

By: Senator(s) Hewes, Gollott

To: Finance

SENATE BILL NO. 2548

1 AN ACT TO AUTHORIZE THE HOLDERS OF PACKAGE RETAILER'S PERMITS  
2 AND ON-PREMISES RETAILER'S PERMITS TO PURCHASE ALCOHOLIC BEVERAGES  
3 FROM THE HOLDERS OF LIMITED DISTRIBUTION PERMITS ISSUED BY THE  
4 STATE TAX COMMISSION IF THE BRAND OR TYPE OF ALCOHOLIC BEVERAGE  
5 SOUGHT TO BE PURCHASED BY SUCH A PERMITTEE IS NORMALLY IN THE  
6 INVENTORY KEPT BY THE COMMISSION BUT IS OUT OF STOCK, OR IS AN  
7 ITEM THAT THE COMMISSION DOES NOT NORMALLY KEEP IN ITS INVENTORY;  
8 TO AMEND SECTIONS 27-71-5, 27-71-7, 27-71-15, 27-71-21, 67-1-5,  
9 67-1-9, 67-1-37, 67-1-41, 67-1-43, 67-1-45, 67-1-51 AND 67-1-77,  
10 MISSISSIPPI CODE OF 1972, TO CREATE A LIMITED DISTRIBUTOR'S PERMIT  
11 AND PROVIDE THE FEE FOR SUCH PERMIT; TO PROVIDE FOR THE COLLECTION  
12 OF TAXES BY THE HOLDER OF SUCH A PERMIT ON ALCOHOLIC BEVERAGES HE  
13 SELLS; TO AUTHORIZE THE TRANSPORT OF ALCOHOLIC BEVERAGES BY THE  
14 HOLDER OF A LIMITED DISTRIBUTOR'S PERMIT; TO AUTHORIZE THE STORAGE  
15 OF ALCOHOLIC BEVERAGES IN THIS STATE BY HOLDERS OF LIMITED  
16 DISTRIBUTOR'S PERMITS; TO AUTHORIZE THE STATE TAX COMMISSION TO  
17 ADOPT RULES AND REGULATIONS REGARDING THE LIMITED DISTRIBUTION OF  
18 ALCOHOLIC BEVERAGES; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** If an alcoholic beverage product that the holder  
21 of a package retailer's or on-premises retailer's permit is  
22 seeking to purchase is not available from the State Tax Commission  
23 at wholesale, such permittee may purchase such product from a  
24 wholesaler or distributor who has a limited distributor's permit  
25 from the State Tax Commission that authorizes such wholesaler or  
26 distributor to sell alcoholic beverage products directly to such  
27 permittees if the products are not available from the State Tax  
28 Commission. For purposes of this section, an alcoholic beverage  
29 product is not considered to be available from the State Tax  
30 Commission only if:

31 (a) The brand or type of alcoholic beverage sought is  
32 an item that the commission normally keeps in its inventory but is  
33 out of stock at the time the order is made; or



34 (b) The brand or type of alcoholic beverage sought is  
35 an item that the commission does not normally keep in its  
36 inventory.

37 **SECTION 2.** Section 27-71-5, Mississippi Code of 1972, is  
38 amended as follows:

39 27-71-5. (1) Upon each person approved for a permit under  
40 the provisions of the Alcoholic Beverage Control Law and  
41 amendments thereto, there is levied and imposed for each location  
42 for the privilege of engaging and continuing in this state in the  
43 business authorized by such permit, an annual privilege license  
44 tax in the amount provided in the following schedule:

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

47 (b) Manufacturer's permit, Class 2, wine manufacturer  
48 ..... \$1,800.00

49 (c) Manufacturer's permit, Class 3, native wine  
50 manufacturer per 10,000 gallons or part thereof produced \$ 10.00

51 (d) Native wine retailer's permit..... \$ 50.00

52 (e) Package retailer's permit, each..... \$ 900.00

53 (f) On-premises retailer's permit, except for clubs and  
54 common carriers, each..... \$ 450.00

55 On purchases exceeding \$5,000.00 and for each additional  
56 \$5,000.00, or fraction thereof..... \$ 225.00

57 (g) On-premises retailer's permit for wine of more than  
58 four percent (4%) alcohol by volume, but not more than twenty-one  
59 percent (21%) alcohol by volume (each)..... \$ 225.00

60 On purchases exceeding \$5,000.00 and for each additional  
61 \$5,000.00, or fraction thereof..... \$ 225.00

62 (h) On-premises retailer's permit for clubs.. \$ 225.00

63 On purchases exceeding \$5,000.00 and for each additional  
64 \$5,000.00, or fraction thereof..... \$ 225.00

65 (i) On-premises retailer's permit for common carriers,  
66 per car, plane, or other vehicle..... \$ 120.00



67	(j) Solicitor's permit, regardless of any other	
68	provision of law, solicitor's permits shall be issued only in the	
69	discretion of the commission.....	\$ 100.00
70	(k) Filing fee for each application except for an	
71	employee identification card.....	\$ 25.00
72	(l) Temporary permit, Class 1, each.....	\$ 10.00
73	(m) Temporary permit, Class 2, each.....	\$ 50.00
74	On-premises purchases exceeding \$5,000.00 and for each	
75	additional \$5,000.00, or fraction thereof.....	\$ 225.00
76	(n) (i) Caterer's permit.....	\$ 600.00
77	On purchases exceeding \$5,000.00 and for each additional	
78	\$5,000.00, or fraction thereof.....	\$ 250.00
79	(ii) Caterer's permit for holders of on-premises	
80	retailer's permit.....	\$ 150.00
81	On purchases exceeding \$5,000.00 and for each additional	
82	\$5,000.00, or fraction thereof.....	\$ 250.00
83	(o) Research permit.....	\$ 100.00
84	(p) Filing fee for each application for an employee	
85	identification card.....	\$ 5.00
86	(q) <u>Limited distributor's permit.....</u>	<u>\$1,800.00</u>

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

97 All privilege taxes herein imposed shall be paid in advance  
98 of doing business. The additional privilege tax imposed for an



99 on-premises retailer's permit based upon purchases shall be due  
100 and payable on demand.

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

108 (2) There is imposed and shall be collected from each  
109 permittee, except a common carrier, solicitor, holder of an  
110 employee identification card or a temporary permittee, by the  
111 commission, an additional license tax equal to the amounts imposed  
112 under subsection (1) of this section for the privilege of doing  
113 business within any municipality or county in which the licensee  
114 is located. If the licensee is located within a municipality, the  
115 commission shall pay the amount of additional license tax to the  
116 municipality, and if outside a municipality the commission shall  
117 pay the additional license tax to the county in which the licensee  
118 is located. Payments by the commission to the respective local  
119 government subdivisions shall be made once each month for any  
120 collections during the preceding month.

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

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



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

140 (6) It shall be unlawful for any person to consume alcoholic  
141 beverages on the premises of any hotel restaurant, restaurant,  
142 club or the interior of any public place defined in Chapter 1,  
143 Title 67, Mississippi Code of 1972, when the owner or manager  
144 thereof displays in several conspicuous places inside said  
145 establishment and at the entrances thereto a sign containing the  
146 following language: NO ALCOHOLIC BEVERAGES ALLOWED.

147 **SECTION 3.** Section 27-71-7, Mississippi Code of 1972, is  
148 amended as follows:

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

- 154 (a) Distilled spirits..... \$2.50 per gallon
- 155 (b) Sparkling wine and champagne..... \$1.00 per gallon
- 156 (c) Other wines, including native  
157 wines..... \$ .35 per gallon

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



165 markup shall be collected by the division or the holder of a  
166 limited distributor's permit from each purchaser at the time of  
167 purchase.

168 (b) Until June 30, 1987, the revenue derived from this  
169 three percent (3%) markup shall be deposited by the division in  
170 the State Treasury to the credit of the "Alcoholism Treatment and  
171 Rehabilitation Fund," a special fund which is hereby created in  
172 the State Treasury, and shall be used by the Division of Alcohol  
173 and Drug Abuse of the State Department of Mental Health and public  
174 or private centers or organizations solely for funding of  
175 treatment and rehabilitation programs for alcoholics and alcohol  
176 abusers which are sponsored by the division or public or private  
177 centers or organizations in such amounts as the Legislature may  
178 appropriate to the division for use by the division or public or  
179 private centers or organizations for such programs. Any tax  
180 revenue in the fund which is not encumbered at the end of the  
181 fiscal year shall lapse to the General Fund. It is the intent of  
182 the Legislature that the State Department of Mental Health shall  
183 continue to seek funds from other sources and shall use the funds  
184 appropriated for the purposes of this section and Section 27-71-29  
185 to match all federal funds which may be available for alcoholism  
186 treatment and rehabilitation.

187 From and after July 1, 1987, the revenue derived from this  
188 three percent (3%) markup collected by the division and the  
189 revenue remitted to the State Tax Commission pursuant to  
190 subsection (3) of this section shall be deposited by the division  
191 in the State Treasury to the credit of the "Mental Health Programs  
192 Fund," a special fund which is hereby created in the State  
193 Treasury and shall be used by the State Department of Mental  
194 Health for the service programs of the department. Any revenue in  
195 the "Alcoholism Treatment and Rehabilitation Fund" which is not  
196 encumbered at the end of Fiscal Year 1987 shall be deposited to  
197 the credit of the "Mental Health Programs Fund."



198       (3) The tax and markup provided for in subsections (1) and  
199       (2) of this section shall be collected by the holder of a limited  
200       distributor's permit on alcoholic beverages such permittee sells  
201       and the proceeds of the tax that such permittee collects shall be  
202       remitted to the State Tax Commission on or before the fifteenth  
203       day of the month following the month in which the tax and markup  
204       were collected.

205       **SECTION 4.** Section 27-71-15, Mississippi Code of 1972, is  
206 amended as follows:

207       27-71-15. Except as otherwise provided in Section 67-9-1 for  
208 the transportation of limited amounts of alcoholic beverages for  
209 the use of an alcohol processing permittee, if transportation  
210 requires passage through a county which has not authorized the  
211 sale of alcoholic beverages, such transportation shall be by a  
212 sealed vehicle. Such seal shall remain unbroken until the vehicle  
213 shall reach the place of business operated by the permittee. The  
214 operator of any vehicle transporting alcoholic beverages shall  
215 have in his possession an invoice issued by the commission or the  
216 holder of a limited distributor's permit at the time of the  
217 wholesale sale covering the merchandise transported by the  
218 vehicle. The commission is authorized to issue regulations  
219 controlling the transportation of alcoholic beverages.

220       When the restrictions imposed by this section and by the  
221 regulation of the commission have not been violated, the person  
222 transporting alcoholic beverages through a county wherein the sale  
223 of alcoholic beverages is prohibited shall not be guilty of  
224 unlawful possession and such merchandise shall be immune from  
225 seizure.

226       **SECTION 5.** Section 27-71-21, Mississippi Code of 1972, is  
227 amended as follows:

228       27-71-21. Before any person shall engage in the business of  
229 manufacturing, distributing or retailing of alcoholic beverages,  
230 he may be required to enter into a bond payable to the State of



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

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

260 **SECTION 6.** Section 67-1-5, Mississippi Code of 1972, is  
261 amended as follows:

262 67-1-5. For the purposes of this chapter and unless  
263 otherwise required by the context:





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

273 (b) \* \* \* "Álcohol" means the product of distillation  
274 of any fermented liquid, whatever the origin thereof, and includes  
275 synthetic ethyl alcohol, but does not include denatured alcohol or  
276 wood alcohol.

277 (c) \* \* \* "Distilled spirits" mean any beverage  
278 containing more than four percent (4%) of alcohol by weight  
279 produced by distillation of fermented grain, starch, molasses or  
280 sugar, including dilutions and mixtures of these beverages.

281 (d) \* \* \* "Wine" or "vinous liquor" mean any product  
282 obtained from the alcoholic fermentation of the juice of sound,  
283 ripe grapes, fruits or berries and made in accordance with the  
284 revenue laws of the United States.

285 (e) \* \* \* "Person" means and includes any individual,  
286 partnership, corporation, association or other legal entity  
287 whatsoever.

288 (f) \* \* \* "Manufacturer" means any person engaged in  
289 manufacturing, distilling, rectifying, blending or bottling any  
290 alcoholic beverage.

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

295 (h) \* \* \* "Retailer" means any person who sells,  
296 distributes, or offers for sale or distribution, any alcoholic



297 beverage for use or consumption by the purchaser and not for  
298 resale.

299 (i) \* \* \* "Commission" means the State Tax Commission  
300 of the State of Mississippi, which shall create a division in its  
301 organization to be known as the Alcoholic Beverage Control  
302 Division. Any reference to the commission hereafter means the  
303 powers and duties of the State Tax Commission with reference to  
304 supervision of the Alcoholic Beverage Control Division.

305 (j) \* \* \* "Division" means the Alcoholic Beverage  
306 Control Division of the State Tax Commission.

307 (k) \* \* \* "Municipality" means any incorporated city or  
308 town of this state.

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

325 (m) \* \* \* "Restaurant" means a place which is regularly  
326 and in a bona fide manner used and kept open for the serving of  
327 meals to guests for compensation, which has suitable seating  
328 facilities for guests, and which has suitable kitchen facilities  
329 connected therewith for cooking an assortment of foods and meals



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

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

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

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

345 (iii) Maintained by its members through the  
346 payment of annual dues;

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

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

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



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

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

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

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



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

398 (iii) The term includes the clubhouses associated  
399 with the state park golf courses at the Lefleur's Bluff State  
400 Park, the John Kyle State Park, the Percy Quin State Park and the  
401 Hugh White State Park. The status of these clubhouses as  
402 qualified resort areas does not require any declaration of same by  
403 the commission.

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

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

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



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

434 (s) "Limited distributor" means a person who is  
435 authorized to distribute alcoholic beverages pursuant to Section 1  
436 of Senate Bill No. 2548, 2003 Regular Session.

437 **SECTION 7.** Section 67-1-9, Mississippi Code of 1972, is  
438 amended as follows:

439 67-1-9. (1) It shall be unlawful for any person to  
440 manufacture, distill, brew, sell, possess, import into this state,  
441 export from the state, transport, distribute, warehouse, store,  
442 solicit, take order for, bottle, rectify, blend, treat, mix or  
443 process any alcoholic beverage except as authorized in this  
444 chapter. However, nothing contained herein shall prevent  
445 importers, wineries and distillers of alcoholic beverages from  
446 storing such alcoholic beverages in private bonded warehouses  
447 located within the State of Mississippi for the ultimate use and  
448 benefit of the State Tax Commission as provided in Section  
449 67-1-41, and nothing contained herein shall prohibit the holder of  
450 a limited distributor's permit from storing alcoholic beverages in  
451 Mississippi for resale as authorized in Section 1 of Senate Bill  
452 No. 2548, 2003 Regular Session. The commission is hereby  
453 authorized to promulgate rules and regulations for the  
454 establishment of such private bonded warehouses and for the  
455 control of alcoholic beverages stored in such warehouses.  
456 Additionally, nothing herein contained shall prevent any duly  
457 licensed practicing physician or dentist from possessing or using  
458 alcoholic liquor in the strict practice of his profession, or  
459 prevent any hospital or other institution caring for sick and  
460 diseased persons, from possessing and using alcoholic liquor for



461 the treatment of bona fide patients of such hospital or other  
462 institution. Any drugstore employing a licensed pharmacist may  
463 possess and use alcoholic liquors in the combination of  
464 prescriptions of duly licensed physicians. The possession and  
465 dispensation of wine by an authorized representative of any church  
466 for the purpose of conducting any bona fide rite or religious  
467 ceremony conducted by such church shall not be prohibited by this  
468 chapter.

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

471 (a) By a fine of not less than One Hundred Dollars  
472 (\$100.00), nor more than Five Hundred Dollars (\$500.00), or by  
473 imprisonment in the county jail not less than one (1) week nor  
474 more than three (3) months, or both, for the first conviction  
475 under this section.

476 (b) By a fine of not less than One Hundred Dollars  
477 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by  
478 imprisonment in the county jail not less than sixty (60) days, nor  
479 more than six (6) months, or both fine and imprisonment, for the  
480 second conviction for violating this section.

481 (c) By a fine of not less than One Hundred Dollars  
482 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by  
483 imprisonment in the State Penitentiary not less than one (1) year,  
484 nor more than five (5) years, or both fine and imprisonment, for  
485 conviction the third time under this section for the violation  
486 thereof after having been twice convicted of its violation.

487 **SECTION 8.** Section 67-1-37, Mississippi Code of 1972, is  
488 amended as follows:

489 67-1-37. The State Tax Commission, under its duties and  
490 powers with respect to the Alcoholic Beverage Control Division  
491 therein, shall have the following powers, functions and duties:

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



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

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

517 (c) To prescribe forms of permits and applications for  
518 permits and of all reports which it deems necessary in  
519 administering this chapter.

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

524 (e) To issue rules regulating the advertising of  
525 alcoholic beverages in the state in any class of media and  
526 permitting advertising of the retail price of alcoholic beverages.





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

534 (g) Subject to the provisions of \* \* \* Section  
535 67-1-51(3), to issue rules and regulations governing the issuance  
536 of retail permits for premises located near or around schools,  
537 colleges, universities, churches and other public institutions,  
538 and specifying the distances therefrom within which no such permit  
539 shall be issued. The Alcoholic Beverage Control Division shall  
540 not allow the sale or consumption of alcoholic beverages in or on  
541 the campus of any public school or college, and no alcoholic  
542 beverage shall be for sale or consumed at any public athletic  
543 event at any grammar or high school or any college.

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

552 (i) To call upon other administrative departments of  
553 the state, county and municipal governments, county and city  
554 police departments and upon prosecuting officers for such  
555 information and assistance as it may deem necessary in the  
556 performance of its duties.

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



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

563 (k) To inspect, or cause to be inspected, any premises  
564 where alcoholic liquors intended for sale are manufactured,  
565 stored, distributed or sold, and to examine or cause to be  
566 examined all books and records pertaining to the business  
567 conducted therein.

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

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

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

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



593 dismissed, demoted or suspended without just cause and only after  
594 being furnished with reasons for such removal, dismissal, demotion  
595 or suspension, and upon request given a hearing in his own  
596 defense.

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

600 (q) To adopt and promulgate rules and regulations for  
601 suspension or revocation of identification cards of employees of  
602 permittees for violations of the alcoholic beverage control laws,  
603 rules or regulations.

604 (r) To adopt rules and regulations governing the  
605 limited distribution of alcoholic beverages pursuant to Section 1,  
606 Senate Bill No. 2548, 2003 Regular Session.

607 **SECTION 9.** Section 67-1-41, Mississippi Code of 1972, is  
608 amended as follows:

609 67-1-41. (1) Except as otherwise provided in Section 1 of  
610 Senate Bill No. 2548, 2003 Regular Session, the State Tax  
611 Commission is hereby created a wholesale distributor and seller of  
612 alcoholic beverages, not including malt liquors, within the State  
613 of Mississippi. Except as otherwise provided in Section 1 of  
614 Senate Bill No. 2548, 2003 Regular Session, it is granted the sole  
615 right to import and sell such intoxicating liquors at wholesale  
616 within the state, and no person who is granted the right to sell,  
617 distribute or receive such liquors at retail shall purchase any  
618 such intoxicating liquors from any source other than the  
619 commission except as authorized in subsections (4) and (9) of this  
620 section and Section 1 of Senate Bill No. 2548, 2003 Regular  
621 Session, provided that retailers and consumers may purchase native  
622 wines directly from the producer. The commission may establish  
623 warehouses, purchase intoxicating liquors in such quantities and  
624 from such sources as it may deem desirable and sell the same to  
625 authorized permittees within the state including, at the



626 discretion of the commission, any retail distributors operating  
627 within any military post or qualified resort areas within the  
628 boundaries of the state, keeping a correct and accurate record of  
629 all such transactions and exercising such control over the  
630 distribution of alcoholic beverages as seem right and proper in  
631 keeping with the provisions or purposes of this chapter.

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

636 The commission is hereby authorized to use and to promulgate  
637 rules for the affixing of identification stamps to each container  
638 of alcoholic liquor.

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

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

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



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

664 (6) The commission shall maintain all forms to be completed  
665 by applicants necessary for licensure by the commission at all  
666 district offices of the commission.

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

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

685 (9) The commission may promulgate rules and regulations that  
686 authorize the holder of a research permit to import and purchase  
687 limited amounts of alcoholic beverages from importers, wineries  
688 and distillers of alcoholic beverages or from the commission. The  
689 commission shall develop and provide forms to be completed by the  
690 research permittee verifying each transaction. The completed



691 forms shall be forwarded to the commission within a period of time  
692 prescribed by the commission. The records and inventory of  
693 alcoholic beverages shall be open to inspection at any time by the  
694 Director of the Alcoholic Beverage Control Division or any duly  
695 authorized agent.

696 **SECTION 10.** Section 67-1-43, Mississippi Code of 1972, is  
697 amended as follows:

698 67-1-43. Any authorized retail distributor who shall  
699 purchase or receive intoxicating liquor from any source except  
700 from the commission or the holder of a limited distributor's  
701 permit, unless authorized by rules and regulations of the  
702 commission promulgated under subsection (4) of Section 67-1-41,  
703 shall be guilty of a misdemeanor and upon conviction thereof shall  
704 be punished by a fine of not less than Five Hundred Dollars  
705 (\$500.00), nor more than Two Thousand Dollars (\$2,000.00), to  
706 which may be added imprisonment in the county jail for not more  
707 than six (6) months. Any authorization of such person to sell  
708 intoxicating beverages may be revoked as provided by law.

709 This section shall not apply to any authorized retail  
710 distributor who shall purchase native wines directly from the  
711 producer.

712 **SECTION 11.** Section 67-1-45, Mississippi Code of 1972, is  
713 amended as follows:

714 67-1-45. Except as otherwise authorized in Section 1 of  
715 Senate Bill No. 2548, 2003 Regular Session, no manufacturer,  
716 rectifier, or distiller of intoxicating liquor shall sell or  
717 attempt to sell any such intoxicating liquor, except malt liquor,  
718 within the State of Mississippi, except to the commission, or to  
719 the holder of a research permit as provided in Section 67-1-41.  
720 However, a producer of native wine may sell native wines to the  
721 commission, authorized retail distributor, or directly to  
722 consumers.



723 Any violation of this section by any manufacturer, rectifier,  
724 or distiller shall be punished by a fine of not less than Five  
725 Hundred Dollars (\$500.00), and not more than Two Thousand Dollars  
726 (\$2,000.00), to which may be added imprisonment in the county jail  
727 not to exceed six (6) months.

728 **SECTION 12.** Section 67-1-51, Mississippi Code of 1972, is  
729 amended as follows:

730 67-1-51. (1) Permits which may be issued by the commission  
731 shall be as follows:

732 (a) **Manufacturer's permit.** A manufacturer's permit  
733 shall permit the manufacture, importation in bulk, bottling and  
734 storage of alcoholic liquor and its distribution and sale to  
735 manufacturers holding permits under this chapter in this state and  
736 to persons outside the state who are authorized by law to purchase  
737 the same, and to sell exclusively to the commission.

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

739 Class 1. Distiller's and/or rectifier's permit, which  
740 shall authorize the holder thereof to operate a distillery for the  
741 production of distilled spirits by distillation or redistillation  
742 and/or to operate a rectifying plant for the purifying, refining,  
743 mixing, blending, flavoring or reducing in proof of distilled  
744 spirits and alcohol.

745 Class 2. Winemanufacturer's permit, which shall  
746 authorize the holder thereof to manufacture, import in bulk,  
747 bottle and store wine or vinous liquor.

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

751 (b) **Package retailer's permit.** Except as otherwise  
752 provided in this paragraph, a package retailer's permit shall  
753 authorize the holder thereof to operate a store exclusively for  
754 the sale at retail in original sealed and unopened packages of  
755 alcoholic beverages, including native wines, not to be consumed on



756 the premises where sold. Alcoholic beverages shall not be sold by  
757 any retailer in any package or container containing less than  
758 fifty (50) milliliters by liquid measure. In addition to the sale  
759 at retail of packages of alcoholic beverages, the holder of a  
760 package retailer's permit is authorized to sell at retail  
761 corkscrews, wine glasses, soft drinks, ice, juices, mixers and  
762 other beverages commonly used to mix with alcoholic beverages.  
763 Nonalcoholic beverages sold by the holder of a package retailer's  
764 permit shall not be consumed on the premises where sold.

765           (c) **On-premises retailer's permit.** An on-premises  
766 retailer's permit shall authorize the sale of alcoholic beverages,  
767 including native wines, for consumption on the licensed premises  
768 only. Such a permit shall issue only to qualified hotels,  
769 restaurants and clubs, and to common carriers with adequate  
770 facilities for serving passengers. In resort areas, whether  
771 inside or outside of a municipality, the commission may, in its  
772 discretion, issue on-premises retailer's permits to such  
773 establishments as it deems proper. An on-premises retailer's  
774 permit when issued to a common carrier shall authorize the sale  
775 and serving of alcoholic beverages aboard any licensed vehicle  
776 while moving through any county of the state; however, the sale of  
777 such alcoholic beverages shall not be permitted while such vehicle  
778 is stopped in a county that has not legalized such sales.

779           (d) **Solicitor's permit.** A solicitor's permit shall  
780 authorize the holder thereof to act as salesman for a manufacturer  
781 or wholesaler holding a proper permit, to solicit on behalf of his  
782 employer orders for alcoholic beverages, and to otherwise promote  
783 his employer's products in a legitimate manner. Such a permit  
784 shall authorize the representation of and employment by one (1)  
785 principal only. However, the permittee may also, in the  
786 discretion of the commission, be issued additional permits to  
787 represent other principals. No such permittee shall buy or sell  
788 alcoholic beverages for his own account, and no such beverage





789 shall be brought into this state in pursuance of the exercise of  
790 such permit otherwise than through a permit issued to a wholesaler  
791 or manufacturer in the state.

792 (e) **Native wine retailer's permit.** A native wine  
793 retailer's permit shall be issued only to a holder of a Class 3  
794 manufacturer's permit, and shall authorize the holder thereof to  
795 make retail sales of native wines to consumers for on-premises  
796 consumption or to consumers in originally sealed and unopened  
797 containers at an establishment located on the premises of or in  
798 the immediate vicinity of a native winery.

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

803 Temporary retailer's permits shall be of the following  
804 classes:

805 Class 1. A temporary one-day permit may be issued to bona  
806 fide nonprofit civic or charitable organizations authorizing the  
807 sale of alcoholic beverages, including native wine, for  
808 consumption on the premises described in the temporary permit  
809 only. Class 1 permits may be issued only to applicants  
810 demonstrating to the commission, by affidavit submitted ten (10)  
811 days prior to the proposed date or such other time as the  
812 commission may determine, that they meet the qualifications of  
813 Sections 67-1-11, 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57  
814 (excluding paragraph (e)) and 67-1-59. Class 1 permittees shall  
815 obtain all alcoholic beverages from package retailers located in  
816 the county in which the temporary permit is issued. Alcoholic  
817 beverages remaining in stock upon expiration of the temporary  
818 permit may be returned by the permittee to the package retailer  
819 for a refund of the purchase price upon consent of the package  
820 retailer or may be kept by the permittee exclusively for personal  
821 use and consumption, subject to all laws pertaining to the illegal



822 sale and possession of alcoholic beverages. The commission,  
823 following review of the affidavit and the requirements of the  
824 applicable statutes and regulations, may issue the permit.

825 Class 2. A temporary permit, not to exceed seventy (70)  
826 days, may be issued to prospective permittees seeking to transfer  
827 a permit authorized in either paragraph (b) or (c) of this  
828 section. A Class 2 permit may be issued only to applicants  
829 demonstrating to the commission, by affidavit, that they meet the  
830 qualifications of Sections 67-1-5(1), (m), (n), (o), (p) or (q),  
831 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 67-1-59. The  
832 commission, following a preliminary review of the affidavit and  
833 the requirements of the applicable statutes and regulations, may  
834 issue the permit.

835 Class 2 temporary permittees must purchase their alcoholic  
836 beverages directly from the commission or, with approval of the  
837 commission, purchase the remaining stock of the previous  
838 permittee. If the proposed applicant of a Class 1 or Class 2  
839 temporary permit falsifies information contained in the  
840 application or affidavit, the applicant shall never again be  
841 eligible for a retail alcohol beverage permit and shall be subject  
842 to prosecution for perjury.

843 (g) **Caterer's permit.** A caterer's permit shall permit  
844 the purchase of alcoholic beverages by a person engaging in  
845 business as a caterer and the resale of alcoholic beverages by  
846 such person in conjunction with such catering business. No person  
847 shall qualify as a caterer unless forty percent (40%) or more of  
848 the revenue derived from such catering business shall be from the  
849 serving of prepared food and not from the sale of alcoholic  
850 beverages and unless such person has obtained a permit for such  
851 business from the Department of Health. A caterer's permit shall  
852 not authorize the sale of alcoholic beverages on the premises of  
853 the person engaging in business as a caterer; however, the holder  
854 of an on-premises retailer's permit may hold a caterer's permit.



855 All sales of alcoholic beverages by holders of a caterer's permit  
856 shall be made at the location being catered by the caterer, and  
857 such sales may be made only for consumption at the catered  
858 location. Such sales shall be made pursuant to any other  
859 conditions and restrictions which apply to sales made by  
860 on-premises retail permittees. The holder of a caterer's permit  
861 or his employees shall remain at the catered location as long as  
862 alcoholic beverages are being sold pursuant to the permit issued  
863 under this paragraph (g), and the permittee and employees at such  
864 location shall each have personal identification cards issued by  
865 the Alcoholic Beverage Control Division of the commission. No  
866 unsold alcoholic beverages may be left at the catered location by  
867 the permittee upon the conclusion of his business at that  
868 location. Appropriate law enforcement officers and Alcoholic  
869 Beverage Control Division personnel may enter a catered location  
870 on private property in order to enforce laws governing the sale or  
871 serving of alcoholic beverages.

872 (h) **Research Permit.** A research permit shall authorize  
873 the holder thereof to operate a research facility for the  
874 professional research of alcoholic beverages. Such permit shall  
875 authorize the holder of the permit to import and purchase limited  
876 amounts of alcoholic beverages from the commission or from  
877 importers, wineries and distillers of alcoholic beverages for  
878 professional research.

879 (i) **Alcohol processing permit.** An alcohol processing  
880 permit shall authorize the holder thereof to purchase, transport  
881 and possess alcoholic beverages for the exclusive use in cooking,  
882 processing or manufacturing products which contain alcoholic  
883 beverages as an integral ingredient. An alcohol processing permit  
884 shall not authorize the sale of alcoholic beverages on the  
885 premises of the person engaging in the business of cooking,  
886 processing or manufacturing products which contain alcoholic



887 beverages. The amounts of alcoholic beverages allowed under an  
888 alcohol processing permit shall be set by the commission.

889 (j) Limited distributor's permit. A limited  
890 distributor's permit shall authorize the holder thereof to  
891 purchase for resale, to store, to transport and to distribute  
892 alcoholic beverages for the limited purposes authorized in Section  
893 1 of Senate Bill No. 2548, 2003 Regular Session. Records of any  
894 order taken by the holder of a limited distributor's permit shall  
895 be kept and maintained for a period of three (3) years after the  
896 order is taken and shall be subject to inspection by the division  
897 at any time without prior notice.

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 13.** 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, limited distributor's or wholesaler's permit, or  
935 anyone connected with the business of such holder, or for any  
936 other distiller, wine manufacturer, 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 14.** This act shall take effect and be in force from  
965 and after July 1, 2003.

