	manufacturer.....	\$1,800.00
43	(c) Manufacturer's permit, Class 3, native	
44	wine manufacturer per 10,000 gallons or part thereof	
45	produced.....	\$ 10.00
46	(d) Native wine retailer's permit.....	\$ 50.00
47	(e) Package retailer's permit, each.....	\$ 900.00
48	(f) On-premises retailer's permit, except	
49	for clubs and common carriers, each.....	\$ 450.00
50	On purchases exceeding \$5,000.00 and for each	
51	additional \$5,000.00, or fraction thereof.....	\$ 225.00
52	(g) On-premises retailer's permit for wine	
53	of more than four percent (4%) alcohol by volume, but	
54	not more than twenty-one percent (21%) alcohol by	
55	volume (each).....	\$ 225.00
56	On purchases exceeding \$5,000.00 and for each	
57	additional \$5,000.00, or fraction thereof.....	\$ 225.00
58	(h) On-premises retailer's permit for clubs..	\$ 225.00
59	On purchases exceeding \$5,000.00 and for each	
60	additional \$5,000.00, or fraction thereof.....	\$ 225.00
61	(i) On-premises retailer's permit for common	
62	carriers, per car, plane, or other vehicle.....	\$ 120.00
63	(j) Solicitor's permit, regardless of any other	
64	provision of law, solicitor's permits shall be issued	
65	only in the discretion of the commission.....	\$ 100.00
66	(k) Filing fee for each application except	
67	for an employee identification card.....	\$ 25.00
68	(l) Temporary permit, Class 1, each.....	\$ 10.00
69	(m) Temporary permit, Class 2, each.....	\$ 50.00
70	On-premises purchases exceeding \$5,000.00 and	
71	for each additional \$5,000.00, or fraction thereof.....	\$ 225.00
72	(n) (i) Caterer's permit.....	\$ 600.00
73	On purchases exceeding \$5,000.00 and for each	



74	additional \$5,000.00, or fraction thereof.....	\$ 250.00
75	(ii) Caterer's permit for holders of	
76	on-premises retailer's permit.....	\$ 150.00
77	On purchases exceeding \$5,000.00 and for each	
78	additional \$5,000.00, or fraction thereof.....	\$ 250.00
79	(o) Research permit.....	\$ 100.00
80	(p) Filing fee for each application for an employee	
81	identification card.....	\$ 5.00
82	(q) <u>Wine distributor's permit.....</u>	<u>\$1,800.00</u>

83 In addition to the filing fee imposed by item (k) of this
84 subsection, a fee to be determined by the State Tax Commission may
85 be charged to defray costs incurred to process applications. Such
86 additional fees shall be paid into the State Treasury to the
87 credit of a special fund account, which is hereby created, and
88 expenditures therefrom shall be made only to defray the costs
89 incurred by the State Tax Commission in processing alcoholic
90 beverage applications. Any unencumbered balance remaining in the
91 special fund account on June 30 of any fiscal year shall lapse
92 into the State General Fund.

93 All privilege taxes herein imposed shall be paid in advance
94 of doing business. The additional privilege tax imposed for an
95 on-premises retailer's permit based upon purchases shall be due
96 and payable on demand.

97 Any person who has paid the additional privilege license tax
98 imposed by item (f), (g), (h), (m) or (n) of this subsection, and
99 whose permit is renewed, may add any unused fraction of Five
100 Thousand Dollars (\$5,000.00) purchases to the first Five Thousand
101 Dollars (\$5,000.00) purchases authorized by the renewal permit,
102 and no additional license tax will be required until purchases
103 exceed the sum of the two (2) figures.

104 (2) There is imposed and shall be collected from each
105 permittee, except a common carrier, solicitor, holder of an
106 employee identification card or a temporary permittee, by the



107 commission, an additional license tax equal to the amounts imposed
108 under subsection (1) of this section for the privilege of doing
109 business within any municipality or county in which the licensee
110 is located. If the licensee is located within a municipality, the
111 commission shall pay the amount of additional license tax to the
112 municipality, and if outside a municipality the commission shall
113 pay the additional license tax to the county in which the licensee
114 is located. Payments by the commission to the respective local
115 government subdivisions shall be made once each month for any
116 collections during the preceding month.

117 (3) When an application for any permit, other than for
118 renewal of a permit, has been rejected by the commission, such
119 decision shall be final. Appeal may be made in the manner
120 provided by Section 67-1-39. Another application from an
121 applicant who has been denied a permit shall not be reconsidered
122 within a twelve-month period.

123 (4) The number of permits issued by the commission shall not
124 be restricted or limited on a population basis; however, the
125 foregoing limitation shall not be construed to preclude the right
126 of the commission to refuse to issue a permit because of the
127 undesirability of the proposed location.

128 (5) If any person shall engage or continue in any business
129 which is taxable hereunder without having paid the tax as provided
130 herein, such person shall be liable for the full amount of such
131 tax plus a penalty thereon equal to the amount thereof, and, in
132 addition, shall be punished by a fine of not more than One
133 Thousand Dollars (\$1,000.00), or by imprisonment in the county
134 jail for a term of not more than six (6) months, or by both such
135 fine and imprisonment, in the discretion of the court.

136 (6) It shall be unlawful for any person to consume alcoholic
137 beverages on the premises of any hotel restaurant, restaurant,
138 club or the interior of any public place defined in Chapter 1,
139 Title 67, Mississippi Code of 1972, when the owner or manager



140 thereof displays in several conspicuous places inside said
141 establishment and at the entrances thereto a sign containing the
142 following language: NO ALCOHOLIC BEVERAGES ALLOWED.

143 SECTION 2. Section 27-71-7, Mississippi Code of 1972, is
144 amended as follows:

145 27-71-7. (1) There is hereby levied and assessed an excise
146 tax upon each case of alcoholic beverages sold by the commission
147 or the holder of a wine distributor's permit to be collected from
148 each retail licensee at the time of sale in accordance with the
149 following schedule:

- 150 (a) Distilled spirits..... \$2.50 per gallon
- 151 (b) Sparkling wine and champagne..... \$1.00 per gallon
- 152 (c) Other wines, including native
153 wines..... \$.35 per gallon

154 (2) (a) In addition to the tax levied by subsection (1) of
155 this section, and in addition to any other markup collected, the
156 Alcoholic Beverage Control Division and the holder of a wine
157 distributor's permit shall collect a markup of three percent (3%)
158 on all alcoholic beverages, as defined in Section 67-1-5,
159 Mississippi Code of 1972, which are sold by the division or the
160 holder of a wine distributor's permit. The proceeds of the markup
161 shall be collected by the division or the holder of a wine
162 distributor's permit, as appropriate, from each purchaser at the
163 time of purchase.

164 (b) Until June 30, 1987, the revenue derived from this
165 three percent (3%) markup shall be deposited by the division in
166 the State Treasury to the credit of the "Alcoholism Treatment and
167 Rehabilitation Fund," a special fund which is hereby created in
168 the State Treasury, and shall be used by the Division of Alcohol
169 and Drug Abuse of the State Department of Mental Health and public
170 or private centers or organizations solely for funding of
171 treatment and rehabilitation programs for alcoholics and alcohol
172 abusers which are sponsored by the division or public or private



173 centers or organizations in such amounts as the Legislature may
174 appropriate to the division for use by the division or public or
175 private centers or organizations for such programs. Any tax
176 revenue in the fund which is not encumbered at the end of the
177 fiscal year shall lapse to the General Fund. It is the intent of
178 the Legislature that the State Department of Mental Health shall
179 continue to seek funds from other sources and shall use the funds
180 appropriated for the purposes of this section and Section 27-71-29
181 to match all federal funds which may be available for alcoholism
182 treatment and rehabilitation.

183 From and after July 1, 1987, the revenue derived from this
184 three percent (3%) markup shall be deposited by the division in
185 the State Treasury to the credit of the "Mental Health Programs
186 Fund," a special fund which is hereby created in the State
187 Treasury and shall be used by the State Department of Mental
188 Health for the service programs of the department. Any revenue in
189 the "Alcoholism Treatment and Rehabilitation Fund" which is not
190 encumbered at the end of fiscal year 1987 shall be deposited to
191 the credit of the "Mental Health Programs Fund."

192 (3) If the tax and markup provided for in subsections (1)
193 and (2) of this section are collected by the holder of a wine
194 distributor's permit, the proceeds of such tax and markup shall be
195 remitted to the State Tax Commission on or before the fifteenth
196 day of the month following the month in which the tax and markup
197 were collected.

198 SECTION 3. Section 27-71-11, Mississippi Code of 1972, is
199 amended as follows:

200 27-71-11. The commission shall from time to time by
201 resolution request the State Bond Commission to provide sufficient
202 funds required to maintain an adequate alcoholic beverage
203 inventory. Said funds shall be provided under the provisions of
204 Chapter 557, Laws of 1966.



205 The commission shall add to the cost of all alcoholic
206 beverages it distributes a markup of twenty-seven and one-half
207 percent (27-1/2%), inclusive of the three percent (3%) markup
208 imposed by Section 27-71-7(2).

209 The commission shall sell alcoholic beverages at uniform
210 prices throughout the state.

211 SECTION 4. Section 27-71-15, Mississippi Code of 1972, is
212 amended as follows:

213 27-71-15. Except as otherwise provided in Section 67-9-1 for
214 the transportation of limited amounts of alcoholic beverages for
215 the use of an alcohol processing permittee, if transportation
216 requires passage through a county which has not authorized the
217 sale of alcoholic beverages, such transportation shall be by a
218 sealed vehicle. Such seal shall remain unbroken until the vehicle
219 shall reach the place of business operated by the permittee. The
220 operator of any vehicle transporting alcoholic beverages shall
221 have in his possession an invoice issued by the commission or the
222 holder of a wine distributor's permit at the time of the wholesale
223 sale covering the merchandise transported by the vehicle. The
224 commission is authorized to issue regulations controlling the
225 transportation of alcoholic beverages.

226 When the restrictions imposed by this section and by the
227 regulation of the commission have not been violated, the person
228 transporting alcoholic beverages through a county wherein the sale
229 of alcoholic beverages is prohibited shall not be guilty of
230 unlawful possession and such merchandise shall be immune from
231 seizure.

232 SECTION 5. Section 27-71-21, Mississippi Code of 1972, is
233 amended as follows:

234 27-71-21. Before any person shall engage in the business of
235 manufacturing or retailing of alcoholic beverages or distributing
236 wine, he may be required to enter into a bond payable to the State
237 of Mississippi, conditioned that he will conduct said business



238 strictly in accordance with the laws of the State of Mississippi,
239 and that he will comply with the rules and regulations prescribed
240 by the commission, and pay all taxes due the State of Mississippi.
241 The amount of a bond required of a manufacturer or a wine
242 distributor, not including a producer of native wine, shall not
243 exceed One Hundred Thousand Dollars (\$100,000.00), and the amount
244 required of a retailer shall be Five Thousand Dollars (\$5,000.00).
245 Provided, however, any retailer whose check for purchase of
246 merchandise or payment of taxes shall be dishonored may be
247 required by the commission to post additional bond not to exceed
248 Five Thousand Dollars (\$5,000.00). Such bond shall be made in a
249 surety company authorized to do business in the State of
250 Mississippi and shall be approved by the commission. The
251 commission shall be authorized to institute suit in the proper
252 court for any violation of the condition of said bonds. The
253 amount of the bond required of a producer of native wine shall be
254 Five Thousand Dollars (\$5,000.00).

255 As an alternative to entering into a bond as required by this
256 section, any person who shall engage in the business of
257 manufacturing or retailing alcoholic beverages or distributing
258 wine may, subject to the same conditions of conduct required for
259 bonds, deposit with the State Treasurer the equivalent amount of
260 the bond required for that particular person in cash or
261 securities. The only securities allowable for this purpose are
262 those which may legally be purchased by a bank or for trust funds,
263 having a market value not less than that of the required bond.
264 The commission shall file notice with the Treasurer for any
265 violation of the conditions of the cash or security deposit.

266 SECTION 6. Section 67-1-5, Mississippi Code of 1972, is
267 amended as follows:

268 67-1-5. For the purposes of this chapter and unless
269 otherwise required by the context:



270 (a) * * * "Alcoholic beverage" means any alcoholic
271 liquid, including wines of more than five percent (5%) of alcohol
272 by weight, capable of being consumed as a beverage by a human
273 being, but shall not include wine containing five percent (5%) or
274 less of alcohol by weight and shall not include beer containing
275 not more than five percent (5%) of alcohol by weight, as provided
276 for in Section 67-3-5, Mississippi Code of 1972, but shall include
277 native wines. The words "alcoholic beverage" shall not include
278 ethyl alcohol manufactured or distilled solely for fuel purposes.

279 (b) * * * "Alcohol" means the product of distillation
280 of any fermented liquid, whatever the origin thereof, and includes
281 synthetic ethyl alcohol, but does not include denatured alcohol or
282 wood alcohol.

283 (c) * * * "Distilled spirits" means any beverage
284 containing more than four percent (4%) of alcohol by weight
285 produced by distillation of fermented grain, starch, molasses or
286 sugar, including dilutions and mixtures of these beverages.

287 (d) * * * "Wine" or "vinous liquor" means any product
288 obtained from the alcoholic fermentation of the juice of sound,
289 ripe grapes, fruits or berries and made in accordance with the
290 revenue laws of the United States.

291 (e) * * * "Person" means and includes any individual,
292 partnership, corporation, association or other legal entity
293 whatsoever.

294 (f) * * * "Manufacturer" means any person engaged in
295 manufacturing, distilling, rectifying, blending or bottling any
296 alcoholic beverage.

297 (g) * * * "Wholesaler" means any person, other than a
298 manufacturer, engaged in distributing or selling any alcoholic
299 beverage at wholesale for delivery within or without this state
300 when such sale is for the purpose of resale by the purchaser.

301 (h) * * * "Retailer" means any person who sells,
302 distributes, or offers for sale or distribution, any alcoholic



303 beverage for use or consumption by the purchaser and not for
304 resale.

305 (i) * * * "Commission" means the State Tax Commission
306 of the State of Mississippi, which shall create a division in its
307 organization to be known as the Alcoholic Beverage Control
308 Division. Any reference to the commission hereafter means the
309 powers and duties of the State Tax Commission with reference to
310 supervision of the Alcoholic Beverage Control Division.

311 (j) * * * "Division" means the Alcoholic Beverage
312 Control Division of the State Tax Commission.

313 (k) * * * "Municipality" means any incorporated city or
314 town of this state.

315 (l) * * * "Hotel" means an establishment within a
316 municipality, or within a qualified resort area approved as such
317 by the commission, where, in consideration of payment, food and
318 lodging are habitually furnished to travelers and wherein are
319 located at least twenty (20) adequately furnished and completely
320 separate sleeping rooms with adequate facilities that persons
321 usually apply for and receive as overnight accommodations. Hotels
322 in towns or cities of more than twenty-five thousand (25,000)
323 population are similarly defined except that they must have fifty
324 (50) or more sleeping rooms. Any such establishment described in
325 this paragraph with less than fifty (50) beds shall operate one or
326 more regular dining rooms designed to be constantly frequented by
327 customers each day. When used in this chapter, the word "hotel"
328 shall also be construed to include any establishment that meets
329 the definition of "bed and breakfast inn" as provided in this
330 section.

331 (m) * * * "Restaurant" means a place which is regularly
332 and in a bona fide manner used and kept open for the serving of
333 meals to guests for compensation, which has suitable seating
334 facilities for guests, and which has suitable kitchen facilities
335 connected therewith for cooking an assortment of foods and meals



336 commonly ordered at various hours of the day; the service of such
337 food as sandwiches and salads only shall not be deemed in
338 compliance with this requirement. No place shall qualify as a
339 restaurant under this chapter unless twenty-five percent (25%) or
340 more of the revenue derived from such place shall be from the
341 preparation, cooking and serving of meals and not from the sale of
342 beverages, or unless the value of food given to and consumed by
343 customers is equal to twenty-five percent (25%) or more of total
344 revenue.

345 (n) * * * "Club" means an association or a corporation:

346 (i) Organized or created under the laws of this
347 state for a period of five (5) years prior to July 1, 1966;

348 (ii) Organized not primarily for pecuniary profit
349 but for the promotion of some common object other than the sale or
350 consumption of alcoholic beverages;

351 (iii) Maintained by its members through the
352 payment of annual dues;

353 (iv) Owning, hiring or leasing a building or space
354 in a building of such extent and character as may be suitable and
355 adequate for the reasonable and comfortable use and accommodation
356 of its members and their guests;

357 (v) The affairs and management of which are
358 conducted by a board of directors, board of governors, executive
359 committee, or similar governing body chosen by the members at a
360 regular meeting held at some periodic interval; and

361 (vi) No member, officer, agent or employee of
362 which is paid, or directly or indirectly receives, in the form of
363 a salary or other compensation any profit from the distribution or
364 sale of alcoholic beverages to the club or to members or guests of
365 the club beyond such salary or compensation as may be fixed and
366 voted at a proper meeting by the board of directors or other
367 governing body out of the general revenues of the club.



368 The commission may, in its discretion, waive the five-year
369 provision of this paragraph. In order to qualify under this
370 paragraph, a club must file with the commission, at the time of
371 its application for a license under this chapter, two (2) copies
372 of a list of the names and residences of its members and similarly
373 file, within ten (10) days after the election of any additional
374 member, his name and address. Each club applying for a license
375 shall also file with the commission at the time of the application
376 a copy of its articles of association, charter of incorporation,
377 bylaws or other instruments governing the business and affairs
378 thereof.

379 (o) * * * "Qualified resort area" means any area or
380 locality outside of the limits of incorporated municipalities in
381 this state commonly known and accepted as a place which regularly
382 and customarily attracts tourists, vacationists and other
383 transients because of its historical, scenic or recreational
384 facilities or attractions, or because of other attributes which
385 regularly and customarily appeal to and attract tourists,
386 vacationists and other transients in substantial numbers; however,
387 no area or locality shall so qualify as a resort area until it has
388 been duly and properly approved as such by the commission.

389 (i) The commission may approve an area or locality
390 outside of the limits of an incorporated municipality that is in
391 the process of being developed as a qualified resort area if such
392 area or locality, when developed, can reasonably be expected to
393 meet the requisites of the definition of the term "qualified
394 resort area." In such a case, the status of qualified resort area
395 shall not take effect until completion of the development.

396 (ii) The term includes any state park which is
397 declared a resort area by the commission; however, such
398 declaration may only be initiated in a written request for resort
399 area status made to the commission by the Executive Director of
400 the Department of Wildlife, Fisheries and Parks, and no permit for



401 the sale of any alcoholic beverage, as defined in this chapter,
402 except an on-premises retailer's permit, shall be issued for a
403 hotel, restaurant or bed and breakfast inn in such park.

404 (iii) The term includes the clubhouses associated
405 with the state park golf courses at the Lefleur's Bluff State
406 Park, the John Kyle State Park, the Percy Quin State Park and the
407 Hugh White State Park. The status of these clubhouses as
408 qualified resort areas does not require any declaration of same by
409 the commission.

410 (p) * * * "Native wine" means any product, produced in
411 Mississippi for sale, having an alcohol content not to exceed
412 twenty-one percent (21%) by weight and made in accordance with
413 revenue laws of the United States, which shall be obtained
414 primarily from the alcoholic fermentation of the juice of ripe
415 grapes, fruits, berries or vegetables grown and produced in
416 Mississippi; provided that bulk, concentrated or fortified wines
417 used for blending may be produced without this state and used in
418 producing native wines. The commission shall adopt and promulgate
419 rules and regulations to permit a producer to import such bulk
420 and/or fortified wines into this state for use in blending with
421 native wines without payment of any excise tax that would
422 otherwise accrue thereon.

423 (q) * * * "Native winery" means any place or
424 establishment within the State of Mississippi where native wine is
425 produced in whole or in part for sale.

426 (r) * * * "Bed and breakfast inn" means an
427 establishment within a municipality where in consideration of
428 payment, breakfast and lodging are habitually furnished to
429 travelers and wherein are located not less than eight (8) and not
430 more than nineteen (19) adequately furnished and completely
431 separate sleeping rooms with adequate facilities, that persons
432 usually apply for and receive as overnight accommodations;
433 however, such restriction on the minimum number of sleeping rooms



434 shall not apply to establishments on the National Register of
435 Historic Places. No place shall qualify as a bed and breakfast
436 inn under this chapter unless on the date of the initial
437 application for a license under this chapter more than fifty
438 percent (50%) of the sleeping rooms are located in a structure
439 formerly used as a residence.

440 (s) "Wine distributor" means a person engaged in
441 purchasing, transporting and storing wine or vinous liquor within
442 the State of Mississippi and selling at wholesale wine or vinous
443 liquor to permittees who are authorized to sell wine at retail.

444 SECTION 7. Section 67-1-9, Mississippi Code of 1972, is
445 amended as follows:

446 67-1-9. (1) It shall be unlawful for any person to
447 manufacture, distill, brew, sell, possess, import into this state,
448 export from the state, transport, distribute, warehouse, store,
449 solicit, take order for, bottle, rectify, blend, treat, mix or
450 process any alcoholic beverage except as authorized in this
451 chapter. However, nothing contained herein shall prevent
452 importers, wineries and distillers of alcoholic beverages from
453 storing such alcoholic beverages in private bonded warehouses
454 located within the State of Mississippi for the ultimate use and
455 benefit of the State Tax Commission as provided in Section
456 67-1-41, and nothing contained herein shall prohibit the holder of
457 a wine distributor's permit from storing wine in private bonded
458 warehouses located in the State of Mississippi for resale to
459 authorized permittees. The commission is hereby authorized to
460 promulgate rules and regulations for the establishment of such
461 private bonded warehouses and for the control of alcoholic
462 beverages stored in such warehouses. Additionally, nothing herein
463 contained shall prevent any duly licensed practicing physician or
464 dentist from possessing or using alcoholic liquor in the strict
465 practice of his profession, or prevent any hospital or other
466 institution caring for sick and diseased persons, from possessing



467 and using alcoholic liquor for the treatment of bona fide patients
468 of such hospital or other institution. Any drugstore employing a
469 licensed pharmacist may possess and use alcoholic liquors in the
470 combination of prescriptions of duly licensed physicians. The
471 possession and dispensation of wine by an authorized
472 representative of any church for the purpose of conducting any
473 bona fide rite or religious ceremony conducted by such church
474 shall not be prohibited by this chapter.

475 (2) Any person, upon conviction of any provision of this
476 section, shall be punished as follows:

477 (a) By a fine of not less than One Hundred Dollars
478 (\$100.00), nor more than Five Hundred Dollars (\$500.00), or by
479 imprisonment in the county jail not less than one (1) week nor
480 more than three (3) months, or both, for the first conviction
481 under this section.

482 (b) By a fine of not less than One Hundred Dollars
483 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by
484 imprisonment in the county jail not less than sixty (60) days, nor
485 more than six (6) months, or both fine and imprisonment, for the
486 second conviction for violating this section.

487 (c) By a fine of not less than One Hundred Dollars
488 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by
489 imprisonment in the State Penitentiary not less than one (1) year,
490 nor more than five (5) years, or both fine and imprisonment, for
491 conviction the third time under this section for the violation
492 thereof after having been twice convicted of its violation.

493 SECTION 8. Section 67-1-37, Mississippi Code of 1972, is
494 amended as follows:

495 67-1-37. The State Tax Commission, under its duties and
496 powers with respect to the Alcoholic Beverage Control Division
497 therein, shall have the following powers, functions and duties:

498 (a) To issue or refuse to issue any permit provided for
499 by this chapter, or to extend the permit or remit in whole or any



500 part of the permit monies when the permit cannot be used due to a
501 natural disaster or Act of God.

502 (b) To revoke, suspend or cancel, for violation of or
503 noncompliance with the provisions of this chapter, or the law
504 governing the production and sale of native wines, or any lawful
505 rules and regulations of the commission issued hereunder, or for
506 other sufficient cause, any permit issued by it under the
507 provisions of this chapter; however, no such permit shall be
508 revoked, suspended or cancelled except after a hearing of which
509 the permit holder shall have been given reasonable notice and an
510 opportunity to be heard. The commission shall be authorized to
511 suspend the permit of any permit holder for being out of
512 compliance with an order for support, as defined in Section
513 93-11-153. The procedure for suspension of a permit for being out
514 of compliance with an order for support, and the procedure for the
515 reissuance or reinstatement of a permit suspended for that
516 purpose, and the payment of any fees for the reissuance or
517 reinstatement of a permit suspended for that purpose, shall be
518 governed by Section 93-11-157 or 93-11-163, as the case may be.
519 If there is any conflict between any provision of Section
520 93-11-157 or 93-11-163 and any provision of this chapter, the
521 provisions of Section 93-11-157 or 93-11-163, as the case may be,
522 shall control.

523 (c) To prescribe forms of permits and applications for
524 permits and of all reports which it deems necessary in
525 administering this chapter.

526 (d) To fix standards, not in conflict with those
527 prescribed by any law of this state or of the United States, to
528 secure the use of proper ingredients and methods of manufacture of
529 alcoholic beverages.

530 (e) To issue rules regulating the advertising of
531 alcoholic beverages in the state in any class of media and
532 permitting advertising of the retail price of alcoholic beverages.



533 (f) To issue reasonable rules and regulations, not
534 inconsistent with the federal laws or regulations, requiring
535 informative labeling of all alcoholic beverages offered for sale
536 within this state and providing for the standards of fill and
537 shapes of retail containers of alcoholic beverages; however, such
538 containers shall not contain less than fifty (50) milliliters by
539 liquid measure.

540 (g) Subject to the provisions of * * * Section
541 67-1-51(3), to issue rules and regulations governing the issuance
542 of retail permits for premises located near or around schools,
543 colleges, universities, churches and other public institutions,
544 and specifying the distances therefrom within which no such permit
545 shall be issued. The alcoholic beverage control division shall
546 not allow the sale or consumption of alcoholic beverages in or on
547 the campus of any public school or college, and no alcoholic
548 beverage shall be for sale or consumed at any public athletic
549 event at any grammar or high school or any college.

550 (h) To adopt and promulgate, repeal and amend, such
551 rules, regulations, standards, requirements and orders, not
552 inconsistent with this chapter or any law of this state or of the
553 United States, as it deems necessary to control the manufacture,
554 importation, transportation, distribution and sale of alcoholic
555 liquor, whether intended for beverage or nonbeverage use in a
556 manner not inconsistent with the provisions of this chapter or any
557 other statute, including the native wine laws.

558 (i) To call upon other administrative departments of
559 the state, county and municipal governments, county and city
560 police departments and upon prosecuting officers for such
561 information and assistance as it may deem necessary in the
562 performance of its duties.

563 (j) To prepare and submit to the Governor during the
564 month of January of each year a detailed report of its official
565 acts during the preceding fiscal year ending June 30, including



566 such recommendations as it may see fit to make, and to transmit a
567 like report to each member of the Legislature of this state upon
568 the convening thereof at its next regular session.

569 (k) To inspect, or cause to be inspected, any premises
570 where alcoholic liquors intended for sale are manufactured,
571 stored, distributed or sold, and to examine or cause to be
572 examined all books and records pertaining to the business
573 conducted therein.

574 (l) In the conduct of any hearing authorized to be held
575 by the commission, to hear testimony and take proof material for
576 its information in the discharge of its duties under this chapter;
577 to issue subpoenas, which shall be effective in any part of this
578 state, requiring the attendance of witnesses and the production of
579 books and records; to administer or cause to be administered
580 oaths; and to examine or cause to be examined any witness under
581 oath. Any court of record, or any judge thereof, may by order
582 duly entered require the attendance of witnesses and the
583 production of relevant books subpoenaed by the commission, and
584 such court or judge may compel obedience to its or his order by
585 proceedings for contempt.

586 (m) To investigate the administration of laws in
587 relation to alcoholic liquors in this and other states and any
588 foreign countries, and to recommend from time to time to the
589 Governor and through him to the Legislature of this state such
590 amendments to this chapter, if any, as it may think desirable.

591 (n) To designate hours and days when alcoholic
592 beverages may be sold in different localities in the state which
593 permit such sale.

594 (o) To assign employees to posts of duty at locations
595 where they will be most beneficial for the control of alcoholic
596 beverages, to remove, to dismiss, to suspend without pay, to act
597 as a trial board in hearings based upon charges against employees.
598 After twelve (12) months' service, no employee shall be removed,



599 dismissed, demoted or suspended without just cause and only after
600 being furnished with reasons for such removal, dismissal, demotion
601 or suspension, and upon request given a hearing in his own
602 defense.

603 (p) All hearings conducted by the commission shall be
604 open to the public, and, when deemed necessary, a written
605 transcript shall be made of the testimony introduced thereat.

606 (q) To adopt and promulgate rules and regulations for
607 suspension or revocation of identification cards of employees of
608 permittees for violations of the alcoholic beverage control laws,
609 rules or regulations.

610 (r) To adopt and promulgate rules and regulations
611 governing the purchase for resale, distribution and sale of wine
612 or vinous liquor.

613 SECTION 9. Section 67-1-41, Mississippi Code of 1972, is
614 amended as follows:

615 67-1-41. (1) The State Tax Commission is hereby created a
616 wholesale distributor and seller of alcoholic beverages, not
617 including malt liquors and wine or vinous liquor, within the State
618 of Mississippi. It is granted the sole right to import and sell
619 such intoxicating liquors at wholesale within the state, and no
620 person who is granted the right to sell, distribute or receive
621 such liquors at retail shall purchase any such intoxicating
622 liquors from any source other than the commission except as
623 authorized in subsections (4) and (9) of this section, provided
624 that retailers and consumers may purchase native wines directly
625 from the producer. The commission may establish warehouses,
626 purchase intoxicating liquors in such quantities and from such
627 sources as it may deem desirable and sell the same to authorized
628 permittees within the state including, at the discretion of the
629 commission, any retail distributors operating within any military
630 post or qualified resort areas within the boundaries of the state,
631 keeping a correct and accurate record of all such transactions and



632 exercising such control over the distribution of alcoholic
633 beverages as seem right and proper in keeping with the provisions
634 or purposes of this chapter.

635 The commission is empowered to borrow such working capital as
636 may be required, not to exceed the sum of Nine Hundred Thousand
637 Dollars (\$900,000.00). Such loan shall be repaid from the
638 earnings of the wholesale liquor business.

639 The commission is hereby authorized to use and to promulgate
640 rules for the affixing of identification stamps to each container
641 of alcoholic liquor.

642 (2) No person for the purpose of sale shall manufacture,
643 distill, brew, sell, possess, export, transport, distribute,
644 warehouse, store, solicit, take orders for, bottle, rectify,
645 blend, treat, mix or process any alcoholic beverage except in
646 accordance with authority granted under this chapter, or as
647 otherwise provided by law for native wines.

648 (3) No alcoholic beverage intended for sale or resale shall
649 be imported, shipped or brought into this state for delivery to
650 any person other than as provided in this chapter, or as otherwise
651 provided by law for native wines.

652 (4) The commission may promulgate rules and regulations
653 which authorize on-premises retailers to purchase limited amounts
654 of alcoholic beverages from package retailers and for package
655 retailers to purchase limited amounts of alcoholic beverages from
656 other package retailers. The commission shall develop and provide
657 forms to be completed by the on-premises retailers and the package
658 retailers verifying the transaction. The completed forms shall be
659 forwarded to the commission within a period of time prescribed by
660 the commission.

661 (5) The commission may promulgate rules which authorize the
662 holder of a package retailer's permit to permit individual retail
663 purchasers of packages of alcoholic beverages to return, for
664 exchange, credit or refund, limited amounts of original sealed and



665 unopened packages of alcoholic beverages purchased by such
666 individual from the package retailer.

667 (6) The commission shall maintain all forms to be completed
668 by applicants necessary for licensure by the commission at all
669 district offices of the commission.

670 (7) The commission may promulgate rules which authorize the
671 manufacturer of an alcoholic beverage or wine to import, transport
672 and furnish or give a sample of alcoholic beverages or wines to
673 the holders of package retailer's permits, on-premises retailer's
674 permits, native wine retailer's permits and temporary retailer's
675 permits who have not previously purchased the brand of that
676 manufacturer from the commission. For each holder of the
677 designated permits, the manufacturer may furnish not more than
678 five hundred (500) milliliters of any brand of alcoholic beverage
679 and not more than three (3) liters of any brand of wine.

680 (8) The commission may promulgate rules disallowing open
681 product sampling of alcoholic beverages or wines by the holders of
682 package retailer's permits and permitting open product sampling of
683 alcoholic beverages by the holders of on-premises retailer's
684 permits. Permitted sample products shall be plainly identified
685 "sample" and the actual sampling must occur in the presence of the
686 manufacturer's representatives during the legal operating hours of
687 on-premises retailers.

688 (9) The commission may promulgate rules and regulations that
689 authorize the holder of a research permit to import and purchase
690 limited amounts of alcoholic beverages from importers, wineries
691 and distillers of alcoholic beverages or from the commission. The
692 commission shall develop and provide forms to be completed by the
693 research permittee verifying each transaction. The completed
694 forms shall be forwarded to the commission within a period of time
695 prescribed by the commission. The records and inventory of
696 alcoholic beverages shall be open to inspection at any time by the



697 Director of the Alcoholic Beverage Control Division or any duly
698 authorized agent.

699 SECTION 10. Section 67-1-45, Mississippi Code of 1972, is
700 amended as follows:

701 67-1-45. No manufacturer, rectifier, or distiller of
702 intoxicating liquor shall sell or attempt to sell any such
703 intoxicating liquor, except malt liquor and wine or vinous liquor,
704 within the State of Mississippi, except to the commission, or to
705 the holder of a research permit as provided in Section 67-1-41.
706 However, a producer of native wine may sell native wines to the
707 commission, authorized retail distributor, or directly to
708 consumers. No manufacturer or other person shall sell or attempt
709 to sell any wine or vinous liquor within the State of Mississippi
710 except to the holder of a wine distributor's permit as provided in
711 Section 67-1-41.

712 Any violation of this section by any manufacturer, rectifier,
713 or distiller shall be punished by a fine of not less than Five
714 Hundred Dollars (\$500.00), and not more than Two Thousand Dollars
715 (\$2,000.00), to which may be added imprisonment in the county jail
716 not to exceed six (6) months.

717 SECTION 11. Section 67-1-51, Mississippi Code of 1972, is
718 amended as follows:

719 67-1-51. (1) Permits which may be issued by the commission
720 shall be as follows:

721 (a) **Manufacturer's permit.** A manufacturer's permit
722 shall permit the manufacture, importation in bulk, bottling and
723 storage of alcoholic liquor and its distribution and sale to
724 manufacturers holding permits under this chapter in this state and
725 to persons outside the state who are authorized by law to purchase
726 the same, and to sell exclusively to the commission.

727 Manufacturer's permits shall be of the following classes:

728 Class 1. Distiller's and/or rectifier's permit, which shall
729 authorize the holder thereof to operate a distillery for the



730 production of distilled spirits by distillation or redistillation
731 and/or to operate a rectifying plant for the purifying, refining,
732 mixing, blending, flavoring or reducing in proof of distilled
733 spirits and alcohol.

734 Class 2. Wine manufacturer's permit, which shall authorize
735 the holder thereof to manufacture, import in bulk, bottle and
736 store wine or vinous liquor.

737 Class 3. Native wine producer's permit, which shall
738 authorize the holder thereof to produce, bottle, store and sell
739 native wines.

740 (b) **Package retailer's permit.** Except as otherwise
741 provided in this paragraph, a package retailer's permit shall
742 authorize the holder thereof to operate a store exclusively for
743 the sale at retail in original sealed and unopened packages of
744 alcoholic beverages, including native wines, not to be consumed on
745 the premises where sold. Alcoholic beverages shall not be sold by
746 any retailer in any package or container containing less than
747 fifty (50) milliliters by liquid measure. In addition to the sale
748 at retail of packages of alcoholic beverages, the holder of a
749 package retailer's permit is authorized to sell at retail
750 corkscrews, wine glasses, soft drinks, ice, juices, mixers and
751 other beverages commonly used to mix with alcoholic beverages.
752 Nonalcoholic beverages sold by the holder of a package retailer's
753 permit shall not be consumed on the premises where sold.

754 (c) **On-premises retailer's permit.** An on-premises
755 retailer's permit shall authorize the sale of alcoholic beverages,
756 including native wines, for consumption on the licensed premises
757 only. Such a permit shall issue only to qualified hotels,
758 restaurants and clubs, and to common carriers with adequate
759 facilities for serving passengers. In resort areas, whether
760 inside or outside of a municipality, the commission may, in its
761 discretion, issue on-premises retailer's permits to such
762 establishments as it deems proper. An on-premises retailer's



763 permit when issued to a common carrier shall authorize the sale
764 and serving of alcoholic beverages aboard any licensed vehicle
765 while moving through any county of the state; however, the sale of
766 such alcoholic beverages shall not be permitted while such vehicle
767 is stopped in a county that has not legalized such sales.

768 (d) **Solicitor's permit.** A solicitor's permit shall
769 authorize the holder thereof to act as salesman for a manufacturer
770 or wholesaler holding a proper permit, to solicit on behalf of his
771 employer orders for alcoholic beverages, and to otherwise promote
772 his employer's products in a legitimate manner. Such a permit
773 shall authorize the representation of and employment by one (1)
774 principal only. However, the permittee may also, in the
775 discretion of the commission, be issued additional permits to
776 represent other principals. No such permittee shall buy or sell
777 alcoholic beverages for his own account, and no such beverage
778 shall be brought into this state in pursuance of the exercise of
779 such permit otherwise than through a permit issued to a wholesaler
780 or manufacturer in the state.

781 (e) **Native wine retailer's permit.** A native wine
782 retailer's permit shall be issued only to a holder of a Class 3
783 manufacturer's permit, and shall authorize the holder thereof to
784 make retail sales of native wines to consumers for on-premises
785 consumption or to consumers in originally sealed and unopened
786 containers at an establishment located on the premises of or in
787 the immediate vicinity of a native winery.

788 (f) **Temporary retailer's permit.** A temporary
789 retailer's permit shall permit the purchase and resale of
790 alcoholic beverages, including native wines, during legal hours on
791 the premises described in the temporary permit only.

792 Temporary retailer's permits shall be of the following
793 classes:

794 Class 1. A temporary one-day permit may be issued to bona
795 fide nonprofit civic or charitable organizations authorizing the



796 sale of alcoholic beverages, including native wine, for
797 consumption on the premises described in the temporary permit
798 only. Class 1 permits may be issued only to applicants
799 demonstrating to the commission, by affidavit submitted ten (10)
800 days prior to the proposed date or such other time as the
801 commission may determine, that they meet the qualifications of
802 Sections 67-1-11, 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57
803 (excluding paragraph (e)) and 67-1-59. Class 1 permittees shall
804 obtain all alcoholic beverages from package retailers located in
805 the county in which the temporary permit is issued. Alcoholic
806 beverages remaining in stock upon expiration of the temporary
807 permit may be returned by the permittee to the package retailer
808 for a refund of the purchase price upon consent of the package
809 retailer or may be kept by the permittee exclusively for personal
810 use and consumption, subject to all laws pertaining to the illegal
811 sale and possession of alcoholic beverages. The commission,
812 following review of the affidavit and the requirements of the
813 applicable statutes and regulations, may issue the permit.

814 Class 2. A temporary permit, not to exceed seventy (70)
815 days, may be issued to prospective permittees seeking to transfer
816 a permit authorized in either paragraph (b) or (c) of this
817 section. A Class 2 permit may be issued only to applicants
818 demonstrating to the commission, by affidavit, that they meet the
819 qualifications of Sections 67-1-5(1), (m), (n), (o), (p) or (q),
820 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 67-1-59. The
821 commission, following a preliminary review of the affidavit and
822 the requirements of the applicable statutes and regulations, may
823 issue the permit.

824 Class 2 temporary permittees must purchase their alcoholic
825 beverages directly from the commission or, with approval of the
826 commission, purchase the remaining stock of the previous
827 permittee. If the proposed applicant of a Class 1 or Class 2
828 temporary permit falsifies information contained in the



829 application or affidavit, the applicant shall never again be
830 eligible for a retail alcohol beverage permit and shall be subject
831 to prosecution for perjury.

832 (g) **Caterer's permit.** A caterer's permit shall permit
833 the purchase of alcoholic beverages by a person engaging in
834 business as a caterer and the resale of alcoholic beverages by
835 such person in conjunction with such catering business. No person
836 shall qualify as a caterer unless forty percent (40%) or more of
837 the revenue derived from such catering business shall be from the
838 serving of prepared food and not from the sale of alcoholic
839 beverages and unless such person has obtained a permit for such
840 business from the Department of Health. A caterer's permit shall
841 not authorize the sale of alcoholic beverages on the premises of
842 the person engaging in business as a caterer; however, the holder
843 of an on-premises retailer's permit may hold a caterer's permit.
844 All sales of alcoholic beverages by holders of a caterer's permit
845 shall be made at the location being catered by the caterer, and
846 such sales may be made only for consumption at the catered
847 location. Such sales shall be made pursuant to any other
848 conditions and restrictions which apply to sales made by
849 on-premises retail permittees. The holder of a caterer's permit
850 or his employees shall remain at the catered location as long as
851 alcoholic beverages are being sold pursuant to the permit issued
852 under this paragraph (g), and the permittee and employees at such
853 location shall each have personal identification cards issued by
854 the Alcoholic Beverage Control Division of the commission. No
855 unsold alcoholic beverages may be left at the catered location by
856 the permittee upon the conclusion of his business at that
857 location. Appropriate law enforcement officers and Alcoholic
858 Beverage Control Division personnel may enter a catered location
859 on private property in order to enforce laws governing the sale or
860 serving of alcoholic beverages.



861 (h) **Research Permit.** A research permit shall authorize
862 the holder thereof to operate a research facility for the
863 professional research of alcoholic beverages. Such permit shall
864 authorize the holder of the permit to import and purchase limited
865 amounts of alcoholic beverages from the commission or from
866 importers, wineries and distillers of alcoholic beverages for
867 professional research.

868 (i) **Alcohol processing permit.** An alcohol processing
869 permit shall authorize the holder thereof to purchase, transport
870 and possess alcoholic beverages for the exclusive use in cooking,
871 processing or manufacturing products which contain alcoholic
872 beverages as an integral ingredient. An alcohol processing permit
873 shall not authorize the sale of alcoholic beverages on the
874 premises of the person engaging in the business of cooking,
875 processing or manufacturing products which contain alcoholic
876 beverages. The amounts of alcoholic beverages allowed under an
877 alcohol processing permit shall be set by the commission.

878 (j) **Wine distributor's permit.** A wine distributor's
879 permit shall authorize the holder thereof to purchase for resale,
880 to store and to distribute to authorized permittees, wine or
881 vinous liquor. Such permit shall entitle the holder thereof to
882 purchase wine or vinous liquor from any manufacturer or importer
883 for the purpose of resale in this state to permittees that are
884 authorized to sell wine or vinous liquor at retail. The holder of
885 a wine distributor's permit may transport wine or vinous liquor
886 into the State of Mississippi and store such wine or vinous liquor
887 in a private bonded warehouse of such permittee's choice for sale
888 to permittees who are authorized to sell wine or vinous liquor at
889 retail. The holder of a wine distributor's permit may solicit
890 orders for wine or vinous liquor from any permittee that is
891 authorized to sell wine or vinous liquor at retail. Records of
892 such orders shall be kept and maintained for a period of three (3)
893 years after the order is taken and shall be subject to inspection



894 by the division at any time without prior notice. The holder of a
895 wine distributor's permit shall deliver wine or vinous liquor to
896 an authorized permittee within three (3) days of receipt of the
897 order.

898 (2) Except as otherwise provided in subsection (4) of this
899 section, retail permittees may hold more than one (1) retail
900 permit, at the discretion of the commission.

901 (3) Except as otherwise provided in this subsection, no
902 authority shall be granted to any person to manufacture, sell or
903 store for sale any intoxicating liquor as specified in this
904 chapter within four hundred (400) feet of any church, school,
905 kindergarten or funeral home. However, within an area zoned
906 commercial or business, such minimum distance shall be not less
907 than one hundred (100) feet.

908 A church or funeral home may waive the distance restrictions
909 imposed in this subsection in favor of allowing issuance by the
910 commission of a permit, pursuant to subsection (1) of this
911 section, to authorize activity relating to the manufacturing, sale
912 or storage of alcoholic beverages which would otherwise be
913 prohibited under the minimum distance criterion. Such waiver
914 shall be in written form from the owner, the governing body, or
915 the appropriate officer of the church or funeral home having the
916 authority to execute such a waiver, and the waiver shall be filed
917 with and verified by the commission before becoming effective.

918 The distance restrictions imposed in this subsection shall
919 not apply to the sale or storage of alcoholic beverages at a bed
920 and breakfast inn listed in the National Register of Historic
921 Places.

922 (4) No person, either individually or as a member of a firm,
923 partnership or association, or as a stockholder, officer or
924 director in a corporation, shall own or control any interest in
925 more than one (1) package retailer's permit, nor shall such
926 person's spouse, if living in the same household of such person,



927 any relative of such person, if living in the same household of
928 such person, or any other person living in the same household with
929 such person own any interest in any other package retailer's
930 permit.

931 SECTION 12. Section 67-1-77, Mississippi Code of 1972, is
932 amended as follows:

933 67-1-77. (1) It shall be unlawful for the holder of a
934 manufacturer's or wholesaler's permit, or anyone connected with
935 the business of such holder, or for any other distiller, wine
936 manufacturer, wine distributor, brewer, rectifier, blender, or
937 bottler, to have any financial interest in any premises upon which
938 any alcoholic beverage is sold at retail by any permittee, or in
939 the business conducted by such permittee; provided, however, the
940 holder of a manufacturer's or wholesaler's permit may contract for
941 the service of a representative in the area of governmental
942 affairs on a part-time basis with a holder of an on-premises
943 permit.

944 (2) It shall also be unlawful for any such person, or anyone
945 connected with his, its, or their business to lend any money or
946 make any gift or offer any gratuity, to any retail permittee,
947 except as authorized by regulations of the commission, to the
948 holder of any retail permit issued under the provisions of this
949 chapter. Except as above provided, no retail permittee shall
950 accept, receive, or make use of any money or gift furnished by any
951 such person, or become indebted to such person except for the
952 purchase of alcoholic beverages.

953 (3) The commission shall not prohibit the furnishing of
954 advertising specialties, printed materials, or other things having
955 nominal value to a retail permittee. This section shall not be
956 construed to prohibit the possession by any person of advertising
957 specialties, printed materials, or other things having nominal
958 value furnished by a retail permittee.



959 (4) Any person violating the provisions of this section
960 shall, upon conviction, be punished by a fine of not more than
961 Five Thousand Dollars (\$5,000.00) or by imprisonment for not more
962 than two (2) years, or by both such fine and imprisonment, in the
963 discretion of the court.

964 SECTION 13. This act shall take effect and be in force from
965 and after July 1, 2001.

