To: Finance

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2447

AN ACT TO AMEND SECTIONS 27-71-5, 27-71-17, 67-1-37, 67-1-41AND 67-1-51, MISSISSIPPI CODE OF 1972, TO MAKE CERTAIN TECHNICAL REVISIONS TO THE LAWS GOVERNING THE SALE OF ALCOHOLIC BEVERAGES; TO CORRECT THE ALCOHOLIC CONTENT OF WINE AS STATED IN THE 3 PROVISION THAT IMPOSES AN EXCISE TAX FOR AN ON-PREMISES RETAILER'S 6 PERMIT FOR WINE; TO REMOVE REFERENCES TO EMPLOYEE IDENTIFICATION 7 CARDS; TO REMOVE REFERENCES TO TAX AND IDENTIFICATION STAMPS; TO 8 MAKE IT CLEAR THAT WHEN THE HOLDER OF AN ON-PREMISES RETAILER'S PERMIT OR AN AFFILIATE OF THE HOLDER ALSO HOLDS A CATERER'S 9 10 PERMIT, THE CATERER'S PERMIT SHALL NOT AUTHORIZE THE SERVICE OF 11 ALCOHOLIC BEVERAGES ON A CONSISTENT, RECURRING BASIS AT A SEPARATE, FIXED LOCATION OWNED OR OPERATED BY THE CATERER, 12 13 ON-PREMISES RETAILER OR AFFILIATED ENTITY; TO PROVIDE THAT A CATERER'S PERMIT AUTHORIZES THE HOLDER TO SERVE ALCOHOLIC 14 BEVERAGES ANYWHERE WITHIN A COUNTY OR JUDICIAL DISTRICT THAT HAS 15 VOTED TO COME OUT FROM UNDER THE DRY LAWS; TO AMEND SECTION 16 67-1-7 , MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTION 67-1-53 , MISSISSIPPI CODE OF 1972, TO INCREASE TO 10% THE 17 18 AMOUNT OF STOCK THAT AN OFFICER OF A CORPORATION APPLYING FOR AN 19 ON-PREMISES RETAILER'S PERMIT MUST OWN IN ORDER FOR THE STATE TAX 20 COMMISSION TO REQUIRE PERSONAL FINANCIAL INFORMATION FROM SUCH 21 OFFICER; TO AMEND SECTIONS 67-1-25, 67-1-55, 67-1-57 AND 67-1-59, 22 MISSISSIPPI CODE OF 1972, TO INCLUDE BUSINESS ENTITIES FORMED AS 23 LIMITED LIABILITY COMPANIES IN THE LOCAL OPTION ALCOHOLIC BEVERAGE 24 25 CONTROL LAW; TO REPEAL SECTIONS 27-71-19 AND 67-5-15, MISSISSIPPI CODE OF 1972, WHICH REQUIRE SUPPLIERS SELLING ALCOHOLIC BEVERAGES TO THE STATE TAX COMMISSION TO AFFIX REVENUE IDENTIFICATION STAMPS TO ALCOHOLIC BEVERAGE CONTAINERS AND REQUIRE PRODUCERS OF NATIVE 26 27 28 WINE TO AFFIX A TAX STAMP TO CONTAINERS OF NATIVE WINE; TO REPEAL 29 SECTIONS 27-71-201 AND 27-71-203, MISSISSIPPI CODE OF 1972, WHICH 30 IMPOSE A SURCHARGE ON SALES OF ALCOHOLIC BEVERAGES TO BE DEPOSITED 31 32 INTO THE ABC WAREHOUSE CONSTRUCTION FUND AND AUTHORIZE THE STATE TAX COMMISSION TO BORROW MONEY TO FUND CONSTRUCTION OF THE ABC 33 34 WAREHOUSE; AND FOR RELATED PURPOSES. 35 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 36 SECTION 1. Section 27-71-5, Mississippi Code of 1972, is amended as follows: 37

38 27-71-5. (1) Upon each person approved for a permit under

39 the provisions of the Alcoholic Beverage Control Law and

40 amendments thereto, there is levied and imposed for each location

41 for the privilege of engaging and continuing in this state in the

42 business authorized by such permit, an annual privilege license

43 tax in the amount provided in the following schedule:

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44	(a) Except as otherwise provided in this subsection
45	(1), 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 ten thousand (10,000) gallons or part thereof
51	produced\$ 10.00
52	(d) Native wine retailer's permit \$ 50.00
53	(e) Package retailer's permit, each \$ 900.00
54	(f) On-premises retailer's permit, except for clubs and
55	common carriers, each\$ 450.00
56	On purchases exceeding Five Thousand Dollars (\$5,000.00) and
57	for each additional Five Thousand Dollars (\$5,000.00), or fraction
58	thereof\$ 225.00
59	(g) On-premises retailer's permit for wine of more than
60	$\underline{\text{five}}$ percent $(\underline{5}\%)$ alcohol by $\underline{\text{weight}}$, but not more than twenty-one
61	percent (21%) alcohol by <u>weight</u> , each \$ 225.00
62	On purchases exceeding Five Thousand Dollars (\$5,000.00) and
63	for each additional Five Thousand Dollars (\$5,000.00), or fraction
64	thereof\$ 225.00
65	(h) On-premises retailer's permit for clubs \$ 225.00
66	On purchases exceeding Five Thousand Dollars (\$5,000.00)
67	and for each additional Five Thousand Dollars (\$5,000.00), or
68	fraction thereof \$ 225.00
69	(i) On-premises retailer's permit for common carriers,
70	per car, plane, or other vehicle\$ 120.00
71	(j) Solicitor's permit, regardless of any other
72	provision of law, solicitor's permits shall be issued only in the
73	discretion of the commission \$ 100.00
74	(k) Filing fee for each application except for an
75	employee identification card\$ 25.00
76	(1) Temporary permit, Class 1, each \$ 10.00
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77	(m) Temporary permit, Class 2, each \$ 50.00
78	On-premises purchases exceeding Five Thousand Dollars
79	(\$5,000.00) and for each additional Five Thousand Dollars
80	(\$5,000.00), or fraction thereof\$ 225.00
81	(n) (i) Caterer's permit\$ 600.00
82	On purchases exceeding Five Thousand Dollars (\$5,000.00) and
83	for each additional Five Thousand Dollars (\$5,000.00), or fraction
84	thereof\$ 250.00
85	(ii) Caterer's permit for holders of on-premises
86	retailer's permit\$ 150.00
87	On purchases exceeding Five Thousand Dollars (\$5,000.00) and
88	for each additional Five Thousand Dollars (\$5,000.00), or fraction
89	thereof\$ 250.00
90	(o) Research permit\$ 100.00
91	* * *
92	If a person approved for a manufacturer's permit, Class 1,
93	distiller's permit produces a product with at least fifty-one
94	percent (51%) of the finished product by volume being obtained
95	from alcoholic fermentation of grapes, fruits, berries, honey
96	and/or vegetables grown and produced in Mississippi, and produces
97	all of $\underline{\text{the}}$ product by using not more than one (1) still having a
98	maximum capacity of one hundred fifty (150) liters, the annual
99	privilege license tax for such a permit shall be Ten Dollars
100	(\$10.00) per ten thousand (10,000) gallons or part thereof
101	produced. Bulk, concentrated or fortified ingredients used for
102	blending may be produced outside this state and used in producing
103	such a product.
104	In addition to the filing fee imposed by item (k) of this
105	subsection, a fee to be determined by the State Tax Commission may
106	be charged to defray costs incurred to process applications. $\underline{\text{The}}$
107	additional fees shall be paid into the State Treasury to the
108	credit of a special fund account, which is hereby created, and
109	expenditures therefrom shall be made only to defray the costs
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- 110 incurred by the State Tax Commission in processing alcoholic
- 111 beverage applications. Any unencumbered balance remaining in the
- 112 special fund account on June 30 of any fiscal year shall lapse
- 113 into the State General Fund.
- 114 All privilege taxes * * * imposed by this section shall be
- 115 paid in advance of doing business. The additional privilege tax
- 116 imposed for an on-premises retailer's permit based upon purchases
- 117 shall be due and payable on demand.
- Any person who has paid the additional privilege license tax
- imposed by item (f), (g), (h), (m) or (n) of this subsection, and
- 120 whose permit is renewed, may add any unused fraction of Five
- 121 Thousand Dollars (\$5,000.00) purchases to the first Five Thousand
- 122 Dollars (\$5,000.00) purchases authorized by the renewal permit,
- 123 and no additional license tax will be required until purchases
- 124 exceed the sum of the two (2) figures.
- 125 (2) There is imposed and shall be collected from each
- 126 permittee, except a common carrier, solicitor * * * or a temporary
- 127 permittee, by the commission, an additional license tax equal to
- 128 the amounts imposed under subsection (1) of this section for the
- 129 privilege of doing business within any municipality or county in
- 130 which the licensee is located. If the licensee is located within
- 131 a municipality, the commission shall pay the amount of additional
- 132 license tax to the municipality, and if outside a municipality the
- 133 commission shall pay the additional license tax to the county in
- 134 which the licensee is located. Payments by the commission to the
- 135 respective local government subdivisions shall be made once each
- 136 month for any collections during the preceding month.
- 137 (3) When an application for any permit, other than for
- 138 renewal of a permit, has been rejected by the commission, such
- 139 decision shall be final. Appeal may be made in the manner
- 140 provided by Section 67-1-39. Another application from an
- 141 applicant who has been denied a permit shall not be reconsidered
- 142 within a twelve-month period.

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

 (5) If any person shall engage or continue in any business
 which is taxable under this section without having paid the tax as
- which is taxable <u>under this section</u> without having paid the tax as provided <u>in this section</u>, <u>the person shall be liable for the full amount of the tax plus a penalty thereon equal to the amount thereof, and, in addition, shall be punished by a fine of not more than One Thousand Dollars (\$1,000.00), or by imprisonment in the county jail for a term of not more than six (6) months, or by both such fine and imprisonment, in the discretion of the court.</u>
- 156 It shall be unlawful for any person to consume alcoholic (6) beverages on the premises of any hotel restaurant, restaurant, 157 158 club or the interior of any public place defined in Chapter 1, Title 67, Mississippi Code of 1972, when the owner or manager 159 160 thereof displays in several conspicuous places inside the establishment and at the entrances of establishment a sign 161 162 containing the following language: NO ALCOHOLIC BEVERAGES ALLOWED. 163
- SECTION 2. Section 27-71-17, Mississippi Code of 1972, is amended as follows:
- or reuse any <u>label</u> prescribed by the commission and used to
 identify alcoholic beverages sold at wholesale by the commission
 and, upon conviction, <u>the</u> person shall be punished by a fine of
 not more than Five Thousand Dollars (\$5,000.00), or by
 imprisonment in the State Penitentiary for not less than one (1)
 year, nor more than ten (10) years, or * * * both * * *.
- 173 **SECTION 3.** Section 67-1-37, Mississippi Code of 1972, is 174 amended as follows:
- Intil July 1, 2007, this section will read as follows:

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- 176 67-1-37. The State Tax Commission, under its duties and 177 powers with respect to the Alcoholic Beverage Control Division 178 therein, shall have the following powers, functions and duties:
- (a) To issue or refuse to issue any permit provided for by this chapter, or to extend the permit or remit in whole or any part of the permit monies when the permit cannot be used due to a
- 182 natural disaster or Act of God.
- 183 To revoke, suspend or cancel, for violation of or (b) 184 noncompliance with the provisions of this chapter, or the law governing the production and sale of native wines, or any lawful 185 186 rules and regulations of the commission issued hereunder, or for other sufficient cause, any permit issued by it under the 187 188 provisions of this chapter; however, no such permit shall be 189 revoked, suspended or cancelled except after a hearing of which 190 the permit holder shall have been given reasonable notice and an 191 opportunity to be heard. The board shall be authorized to suspend 192 the permit of any permit holder for being out of compliance with 193 an order for support, as defined in Section 93-11-153. 194 procedure for suspension of a permit for being out of compliance 195 with an order for support, and the procedure for the reissuance or 196 reinstatement of a permit suspended for that purpose, and the 197 payment of any fees for the reissuance or reinstatement of a 198 permit suspended for that purpose, shall be governed by Section 93-11-157 or Section 93-11-163, as the case may be. 199 If there is 200 any conflict between any provision of Section 93-11-157 or Section 93-11-163 and any provision of this chapter, the provisions of 201 202 Section 93-11-157 or Section 93-11-163, as the case may be, shall 203 control.
- 204 (c) To prescribe forms of permits and applications for 205 permits and of all reports which it deems necessary in 206 administering this chapter.
- 207 (d) To fix standards, not in conflict with those

 208 prescribed by any law of this state or of the United States, to

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- secure the use of proper ingredients and methods of manufacture of alcoholic beverages.
- (e) To issue rules regulating the advertising of alcoholic beverages in the state in any class of media and permitting advertising of the retail price of alcoholic beverages.
- inconsistent with the federal laws or regulations, requiring informative labeling of all alcoholic beverages offered for sale within this state and providing for the standards of fill and shapes of retail containers of alcoholic beverages; however, such containers shall not contain less than fifty (50) milliliters by liquid measure.
- 221 (g) Subject to the provisions of subsection (3) of 222 Section 67-1-51, to issue rules and regulations governing the 223 issuance of retail permits for premises located near or around 224 schools, colleges, universities, churches and other public 225 institutions, and specifying the distances therefrom within which 226 no such permit shall be issued. The Alcoholic Beverage Control Division shall not allow the sale or consumption of alcoholic 227 228 beverages in or on the campus of any public school or college, and no alcoholic beverage shall be for sale or consumed at any public 229 230 athletic event at any grammar or high school or any college.
- To adopt and promulgate, repeal and amend, such 231 rules, regulations, standards, requirements and orders, not 232 233 inconsistent with this chapter or any law of this state or of the United States, as it deems necessary to control the manufacture, 234 235 importation, transportation, distribution and sale of alcoholic liquor, whether intended for beverage or nonbeverage use in a 236 237 manner not inconsistent with the provisions of this chapter or any 238 other statute, including the native wine laws.
- (i) To call upon other administrative departments of the state, county and municipal governments, county and city police departments and upon prosecuting officers for such S. B. No. 2447 *SS26/R544CS*

- information and assistance as it may deem necessary in the performance of its duties.
- (j) To prepare and submit to the Governor during the
 month of January of each year a detailed report of its official
- 246 acts during the preceding fiscal year ending June 30, including
- 247 such recommendations as it may see fit to make, and to transmit a
- 248 like report to each member of the Legislature of this state upon
- 249 the convening thereof at its next regular session.
- 250 (k) To inspect, or cause to be inspected, any premises
- 251 where alcoholic liquors intended for sale are manufactured,
- 252 stored, distributed or sold, and to examine or cause to be
- 253 examined all books and records pertaining to the business
- 254 conducted therein.
- 255 (1) In the conduct of any hearing authorized to be held
- 256 by the commission, to hear testimony and take proof material for
- 257 its information in the discharge of its duties under this chapter;
- 258 to issue subpoenas, which shall be effective in any part of this
- 259 state, requiring the attendance of witnesses and the production of
- 260 books and records; to administer or cause to be administered
- 261 oaths; and to examine or cause to be examined any witness under
- 262 oath. Any court of record, or any judge thereof, may by order
- 263 duly entered require the attendance of witnesses and the
- 264 production of relevant books subpoenaed by the commission, and
- 265 such court or judge may compel obedience to its or his order by
- 266 proceedings for contempt.
- 267 (m) To investigate the administration of laws in
- 268 relation to alcoholic liquors in this and other states and any
- 269 foreign countries, and to recommend from time to time to the
- 270 Governor and through him to the Legislature of this state such
- 271 amendments to this chapter, if any, as it may think desirable.
- (n) To designate hours and days when alcoholic
- 273 beverages may be sold in different localities in the state which
- 274 permit such sale.

- 275 (o) To assign employees to posts of duty at locations where they will be most beneficial for the control of alcoholic 276 beverages, to remove, to dismiss, to suspend without pay, to act 277 278 as a trial board in hearings based upon charges against employees. 279 After twelve (12) months' service, no employee shall be removed, 280 dismissed, demoted or suspended without just cause and only after 281 being furnished with reasons for such removal, dismissal, demotion 282 or suspension, and upon request given a hearing in his own
- All hearings conducted by the commission shall be 284 285 open to the public, and, when deemed necessary, a written 286 transcript shall be made of the testimony introduced thereat.
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defense.

- 288 (q) To enforce the provisions made unlawful by Sections 67-3-13, 67-3-15, 67-3-53 and 67-3-70. 289
- 290 [From and after July 1, 2007, this section will read as follows:] 291
- 292 67-1-37. The State Tax Commission, under its duties and powers with respect to the Alcoholic Beverage Control Division 293 294 therein, shall have the following powers, functions and duties:
- 295 To issue or refuse to issue any permit provided for (a) 296 by this chapter, or to extend the permit or remit in whole or any 297 part of the permit monies when the permit cannot be used due to a natural disaster or Act of God. 298
- 299 To revoke, suspend or cancel, for violation of or 300 noncompliance with the provisions of this chapter, or the law 301 governing the production and sale of native wines, or any lawful 302 rules and regulations of the commission issued hereunder, or for other sufficient cause, any permit issued by it under the 303 304 provisions of this chapter; however, no such permit shall be 305 revoked, suspended or cancelled except after a hearing of which 306 the permit holder shall have been given reasonable notice and an 307 opportunity to be heard. The board shall be authorized to suspend S. B. No. 2447

the permit of any permit holder for being out of compliance with 308 309 an order for support, as defined in Section 93-11-153. 310 procedure for suspension of a permit for being out of compliance 311 with an order for support, and the procedure for the reissuance or 312 reinstatement of a permit suspended for that purpose, and the 313 payment of any fees for the reissuance or reinstatement of a permit suspended for that purpose, shall be governed by Section 314 315 93-11-157 or 93-11-163, as the case may be. If there is any 316 conflict between any provision of Section 93-11-157 or 93-11-163 and any provision of this chapter, the provisions of Section

- 318 93-11-157 or 93-11-163, as the case may be, shall control. (c) To prescribe forms of permits and applications for 319 320 permits and of all reports which it deems necessary in
- 321 administering this chapter.

- To fix standards, not in conflict with those 322 prescribed by any law of this state or of the United States, to 323 324 secure the use of proper ingredients and methods of manufacture of 325 alcoholic beverages.
- To issue rules regulating the advertising of 326 327 alcoholic beverages in the state in any class of media and permitting advertising of the retail price of alcoholic beverages. 328
- 329 (f) To issue reasonable rules and regulations, not 330 inconsistent with the federal laws or regulations, requiring informative labeling of all alcoholic beverages offered for sale 331 332 within this state and providing for the standards of fill and shapes of retail containers of alcoholic beverages; however, such 333 334 containers shall not contain less than fifty (50) milliliters by 335 liquid measure.
- (g) Subject to the provisions of subsection (3) of 336 337 Section 67-1-51, to issue rules and regulations governing the 338 issuance of retail permits for premises located near or around 339 schools, colleges, universities, churches and other public 340 institutions, and specifying the distances therefrom within which *SS26/R544CS* S. B. No. 2447

- 341 no such permit shall be issued. The Alcoholic Beverage Control
- 342 Division shall not allow the sale or consumption of alcoholic
- 343 beverages in or on the campus of any public school or college, and
- 344 no alcoholic beverage shall be for sale or consumed at any public
- 345 athletic event at any grammar or high school or any college.
- 346 (h) To adopt and promulgate, repeal and amend, such
- rules, regulations, standards, requirements and orders, not 347
- 348 inconsistent with this chapter or any law of this state or of the
- 349 United States, as it deems necessary to control the manufacture,
- importation, transportation, distribution and sale of alcoholic 350
- 351 liquor, whether intended for beverage or nonbeverage use in a
- manner not inconsistent with the provisions of this chapter or any 352
- 353 other statute, including the native wine laws.
- 354 To call upon other administrative departments of (i)
- 355 the state, county and municipal governments, county and city
- 356 police departments and upon prosecuting officers for such
- 357 information and assistance as it may deem necessary in the
- 358 performance of its duties.
- 359 (j) To prepare and submit to the Governor during the
- 360 month of January of each year a detailed report of its official
- acts during the preceding fiscal year ending June 30, including 361
- 362 such recommendations as it may see fit to make, and to transmit a
- 363 like report to each member of the Legislature of this state upon
- the convening thereof at its next regular session. 364
- 365 To inspect, or cause to be inspected, any premises
- where alcoholic liquors intended for sale are manufactured, 366
- 367 stored, distributed or sold, and to examine or cause to be
- 368 examined all books and records pertaining to the business

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- 369 conducted therein.
- 370 In the conduct of any hearing authorized to be held (1)
- 371 by the commission, to hear testimony and take proof material for
- 372 its information in the discharge of its duties under this chapter;
- to issue subpoenas, which shall be effective in any part of this 373

- state, requiring the attendance of witnesses and the production of books and records; to administer or cause to be administered oaths; and to examine or cause to be examined any witness under oath. Any court of record, or any judge thereof, may by order duly entered require the attendance of witnesses and the production of relevant books subpoenaed by the commission, and
- production of relevant books subpoenaed by the commission, and such court or judge may compel obedience to its or his order by proceedings for contempt.
- (m) To investigate the administration of laws in relation to alcoholic liquors in this and other states and any foreign countries, and to recommend from time to time to the Governor and through him to the Legislature of this state such amendments to this chapter, if any, as it may think desirable.
- 387 (n) To designate hours and days when alcoholic 388 beverages may be sold in different localities in the state which 389 permit such sale.
- 390 (o) To assign employees to posts of duty at locations 391 where they will be most beneficial for the control of alcoholic beverages, to remove, to dismiss, to suspend without pay, to act 392 393 as a trial board in hearings based upon charges against employees. 394 After twelve (12) months' service, no employee shall be removed, 395 dismissed, demoted or suspended without just cause and only after 396 being furnished with reasons for such removal, dismissal, demotion or suspension, and upon request given a hearing in his own 397 398 defense.
- (p) All hearings conducted by the commission shall be open to the public, and, when deemed necessary, a written transcript shall be made of the testimony introduced thereat.
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- 403 **SECTION 4.** Section 67-1-41, Mississippi Code of 1972, is 404 amended as follows:
- 405 67-1-41. (1) The State Tax Commission is hereby created a
 406 wholesale distributor and seller of alcoholic beverages, not
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including malt liquors, within the State of Mississippi. 407 408 granted the sole right to import and sell * * * intoxicating 409 liquors at wholesale within the state, and no person who is 410 granted the right to sell, distribute or receive intoxicating 411 liquors at retail shall purchase any * * * intoxicating liquors from any source other than the commission except as authorized in 412 413 subsections (4) and (9), provided that retailers and consumers may 414 purchase native wines directly from the producer. The commission 415 may establish warehouses, purchase intoxicating liquors in such quantities and from such sources as it may deem desirable and sell 416 417 the intoxicating liquors to authorized permittees within the state 418 including, at the discretion of the commission, any retail 419 distributors operating within any military post or qualified 420 resort areas within the boundaries of the state, keeping a correct and accurate record of all such transactions and exercising such 421 422 control over the distribution of alcoholic beverages as seem right 423 and proper in keeping with the provisions or purposes of this 424 chapter.

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- distill, brew, sell, possess, export, transport, distribute,
 warehouse, store, solicit, take orders for, bottle, rectify,
 blend, treat, mix or process any alcoholic beverage except in
 accordance with authority granted under this chapter, or as
 otherwise provided by law for native wines.
- 432 (3) No alcoholic beverage intended for sale or resale shall 433 be imported, shipped or brought into this state for delivery to 434 any person other than as provided in this chapter, or as otherwise 435 provided by law for native wines.
- 436 (4) The commission may promulgate rules and regulations
 437 which authorize on-premises retailers to purchase limited amounts
 438 of alcoholic beverages from package retailers and for package
 439 retailers to purchase limited amounts of alcoholic beverages from
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- other package retailers. The commission shall develop and provide forms to be completed by the on-premises retailers and the package retailers verifying the transaction. The completed forms shall be forwarded to the commission within a period of time prescribed by the commission.
- (5) The commission may promulgate rules which authorize the holder of a package retailer's permit to permit individual retail purchasers of packages of alcoholic beverages to return, for exchange, credit or refund, limited amounts of original sealed and unopened packages of alcoholic beverages purchased by the individual from the package retailer.
- 451 (6) The commission shall maintain all forms to be completed 452 by applicants necessary for licensure by the commission at all 453 district offices of the commission.
 - (7) The commission may promulgate rules which authorize the manufacturer of an alcoholic beverage or wine to import, transport and furnish or give a sample of alcoholic beverages or wines to the holders of package retailer's permits, on-premises retailer's permits, native wine retailer's permits and temporary retailer's permits who have not previously purchased the brand of that manufacturer from the commission. For each holder of the designated permits, the manufacturer may furnish not more than five hundred (500) milliliters of any brand of alcoholic beverage and not more than three (3) liters of any brand of wine.
- 464 The commission may promulgate rules disallowing open product sampling of alcoholic beverages or wines by the holders of 465 466 package retailer's permits and permitting open product sampling of 467 alcoholic beverages by the holders of on-premises retailer's permits. Permitted sample products shall be plainly identified 468 469 "sample" and the actual sampling must occur in the presence of the 470 manufacturer's representatives during the legal operating hours of 471 on-premises retailers.

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- 472 The commission may promulgate rules and regulations that 473 authorize the holder of a research permit to import and purchase limited amounts of alcoholic beverages from importers, wineries 474 475 and distillers of alcoholic beverages or from the commission. 476 commission shall develop and provide forms to be completed by the 477 research permittee verifying each transaction. The completed 478 forms shall be forwarded to the commission within a period of time 479 prescribed by the commission. The records and inventory of 480 alcoholic beverages shall be open to inspection at any time by the 481 Director of the Alcoholic Beverage Control Division or any duly
- 483 **SECTION 5.** Section 67-1-51, Mississippi Code of 1972, is 484 amended as follows:
- 485 67-1-51. (1) Permits which may be issued by the commission 486 shall be as follows:
- 487 (a) Manufacturer's permit. A manufacturer's permit
 488 shall permit the manufacture, importation in bulk, bottling and
 489 storage of alcoholic liquor and its distribution and sale to
 490 manufacturers holding permits under this chapter in this state and
 491 to persons outside the state who are authorized by law to purchase
 492 the same, and to sell exclusively to the commission.
- 493 Manufacturer's permits shall be of the following classes:
- Class 1. Distiller's and/or rectifier's permit, which shall authorize the holder thereof to operate a distillery for the production of distilled spirits by distillation or redistillation and/or to operate a rectifying plant for the purifying, refining, mixing, blending, flavoring or reducing in proof of distilled spirits and alcohol.
- Class 2. Wine manufacturer's permit, which shall authorize the holder thereof to manufacture, import in bulk, bottle and store wine or vinous liquor.

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authorized agent.

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

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

- retailer's permit shall authorize the sale of alcoholic beverages, including native wines, for consumption on the licensed premises only. Such a permit shall issue only to qualified hotels, restaurants and clubs, and to common carriers with adequate facilities for serving passengers. In resort areas, whether inside or outside of a municipality, the commission may, in its discretion, issue on-premises retailer's permits to such establishments as it deems proper. An on-premises retailer's permit when issued to a common carrier shall authorize the sale and serving of alcoholic beverages aboard any licensed vehicle while moving through any county of the state; however, the sale of such alcoholic beverages shall not be permitted while such vehicle is stopped in a county that has not legalized such sales.
- (d) **Solicitor's permit.** A solicitor's permit shall authorize the holder thereof to act as salesman for a manufacturer S. B. No. 2447 *SS26/R544CS* 06/SS26/R544CS PAGE 16

- or wholesaler holding a proper permit, to solicit on behalf of his 536 537 employer orders for alcoholic beverages, and to otherwise promote 538 his employer's products in a legitimate manner. Such a permit 539 shall authorize the representation of and employment by one (1) 540 principal only. However, the permittee may also, in the 541 discretion of the commission, be issued additional permits to 542 represent other principals. No such permittee shall buy or sell alcoholic beverages for his own account, and no such beverage 543 544 shall be brought into this state in pursuance of the exercise of 545 such permit otherwise than through a permit issued to a wholesaler
- (e) Native wine retailer's permit. A native wine
 retailer's permit shall be issued only to a holder of a Class 3
 manufacturer's permit, and shall authorize the holder thereof to
 make retail sales of native wines to consumers for on-premises
 consumption or to consumers in originally sealed and unopened
 containers at an establishment located on the premises of or in
 the immediate vicinity of a native winery.

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or manufacturer in the state.

- (f) **Temporary retailer's permit.** A temporary retailer's permit shall permit the purchase and resale of alcoholic beverages, including native wines, during legal hours on the premises described in the temporary permit only.
- Temporary retailer's permits shall be of the following classes:
- 560 Class 1. A temporary one-day permit may be issued to bona fide nonprofit civic or charitable organizations authorizing the 561 562 sale of alcoholic beverages, including native wine, for consumption on the premises described in the temporary permit 563 only. Class 1 permits may be issued only to applicants 564 565 demonstrating to the commission, by affidavit submitted ten (10) 566 days prior to the proposed date or such other time as the 567 commission may determine, that they meet the qualifications of
- 568 Sections 67-1-11, 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 S. B. No. 2447 *SS26/R544CS* 06/SS26/R544CS

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(excluding paragraph (e)) and 67-1-59. Class 1 permittees shall
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570
     obtain all alcoholic beverages from package retailers located in
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     the county in which the temporary permit is issued. Alcoholic
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     beverages remaining in stock upon expiration of the temporary
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     permit may be returned by the permittee to the package retailer
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     for a refund of the purchase price upon consent of the package
     retailer or may be kept by the permittee exclusively for personal
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     use and consumption, subject to all laws pertaining to the illegal
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     sale and possession of alcoholic beverages.
                                                  The commission,
     following review of the affidavit and the requirements of the
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     applicable statutes and regulations, may issue the permit.
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          Class 2. A temporary permit, not to exceed seventy (70)
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     days, may be issued to prospective permittees seeking to transfer
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     a permit authorized in either paragraph (b) or (c) of this
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               A Class 2 permit may be issued only to applicants
     section.
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     demonstrating to the commission, by affidavit, that they meet the
     qualifications of Sections 67-1-5(1), (m), (n), (o), (p) or (q),
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     67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 67-1-59.
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     commission, following a preliminary review of the affidavit and
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     the requirements of the applicable statutes and regulations, may
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     issue the permit.
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          Class 2 temporary permittees must purchase their alcoholic
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     beverages directly from the commission or, with approval of the
     commission, purchase the remaining stock of the previous
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     permittee. If the proposed applicant of a Class 1 or Class 2
     temporary permit falsifies information contained in the
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     application or affidavit, the applicant shall never again be
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     eligible for a retail alcohol beverage permit and shall be subject
     to prosecution for perjury.
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               (g) Caterer's permit. A caterer's permit shall permit
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     the purchase of alcoholic beverages by a person engaging in
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business as a caterer and the resale of alcoholic beverages by

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such person in conjunction with such catering business. No person

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     shall qualify as a caterer unless forty percent (40%) or more of
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     the revenue derived from such catering business shall be from the
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     serving of prepared food and not from the sale of alcoholic
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     beverages and unless such person has obtained a permit for such
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     business from the Department of Health. A caterer's permit shall
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     not authorize the sale of alcoholic beverages on the premises of
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     the person engaging in business as a caterer; however, the holder
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     of an on-premises retailer's permit may hold a caterer's permit.
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     When the holder of an on-premises retailer's permit or an
     affiliated entity of the holder also holds a caterer's permit, the
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     caterer's permit shall not authorize the service of alcoholic
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     beverages on a consistent, recurring basis at a separate, fixed
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     location owned or operated by the caterer, on-premises retailer or
     affiliated entity and an on-premises retailer's permit shall be
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     required for the separate location. All sales of alcoholic
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     beverages by holders of a caterer's permit shall be made at the
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     location being catered by the caterer, and such sales may be made
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     only for consumption at the catered location.
                                                     The location being
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     catered may be anywhere within a county or judicial district that
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     has voted to come out from under the dry laws. Such sales shall
     be made pursuant to any other conditions and restrictions which
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     apply to sales made by on-premises retail permittees. The holder
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     of a caterer's permit or his employees shall remain at the catered
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     location as long as alcoholic beverages are being sold pursuant to
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     the permit issued under this paragraph (g), and the
     permittee * * * shall have at the location * * * the
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     identification card issued by the Alcoholic Beverage Control
     Division of the commission. No unsold alcoholic beverages may be
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     left at the catered location by the permittee upon the conclusion
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     of his business at that location. Appropriate law enforcement
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     officers and Alcoholic Beverage Control Division personnel may
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     enter a catered location on private property in order to enforce
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     laws governing the sale or serving of alcoholic beverages.
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- (h) Research Permit. A research permit shall authorize the holder thereof to operate a research facility for the professional research of alcoholic beverages. Such permit shall authorize the holder of the permit to import and purchase limited amounts of alcoholic beverages from the commission or from importers, wineries and distillers of alcoholic beverages for professional research.
- 642 Alcohol processing permit. An alcohol processing 643 permit shall authorize the holder thereof to purchase, transport and possess alcoholic beverages for the exclusive use in cooking, 644 645 processing or manufacturing products which contain alcoholic 646 beverages as an integral ingredient. An alcohol processing permit 647 shall not authorize the sale of alcoholic beverages on the 648 premises of the person engaging in the business of cooking, 649 processing or manufacturing products which contain alcoholic 650 beverages. The amounts of alcoholic beverages allowed under an 651 alcohol processing permit shall be set by the commission.
- 652 (2) Except as otherwise provided in subsection (4) of this 653 section, retail permittees may hold more than one (1) retail 654 permit, at the discretion of the commission.
- (3) Except as otherwise provided in this subsection, no
 authority shall be granted to any person to manufacture, sell or
 store for sale any intoxicating liquor as specified in this
 chapter within four hundred (400) feet of any church, school,
 kindergarten or funeral home. However, within an area zoned
 commercial or business, such minimum distance shall be not less
 than one hundred (100) feet.
- A church or funeral home may waive the distance restrictions imposed in this subsection in favor of allowing issuance by the commission of a permit, pursuant to subsection (1) of this section, to authorize activity relating to the manufacturing, sale or storage of alcoholic beverages which would otherwise be prohibited under the minimum distance criterion. Such waiver

shall be in written form from the owner, the governing body, or the appropriate officer of the church or funeral home having the authority to execute such a waiver, and the waiver shall be filed with and verified by the commission before becoming effective.

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

- (4) No person, either individually or as a member of a firm, partnership, limited liability company or association, or as a stockholder, officer or director in a corporation, shall own or control any interest in more than one (1) package retailer's permit, nor shall such person's spouse, if living in the same household of such person, any relative of such person, if living in the same household of such person, or any other person living in the same household with such person own any interest in any other package retailer's permit.
- SECTION 6. Section 67-1-7, Mississippi Code of 1972, is amended as follows:
- 687 67-1-7. (1) Except as otherwise provided in Section 67-9-1 688 for the transportation and possession of limited amounts of 689 alcoholic beverages for the use of an alcohol processing 690 permittee, and subject to all of the provisions and restrictions contained in this chapter, the manufacture, sale, distribution, 691 692 possession and transportation of alcoholic beverages shall be lawful, subject to the restrictions hereinafter imposed, in those 693 694 counties and municipalities of this state in which, at a local 695 option election called and held for that purpose under the provisions of this chapter, a majority of the qualified electors 696 697 voting in such election shall vote in favor thereof. Except as otherwise provided in Section 67-1-51 for holders of a caterer's 698 699 permit, the manufacture, sale and distribution of alcoholic 700 beverages shall not be permissible or lawful in counties except in

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- 701 (a) incorporated municipalities located within such counties, (b)
- 702 qualified resort areas within such counties approved as such by
- 703 the State Tax Commission, or (c) clubs within such counties,
- 704 whether within a municipality or not. The manufacture, sale,
- 705 distribution and possession of native wines shall be lawful in any
- 706 location within any such county except those locations where the
- 707 manufacture, sale or distribution is prohibited by law other than
- 708 this section or by regulations of the commission.
- 709 (2) Notwithstanding the foregoing, within any state park or
- 710 any state park facility which has been declared a qualified resort
- 711 area by the commission and any clubhouse or golf course that is a
- 712 qualified resort area under Section 67-1-5(o)(iii), an on-premises
- 713 retailer's permit may be issued for the clubhouse and the
- 714 permittee may lawfully sell alcoholic beverages for consumption on
- 715 his licensed premises regardless of whether or not the county or
- 716 municipality in which the park or clubhouse is located has voted
- 717 in favor of coming out from under the dry law, and it shall be
- 718 lawful to receive, store, sell, possess and consume alcoholic
- 719 beverages on the licensed premises, and to sell, distribute and
- 720 transport alcoholic beverages to the licensed premises.
- 721 **SECTION 7.** Section 67-1-53, Mississippi Code of 1972, is
- 722 amended as follows:
- 723 67-1-53. (1) Application for permits shall be in such form
- 724 and shall contain such information as shall be required by the
- 725 regulations of the commission; however, no regulation of the
- 726 commission shall require personal financial information from any
- 727 officer of a corporation applying for an on-premises retailer's
- 728 permit to sell alcoholic beverages unless such officer owns ten
- 729 percent (10%) or more of the stock of such corporation.
- 730 (2) Every applicant for each type of permit authorized by
- 731 Section 67-1-51 shall give notice of such application by
- 732 publication for two (2) consecutive issues in a newspaper of
- 733 general circulation published in the city or town in which

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applicant's place of business is located. However, in * * *
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     instances where no newspaper is published in the city or town,
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     then the notice shall be published in a newspaper of general
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     circulation published in the county where the applicant's business
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     is located. If no newspaper is published in the county, the
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     notice shall be published in a qualified newspaper which is
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     published in the closest neighboring county and circulated in the
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     county of applicant's residence. The notice shall be printed in
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     ten-point black face type and shall set forth the type of permit
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     to be applied for, the exact location of the place of business,
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     the name of the owner or owners thereof, and if operating under an
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     assumed name, the trade name together with the names of all
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     owners, and if a corporation, the names and titles of all
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     officers. The cost of such notice shall be borne by the
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- 749 (3) Each application or filing made under this section shall 750 include the social security number(s) of the applicant in 751 accordance with Section 93-11-64, Mississippi Code of 1972.
- 752 **SECTION 8.** Section 67-1-25, Mississippi Code of 1972, is 753 amended as follows:
- 754 67-1-25. No person shall be appointed director, agent or 755 inspector for the commission under this chapter who is not a 756 citizen of the United States and who has not resided within the State of Mississippi successively for five (5) years next 757 758 preceding the date of his appointment. No director, agent, 759 inspector or other employee shall be appointed under this chapter 760 who has been convicted of any violation of any federal or state law concerning the manufacture, sale or possession of alcoholic 761 liquor prior or subsequent to July 1, 1966, or who has paid a fine 762 763 or penalty in settlement of any prosecution against him for any violation of such laws or shall have forfeited his bond to appear 764 765 in court to answer charges for any such violation, nor shall any

person be so appointed who has been convicted of a felony in any

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applicant.

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     state or federal court. No person appointed or employed by the
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     commission under this chapter may, directly or indirectly,
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     individually or as a member of a partnership or limited liability
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     company, or as a shareholder of a corporation, have any interest
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     whatsoever in the manufacture, sale or distribution of alcoholic
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     liquor, or receive any compensation or profit therefrom, or have
     any interest whatsoever in the purchases or sales made by the
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     persons authorized by this chapter to purchase or to sell
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     alcoholic liquor.
          This section shall not prevent any person appointed or
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     employed by the commission from purchasing and keeping in his
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     possession for the use of himself or members of his family or
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     guests any alcoholic liquor which may be purchased or kept by any
     other person by virtue of this chapter.
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          SECTION 9. Section 67-1-55, Mississippi Code of 1972, is
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     amended as follows:
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          67-1-55. No permit of any type shall be issued by the
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     commission until the applicant has first filed with the commission
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     a sworn statement disclosing all persons who are financially
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     involved in the operation of the business for which the permit is
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     sought. If an applicant is an individual, he will swear that he
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     owns one hundred percent (100%) of the business for which he is
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     seeking a permit. If the applicant is a partnership, all partners
     and their addresses shall be disclosed and the extent of their
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     interest in the partnership shall be disclosed. If the applicant
     is a corporation, the total stock in the corporation shall be
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     disclosed and each shareholder and his address and the amount of
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     stock in the corporation owned by him shall be disclosed.
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                                                                 If the
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797 the limited liability company shall be disclosed. If the
798 applicant is a trust, the trustee and all beneficiaries and their
799 addresses shall be disclosed. If the applicant is a combination
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applicant is a limited liability company, each member and their

addresses shall be disclosed and the extent of their interest in

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800 of any of the above, all information required to be disclosed 801 above shall be required.

802 All <u>the</u> disclosures shall be in writing and kept on file at 803 the commission's office and shall be available to the public.

Every applicant must, when applying for a renewal of his permit, disclose any change in the ownership of the business or any change in the beneficiaries of the income from the business.

Any person who willfully fails to fully disclose the * * *
information required by this section, or who gives false
information, shall be guilty of a misdemeanor and, upon conviction
thereof, shall be fined a sum not to exceed Five Hundred Dollars
(\$500.00) or imprisoned for not more than one (1) year, or both,
and the person or applicant shall never again be eligible for any
permit pertaining to alcoholic beverages.

SECTION 10. Section 67-1-57, Mississippi Code of 1972, is amended as follows:

816 67-1-57. Before a permit is issued the commission shall 817 satisfy itself:

(a) That the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers and directors, or if a limited liability company, each member of the limited liability company, is of good moral character and, in addition, enjoys a reputation of being a peaceable, law-abiding citizen of the community in which he resides, and is generally fit for the trust to be reposed in him, is not less than twenty-one (21) years of age, and has not been convicted of a felony in any state or federal court.

(b) That, except in the case of an application for a solicitor's permit, the applicant is the true and actual owner of the business for which the permit is desired, and that he intends to carry on the business authorized for himself and not as the agent of any other person, and that he intends to superintend in S. B. No. 2447 *SS26/R544CS*

- 833 person the management of the business or that he will designate a
- 834 manager to manage the business for him; any * * * manager must be
- 835 approved by the commission and must possess all of the
- 836 qualifications required of a permittee.
- 837 That the applicant for a package retailer's permit,
- if an individual, is a resident of the State of Mississippi. 838
- 839 the applicant is a partnership, each member of the partnership
- 840 must be a resident of the state. If the applicant is a limited
- 841 liability company, each member of the limited liability company
- must be a resident of the state. If the applicant is a 842
- 843 corporation, the designated manager of the corporation must be a
- 844 resident of the state.
- 845 (d) That the place for which the permit is to be issued
- 846 is an appropriate one considering the character of the premises
- 847 and the surrounding neighborhood.
- 848 That the place for which the permit is to be issued
- 849 is within the corporate limits of an incorporated municipality or
- 850 qualified resort area or club which comes within the provisions of
- 851 this chapter.
- 852 That the applicant is not indebted to the state for
- 853 any taxes, fees or payment of penalties imposed by any law of the
- State of Mississippi or by any rule or regulation of the 854
- 855 commission.
- That the applicant is not in the habit of using 856
- 857 alcoholic beverages to excess and is not physically or mentally
- incapacitated, and that the applicant has the ability to read and 858
- 859 write the English language.
- 860 That the commission does not believe and has no
- reason to believe that the applicant will sell or knowingly permit 861
- 862 any agent, servant or employee to unlawfully sell liquor in a dry
- 863 area or in any other manner contrary to law.
- 864 That the applicant is not residentially domiciled
- 865 with any person whose permit or license has been cancelled for

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866 cause within the twelve (12) months next preceding the date of the 867 present application for a permit.

- (j) That the commission has not, in the exercise of its discretion which is reserved and preserved to it, refused to grant * * * permits under the restrictions of this section, as well as under any other pertinent provision of this chapter.
 - (k) That there are not sufficient legal reasons to deny a permit on the ground that the premises for which the permit is sought has previously been operated, used or frequented for any purpose or in any manner that is lewd, immoral or offensive to public decency. In the granting or withholding of any permit to sell alcoholic beverages at retail, the commission in forming its conclusions may give consideration to any recommendations made in writing by the district or county attorney or county, circuit or chancery judge of the county, or the sheriff of the county, or the mayor or chief of police of an incorporated city or town wherein the applicant proposes to conduct his business and to any recommendations made by representatives of the commission.
 - employees, as determined by the commission, do not have a disqualifying criminal record. In order to obtain a criminal record history check, the applicant shall submit to the commission a set of fingerprints from any local law enforcement agency for each person for whom the records check is required. The commission shall forward the fingerprints to the Mississippi Department of Public Safety. If no disqualifying record is identified at the state level, the Department of Public Safety shall forward the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. Costs for processing the set or sets of fingerprints shall be borne by the applicant. The commission shall not deny employment to an employee of the applicant prior to the identification of a

disqualifying record or other disqualifying information.

900	amended as follows:
901	67-1-59. Where the word "applicant" is used in Section
902	67-1-57 or in Sections 67-1-51, 67-1-53, 67-1-55 <u>and</u> 67-1-63, it
903	shall also mean and include each member of a partnership, limited
904	<u>liability company</u> or association and all officers and the owner or
905	owners of the majority of the corporate stock of a corporation, as
906	of the date of the application.
907	SECTION 12. Sections 27-71-19 and 67-5-15, Mississippi Code
908	of 1972, which require suppliers selling alcoholic beverages to
909	the State Tax Commission to affix revenue identification stamps to
910	alcoholic beverage containers and require producers of native wine
911	to affix a tax stamp to containers of native wine, are repealed.
912	SECTION 13. Sections 27-71-201 and 27-71-203, Mississippi

SECTION 11. Section 67-1-59, Mississippi Code of 1972, is

construction of the ABC Warehouse, are repealed.

Code of 1972, which impose a surcharge on sales of alcoholic

beverage to be deposited into the ABC Warehouse Construction Fund

and authorize the State Tax Commission to borrow money to fund

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