MISSISSIPPI LEGISLATURE

REGULAR SESSION 2020

By: Representative Zuber

To: Ways and Means

HOUSE BILL NO. 917

1 AN ACT TO AMEND SECTION 67-3-1, MISSISSIPPI CODE OF 1972, TO 2 LEGALIZE THE MANUFACTURE AND SALE OF LIGHT SPIRIT PRODUCTS, TO BE 3 REGULATED IN THE SAME MANNER AS BEER AND LIGHT WINE; TO AMEND SECTION 67-3-3, MISSISSIPPI CODE OF 1972, TO DEFINE "LIGHT SPIRIT 4 5 PRODUCT" AS A BEVERAGE OF AN ALCOHOLIC CONTENT OF NOT MORE THAN 4% 6 BY WEIGHT AND CONTAINING ONE OR MORE DISTILLED SPIRITS; TO AMEND SECTIONS 67-3-5, 67-3-7, 67-3-9, 67-3-11, 67-3-13, 67-3-15, 7 67-3-17, 67-3-19, 67-3-22, 67-3-25, 67-3-27, 67-3-28, 67-3-29, 8 67-3-41, 67-3-45, 67-3-46, 67-3-48, 67-3-48.1, 67-3-49, 67-3-51, 9 67-3-52, 67-3-53, 67-3-54, 67-3-55, 67-3-57, 67-3-59, 67-3-61, 10 67-3-63, 67-3-65, 67-3-67, 67-3-69, 67-3-70, 67-3-73, 67-3-74, 11 12 67-1-5, 67-1-18, 67-1-51, 67-1-72, 67-7-3, 67-7-5, 67-7-7, 67-7-9, 67-7-11, 67-9-1, 27-65-241, 27-71-301, 27-71-303, 27-71-307, 13 27-71-311, 27-71-315, 27-71-317, 27-71-325, 27-71-327, 27-71-333, 14 27-71-335, 27-71-345, 27-71-349, 27-71-509, 45-9-101 AND 97-5-49, 15 16 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED 17 PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
SECTION 1. Section 67-3-1, Mississippi Code of 1972, is
amended as follows:

67-3-1. The purpose of this chapter is to legalize the sale within this state of light wines, light spirit products and beer, to legalize the manufacture of beer, and to regulate the business of manufacturing and of selling light wines, light spirit products and beer so as to prevent the illicit manufacture, sale and

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26 consumption of alcoholic beverages as defined in Section 67-1-5, 27 the manufacture and sale of which it is not the purpose of this 28 chapter to legalize.

29 SECTION 2. Section 67-3-3, Mississippi Code of 1972, is 30 amended as follows:

31 67-3-3. When used in this chapter, unless the context 32 indicates otherwise:

(a) "Commissioner" means the Commissioner of Revenue of
 the Department of Revenue of the State of Mississippi, and his
 authorized agents and employees.

36 (b) "Person" means one or more persons, a company, a
 37 corporation, a partnership, a syndicate or an association.

38 (c) "Brewpub" shall have the meaning ascribed to such39 term in Section 27-71-301.

40 (d) "Beer" means a malt beverage as defined in the
41 Federal Alcohol Administration Act and any rules and regulations
42 adopted pursuant to such act of an alcoholic content of not more
43 than eight percent (8%) by weight.

44 (e) "Light wine" means wine of an alcoholic content of45 not more than five percent (5%) by weight.

(f) "Small craft brewery" means a person having a permit under this chapter to manufacture or brew light wine, light spirit product or beer in this state and who manufactures or brews not more than sixty thousand (60,000) barrels of light wine, light spirit product or beer at all breweries that such person or its

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 2 (BS\KW) affiliates, subsidiary or parent company owns or controls or with whom such person contracts with for the manufacture of light wine, <u>light spirit product</u> or beer. For purposes of this paragraph, contract-brewed beer manufactured by a person having a permit under this chapter to manufacture or brew light wine, <u>light spirit</u> <u>product</u> or beer shall be included in the sixty-thousand-barrel limitation.

(g) "Growler" means a sealed container that holds not more than one hundred twenty-eight (128) ounces of light wine, <u>light spirit product</u> or beer. A growler must have a label on it stating what it contains.

62 (h) "Manufacturer" shall have the meaning ascribed to63 such term in Section 27-71-301.

64 (i) "Contract-brewed beer" means beer brewed by a65 manufacturer who:

(i) Makes the beer pursuant to a written contract
with another beer manufacturer, and neither entity has a
controlling interest in the other entity;

(ii) Makes the beer in accordance with a recipe
that is a trade secret of the beer manufacturer having its beer
made under contract; and

(iii) Has no right to sell the beer to any other
beer manufacturer, importer or wholesaler other than the beer
manufacturer who contracted for the beer.

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76 alcoholic content of not more than four percent (4%) by weight and
77 containing one or more distilled spirits, as defined in Section
78 67-1-5.

79 SECTION 3. Section 67-3-5, Mississippi Code of 1972, is 80 amended as follows:

(1) It shall be lawful, subject to the provisions 81 67-3-5. 82 set forth in this chapter, in this state to transport, store, 83 sell, distribute, possess, receive and/or manufacture wine, light spirit product and beer, and it is hereby declared that it is the 84 85 legislative intent that this chapter privileges the lawful sale and manufacture, within this state, of such light wines, light 86 87 spirit products and beer. In determining if a wine product is "light wine," or contains an alcoholic content of more than five 88 percent (5%) by weight, or is not an "alcoholic beverage" as 89 90 defined in the Local Option Alcoholic Beverage Control Law, 91 Chapter 1 of Title 67, Mississippi Code of 1972, the alcoholic content of such wine product shall be subject to the same 92 93 permitted tolerance as is allowed by the labeling requirements for 94 light wine provided for in Section 27-71-509.

95 (2) Subject to the provisions set forth in this chapter, it
96 shall be lawful in this state to transport, store, sell,
97 distribute, possess, receive, and/or manufacture beer of an
98 alcoholic content of more than eight percent (8%) by weight, if

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99 the beer is manufactured to be sold legally in another state and 100 is transported outside of this state for retail sale.

101 SECTION 4. Section 67-3-7, Mississippi Code of 1972, is 102 amended as follows:

103 67-3-7. (1) If any county, at an election held for the 104 purpose under the election laws of the state, shall by a majority 105 vote of the duly qualified electors voting in the election 106 determine that the transportation, storage, sale, distribution, 107 receipt and/or manufacture of wine, light spirit product and beer shall not be permitted in such county, then the same shall not be 108 109 permitted therein except as authorized under Section 67-9-1 and as 110 may be otherwise authorized in this section. An election to 111 determine whether such transportation, storage, sale, 112 distribution, receipt and/or manufacture of such beverages shall 113 be excluded from any county in the state, shall, on a petition of 114 twenty percent (20%) of the duly qualified electors of such 115 county, be ordered by the board of supervisors of the county, for such county only. No election on the question shall be held in 116 117 any one (1) county more often than once in five (5) years.

In counties which have elected, or may elect by a majority vote of the duly qualified electors voting in the election, that the transportation, storage, sale, distribution, receipt and/or manufacture of wine, light spirit product or beer shall not be permitted in the county, an election may be held in the same manner as the election hereinabove provided on the question of

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124 whether or not the transportation, storage, sale, distribution, 125 receipt and/or manufacture of said beverages shall be permitted in 126 such county. Such election shall be ordered by the board of 127 supervisors of such county on a petition of twenty percent (20%) 128 of the duly qualified electors of such county. No election on 129 this question can be ordered more often than once in five (5) 130 years.

(2) Nothing in this section shall make it unlawful to possess beer, light spirit product or wine, as defined herein, in any municipality which has heretofore or which may hereafter vote in an election, pursuant to Section 67-3-9, in which a majority of the qualified electors vote in favor of permitting the sale and the receipt, storage and transportation for the purpose of sale of beer, light spirit product or wine as defined herein.

(3) Nothing in this section shall make it unlawful to:
(a) Possess or consume light wine, light spirit product
or beer at a qualified resort area as defined in Section 67-1-5;
(b) Sell, distribute and transport light wine, light
spirit product or beer to a qualified resort area as defined in
Section 67-1-5;

(c) Sell light wine, light spirit product or beer at a qualified resort area as defined in Section 67-1-5 if such light wine, light spirit product or beer is sold by a person with a permit to engage in the business as a retailer of light wine, light spirit product or beer;

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(d) Transport beer of an alcoholic content of more than eight percent (8%) by weight if it is being transported to another state for legal sale in that state;

152 Transport legally purchased light wine, light (e) 153 spirit product or beer in unopened containers if it is being 154 transported on a state or federal highway; however, this paragraph shall not apply to a retailer unless the retailer has purchased 155 156 the light wine, light spirit product or beer from a wholesaler or 157 distributor for the designated sales territory in which the retailer is located and the retailer has in his possession an 158 159 invoice from the wholesaler or distributor for the light wine, 160 light spirit product or beer; or

161 (f) Transport homemade beer as authorized in Section 162 67-3-11.

163 SECTION 5. Section 67-3-9, Mississippi Code of 1972, is 164 amended as follows:

165 67-3-9. Any city in this state, having a population of not less than two thousand five hundred (2,500) according to the 166 167 latest federal census; or any city in this state having a 168 population of not less than one thousand five hundred (1,500) 169 according to the latest federal census and located within three 170 (3) miles of a city or county that permits the sale, receipt, storage and transportation for the purpose of sale of beer, light 171 172 spirit product or light wine; at an election held for the purpose, under the election laws applicable to such city, may either 173

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174 prohibit or permit, except as otherwise provided under Section 67-9-1, the sale and the receipt, storage and transportation for 175 176 the purpose of sale of beer, light spirit product and light wine. 177 An election to determine whether such sale shall be permitted in 178 cities wherein its sale is prohibited by law shall be ordered by 179 the city council or mayor and board of aldermen or other governing body of such city for such city only, upon the presentation of a 180 181 petition for such city to such governing board containing the 182 names of twenty percent (20%) of the duly qualified voters of such city asking for such election. In like manner, an election to 183 determine whether such sale shall be prohibited in cities wherein 184 185 its sale is permitted by law shall be ordered by the city council 186 or mayor and board of aldermen or other governing board of such 187 city for such city only, upon the presentation of a petition to 188 such governing board containing the names of twenty percent (20%) 189 of the duly qualified voters of such city asking for such 190 election. No election on either question shall be held by any one (1) city more often than once in five (5) years. 191

192 Thirty (30) days' notice shall be given to the qualified 193 electors of such city in the manner prescribed by law upon the 194 question of either permitting or prohibiting such sale, and the 195 notice shall contain a statement of the question to be voted on at 196 the election. The tickets to be used in the election shall have 197 the following words printed thereon: "For the legal sale of light 198 wine of an alcoholic content of not more than five percent (5%) by

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208 If in the election a majority of the qualified electors 209 voting in the election shall vote "For the legal sale of light 210 wine of an alcoholic content of not more than five percent (5%) by 211 weight, light spirit product of an alcoholic content of not more 212 than four percent (4%) by weight, and beer of an alcoholic content of not more than eight percent (8%) by weight," then the city 213 214 council or mayor and board of aldermen or other governing body 215 shall pass the necessary order permitting the legal sale of such light wine, light spirit product and beer in such city. If in the 216 217 election a majority of the qualified electors voting in the 218 election shall vote "Against the legal sale of light wine of an alcoholic content of not more than five percent (5%) by weight, 219 220 light spirit product of an alcoholic content of not more than four 221 percent (4%) by weight, and beer of an alcoholic content of not more than eight percent (8%) by weight," then the city council or 222 mayor and board of aldermen or other governing body shall pass the 223

224 necessary order prohibiting the sale of such light wine, light
225 spirit product and beer in such city.

All laws or parts of laws in conflict with this section are hereby repealed to the extent of such conflict only, this section being cumulative and supplementary.

229 **SECTION 6.** Section 67-3-11, Mississippi Code of 1972, is 230 amended as follows:

67-3-11. (1) Every person shall have the right to make homemade wine for domestic or household uses only, free of all restraint by this chapter or otherwise, and no such election as provided for in Sections 67-3-7, 67-3-9 and 67-3-13, shall deprive any person of the right to make homemade wine for domestic or household uses only.

(2) (a) Every person twenty-one (21) years of age or older
shall have the right to make homemade beer for personal, family,
domestic or household uses without restraint by this chapter or
otherwise if the beer is made in a county or municipality in which
the possession of light wine, light spirit product or beer is
lawful.

(b) The maximum amount of homemade beer that a personmay make in a calendar year shall not exceed:

(i) One hundred (100) gallons if there is only one
(1) person over the age of twenty-one (21) years of age residing
in the household; and

(ii) Two hundred (200) gallons if there are two
(2) or more persons over the age of twenty-one (21) years residing
in the household.

(c) A person who makes homemade beer as authorized in this section may remove the beer from the premises of the household where it is made and transport the beer only for the purpose of participating in a bona fide exhibition, contest or competition where homemade beer is being tasted and judged; however, homemade beer may not be sold or offered for sale under any circumstances.

258 **SECTION 7.** Section 67-3-13, Mississippi Code of 1972, is 259 amended as follows:

260 67-3-13. (1) Except as otherwise provided herein and as 261 authorized under this section and Section 67-9-1, in any county 262 which has at any time since February 26, 1934, elected, or which 263 may hereafter elect, to prohibit the transportation, storage, 264 sale, distribution, receipt and/or manufacture of wine and beer of 265 an alcoholic content of not more than four percent (4%) by weight 266 in such county, it is hereby declared to be unlawful to possess 267 such beverages therein. In any county which, after July 1, 1998, 268 elects to prohibit the transportation, storage, sale,

distribution, receipt and/or manufacture of wine and beer of an alcoholic content of not more than five percent (5%) by weight in such county, it is hereby declared to be unlawful to possess such beer therein. In any county which, after July 1, 2012, elects to

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273 prohibit the transportation, storage, sale, distribution, receipt 274 and/or manufacture of wine of an alcoholic content of not more than five percent (5%) by weight in such county, light spirit 275 276 product of an alcoholic content of not more than four percent (4%) 277 by weight, and beer of an alcoholic content of not more than eight 278 percent (8%) by weight, it is hereby declared to be unlawful to 279 possess such wine, light spirit product or beer therein. Any person found possessing any beer, light spirit product or wine of 280 281 any quantity whatsoever in such county shall, on conviction, be 282 imprisoned not more than ninety (90) days or fined not more than Five Hundred Dollars (\$500.00), or be both so fined and 283 284 imprisoned.

Notwithstanding the provisions of subsection (1) of this 285 (2)286 section, in any county or municipality in which the 287 transportation, storage, sale, distribution, receipt and/or 288 manufacture of light wine, light spirit product and beer is 289 prohibited, it shall not be unlawful for a permitted wholesaler or 290 distributor to possess light wine, light spirit product and beer 291 when such light wine, light spirit product and beer is held 292 therein solely for the purpose of storage and for distribution to 293 other counties and municipalities in which possession of such 294 beverages is lawful.

(3) Notwithstanding the provisions of subsections (1) and
(2) of this section, in any county in which transportation,
storage, sale, distribution, receipt and/or manufacture of light

298 wine, light spirit product and beer is prohibited, it shall not be 299 unlawful:

300 (a) To receive, store, possess or consume light wine,
301 <u>light spirit product</u> or beer at a resort area as defined in
302 Section 67-1-5;

303 (b) To distribute and transport light wine, light 304 <u>spirit product</u> or beer to a resort area as defined in Section 305 67-1-5;

306 (c) To transport beer of an alcoholic content of more 307 than eight percent (8%) by weight if it is being transported to 308 another state for legal sale in that state;

309 To transport legally purchased light wine, light (d) 310 spirit product or beer in unopened containers if it is being transported on a state or federal highway; however, this paragraph 311 312 shall not apply to a retailer unless the retailer has purchased 313 the light wine, light spirit product or beer from a wholesaler or 314 distributor for the designated sales territory in which the retailer is located and the retailer has in his possession an 315 316 invoice from the wholesaler or distributor for the light wine, 317 light spirit product or beer; or

318 (e) To transport homemade beer as authorized in Section 319 67-3-11.

320 (4) Any light wine, light spirit product or beer found in
 321 possession of, or sold by, a person in violation of this section

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324 SECTION 8. Section 67-3-15, Mississippi Code of 1972, is 325 amended as follows:

326 67-3-15. (1) Any person who shall brew or manufacture or 327 sell any beer, light spirit product or light wine without first having secured a permit and/or license from the commissioner 328 329 authorizing the brewing or manufacture or sale of such liquor, 330 shall be guilty of a misdemeanor and, upon conviction thereof, be punished by a fine of not more than One Thousand Dollars 331 332 (\$1,000.00) or imprisonment in the county jail for not more than 333 one (1) year, or both, in the discretion of the court. Any person 334 so convicted may not apply for any permit or license issued by the 335 commissioner until five (5) years have elapsed from the date of 336 such conviction.

337 (2) This section shall not apply to beer authorized to be338 made pursuant to Section 67-3-11.

(3) Any light wine, light spirit product or beer found in
possession of, or sold by, a person in violation of this section
shall be seized and disposed of in the manner provided for in
Section 67-1-18.

343 **SECTION 9.** Section 67-3-17, Mississippi Code of 1972, is 344 amended as follows:

345 67-3-17. (1) Any person desiring to engage in any business
346 taxable under Sections 27-71-303 through 27-71-317, Mississippi

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361 The application shall include a statement that the (2)362 applicant will not, except as otherwise authorized in this 363 chapter, allow any alcoholic beverages as defined in Section 364 67-1-5, any beer having an alcoholic content of more than eight 365 percent (8%) by weight, any spirit product having an alcoholic content of more than four percent (4%) by weight, or any 366 367 wine \* \* \* having an alcoholic content of more than five percent 368 (5%) by weight, to be kept, stored or secreted in or on the 369 premises described in such permit or license, and that the 370 applicant will not otherwise violate any law of this state, or

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371 knowingly allow any other person to violate any such law, while in 372 or on such premises.

373 (3) Each application or filing made under this section shall
374 include the social security number(s) of the applicant in
375 accordance with Section 93-11-64, Mississippi Code of 1972.

376 **SECTION 10.** Section 67-3-19, Mississippi Code of 1972, is 377 amended as follows:

378 67-3-19. Where application is made for a permit to engage in 379 the business of a retailer of light wine, light spirit product or 380 beer, the applicant shall show in his application that he 381 possesses the following qualifications:

(a) Applicant must be a person at least twenty-one (21)
years of age, of good moral character and a resident of the State
of Mississippi.

385 (b) Applicant shall not have been convicted of a 386 felony, or of pandering or of keeping or maintaining a house of 387 prostitution, or have been convicted within two (2) years of the 388 date of his application of any violation of the laws of this state 389 or the laws of the United States relating to alcoholic liquor.

(c) Applicant shall not have had revoked, except for a violation of Section 67-3-52, within two (2) years next preceding his application, any license or permit issued to him pursuant to the laws of this state, or any other state, to sell alcoholic liquor of any kind.

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395 (d) Applicant shall be the owner of the premises for 396 which the permit is sought or the holder of an existing lease 397 thereon.

398 (e) Applicant shall not be residentially domiciled with 399 any person whose permit has been revoked for cause, except for a 400 violation of Section 67-3-52, within two (2) years next preceding 401 the date of the present application for a permit.

(f) The applicant has not had any license or permit to sell beer, light spirit product or light wine at retail revoked, within five (5) years next preceding his application, due to a violation of Section 67-3-52.

(g) Applicant shall not employ any person whose permit has been revoked when such person owned or operated the business on the premises for which a permit is sought or allow such person to have any financial interest in the business of the applicant, until such person is qualified to obtain a permit in his own name.

(h) The applicant is not indebted to the State ofMississippi for any taxes.

(i) If applicant is a partnership, all members of the
partnership must be qualified to obtain a permit. Each member of
the partnership must be a resident of the State of Mississippi.

(j) If applicant is a corporation, all officers and directors thereof, and any stockholder owning more than five percent (5%) of the stock of such corporation, and the person or persons who shall conduct and manage the licensed premises for the

420 corporation shall possess all the qualifications required herein 421 for any individual permittee. However, the requirements as to 422 residence shall not apply to officers, directors and stockholders 423 of such corporation.

Any misstatement or concealment of fact in an application A25 shall be ground for denial of the application or for revocation of the permit issued thereon.

The commissioner may refuse to issue a permit to an applicant for a place that is frequented by known criminals, prostitutes, or other law violators or troublemakers who disturb the peace and quietude of the community and frequently require the assistance of peace officers to apprehend such law violators or to restore order. The burden of proof of establishing the foregoing shall rest upon the commissioner.

434 SECTION 11. Section 67-3-22, Mississippi Code of 1972, is 435 amended as follows:

436 67-3-22. (1) The production limits for a brewpub shall be 437 based upon production as determined by the Department of Revenue 438 pursuant to Section 27-71-307, Mississippi Code of 1972, and a 439 brewpub shall not manufacture more than seventy-five thousand 440 (75,000) gallons of light wine, light spirit product or beer per 441 calendar year.

442 (2) Light wine, light spirit product or beer produced at a
443 brewpub shall not be sold at a price less than it cost to
444 manufacture such light wine, light spirit product or beer.

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445 (3) Except as otherwise provided in this subsection, light 446 wine, light spirit product or beer manufactured by a brewpub shall 447 not be sold away from the premises of such brewpub (as defined in Section 27-71-301, Mississippi Code of 1972) and shall not be 448 packaged in any form that it may be carried away from the 449 450 premises; however, the final one hundred (100) gallons of beer 451 within a fermenting tank may be placed in kegs for sale on the premises to facilitate transition from one fermenting tank to 452 453 another. A brewpub may sell light wine, light spirit product or beer manufactured by it for consumption off the premises of the 454 brewpub if the light wine, light spirit product or beer so sold is 455 456 contained in a growler.

457 (4) A brewpub shall be required to offer for sale light
458 wine, light spirit product or beer that is normally carried on the
459 inventory of wholesalers or distributors of light wine, light
460 spirit product or beer.

461 SECTION 12. Section 67-3-25, Mississippi Code of 1972, is 462 amended as follows:

463 67-3-25. (1) Any permit issued authorizing the sale of 464 light wines, light spirit products and/or beer for consumption 465 shall be construed to authorize the sale of light wines, light 466 <u>spirit products</u> and/or beer by the bottle, by the glass or by 467 draught, and in or from the original package.

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468 (2) The commissioner is authorized to establish, in his
469 discretion, dates for the expiration of permits issued under this
470 chapter.

(3) Except as otherwise provided in this section, permits shall be issued for twelve (12) months and shall be renewed annually on the first day of the month in which the permit expires. The commissioner may issue temporary permits for less than a full year. All permits shall show the effective date and expiration date of the permit, the business location, individual or business name and mailing address of the permittee.

478 **SECTION 13.** Section 67-3-27, Mississippi Code of 1972, is 479 amended as follows:

480 67-3-27. Before any person shall engage in the business of 481 manufacturer, wholesaler, distributor or retailer of light wines, light spirit products or beer, he shall apply to the commissioner 482 483 for a license to engage in such business, and shall pay to the 484 commissioner the specific tax imposed by Section 27-71-303, for 485 the privilege of engaging in such business. The commissioner upon 486 receipt of such tax shall issue to such person a privilege license 487 to engage in or continue in such business for a period of time not 488 to exceed one (1) year. No such license shall be issued to the 489 applicant unless such applicant shall have obtained from the 490 commissioner a permit as required in Section 67-3-17. A brewpub 491 shall obtain all necessary federal licenses and permits prior to obtaining any license under this chapter. 492

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All privilege licenses issued under the provisions of this section shall be renewed annually on or before the first day of the month in which the current license expires.

496 SECTION 14. Section 67-3-28, Mississippi Code of 1972, is 497 amended as follows:

498 67-3-28. (1) Any person desiring to engage in business as a 499 brewpub shall file with the commissioner, along with the application required by Section 67-3-17, Mississippi Code of 1972, 500 501 a certificate issued by a licensed testing laboratory indicating that such laboratory has tested a sample of the applicant's beer, 502 503 light spirit product or light wine, or **\* \* \*** a combination 504 thereof, and that the alcohol content of such sample of beer does 505 not exceed eight percent (8%) by weight, and the alcohol content 506 of such sample of light spirit product does not exceed four 507 percent (4%) by weight, and the alcoholic content of such sample 508 of light wine does not exceed five percent (5%) by weight. 509 Every brewpub shall be required to submit to random (2) testing by the commissioner to determine whether any beer being 510

511 manufactured, sold, kept, stored or secreted by the license holder 512 contains an alcohol content greater than eight percent (8%) by 513 weight, and light spirit product being manufactured, sold, kept, 514 stored or secreted by the license holder contains an alcoholic 515 content greater than four percent (4%) by weight, and any light 516 wine being manufactured, sold, kept, stored or secreted by the 517 license holder contains an alcoholic content greater than five

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518 percent (5%) by weight. The commissioner shall establish and 519 administer testing standards and procedures to be used in such 520 random testing. The brewpub licensee shall be responsible for all 521 costs incurred by the commissioner in conducting random testing 522 under this section.

523 **SECTION 15.** Section 67-3-29, Mississippi Code of 1972, is 524 amended as follows:

The commissioner, or a hearing officer or the 525 67 - 3 - 29. (1) 526 board of review, as designated by the commissioner, after a show cause hearing, shall revoke or suspend any permit granted by 527 528 authority of this chapter to any person who shall violate any of 529 the provisions of this chapter or the revenue laws of this state 530 relating to engaging in transporting, storing, selling, 531 distributing, possessing, receiving or manufacturing of wines or 532 beers, or any person who shall hereafter be convicted of the 533 unlawful sale of intoxicating liquor, or any person who shall 534 allow or permit any form of illegal gambling or immorality on the premises described in such permit. The commissioner shall not 535 536 revoke or suspend a permit of a retailer for the sale of light 537 wine, light spirit product or beer to a person under the age of 538 twenty-one (21) years until there has been a conviction of the 539 permit holder or an employee of the permit holder for such 540 violation.

541 (2) If any person exercising any privilege taxable under the 542 provisions of Chapter 71 of Title 27, Mississippi Code of 1972,

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563 other provisions of this chapter, the commissioner shall be 564 authorized to suspend the permit of any permit holder for being 565 out of compliance with an order for support, as defined in Section 566 93-11-153. The procedure for suspension of a permit for being out 567 of compliance with an order for support, and the procedure for the

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568 reissuance or reinstatement of a permit suspended for that 569 purpose, and the payment of any fees for the reissuance or 570 reinstatement of a permit suspended for that purpose, shall be 571 governed by Section 93-11-157 or Section 93-11-163, as the case 572 may be. If there is any conflict between any provision of Section 573 93-11-157 or Section 93-11-163 and any provision of this chapter, 574 the provisions of Section 93-11-157 or 93-11-163, as the case may 575 be, shall control.

576 **SECTION 16.** Section 67-3-41, Mississippi Code of 1972, is 577 amended as follows:

578 67-3-41. Sections 67-3-31 through 67-3-41 and Section 579 67-3-53 are declared to be cumulative, amendatory, and 580 supplemental to any and all other acts and laws of this state 581 pertaining to the governing of the sale and distribution of light 582 wines, light spirit products and beers as contained in Sections 583 27-71-301 through 27-71-347, Mississippi Code of 1972, and Sections 67-3-17, 67-3-23, 67-3-27, 67-3-29(2), 67-3-55, and 584 585 67-3-57.

586 **SECTION 17.** Section 67-3-45, Mississippi Code of 1972, is 587 amended as follows:

588 67-3-45. No manufacturer, distributor or wholesale dealer to 589 whom or to which this chapter applies shall:

(a) Make any loan, directly or indirectly, or furnish
any fixtures of any kind, directly or indirectly, to any retail
dealer in light wines, light spirit products and/or beer;

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(b) Have any interest, direct or indirect, in the business of or in the furnishings or fixtures or in the premises used by any such retail dealer in connection with his or its business;

597 (c) Have any lien on any such property of any such 598 retail dealer; or

599 (d) Sell light wines, light spirit products and/or beer600 to any such retail dealer on credit.

This section shall not apply to a brewpub licensed pursuant to Article 3, Chapter 71, Title 27, Mississippi Code of 1972.

603 SECTION 18. Section 67-3-46, Mississippi Code of 1972, is 604 amended as follows:

605 67-3-46. (1) The provisions of subsection (2) of this 606 section apply to the following entities:

607 (a) Any person engaged in the business of brewing or
608 manufacturing beer or in the business of manufacturing or
609 producing light wines <u>or light spirit products</u>;

(b) An officer, director, agent or employee of anentity described in paragraph (a) of this subsection;

(c) An affiliate of an entity described in paragraph
(a) of this subsection, regardless of whether the affiliation is
corporate or by management, direction or control.

615 (2) No entity named in subsection (1) of this section may
616 have any interest in the license, business, assets or corporate
617 stock of a wholesaler or distributor to whom this chapter applies,

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618 except a security interest granted to the entity of the type 619 provided for the Uniform Commercial Code in products sold to a 620 wholesaler or distributor until the full purchase price has been 621 paid therefor.

622 SECTION 19. Section 67-3-48, Mississippi Code of 1972, is 623 amended as follows:

624 67-3-48. (1) A small craft brewery may sell at retail light 625 wine, light spirit product or beer produced at its brewery for 626 consumption on the premises of the brewery and consumption off the 627 premises of the brewery if the sales are made on the premises of 628 the brewery and the light wine, light spirit product or beer 629 products offered for sale are also made available for sale to 630 wholesalers.

631 A small craft brewery shall not sell at retail more (2) (a) 632 than ten percent (10%) of the light wine, light spirit product or 633 beer produced annually at its brewery or more than one thousand 634 five hundred (1,500) barrels of light wine, light spirit product or beer produced at the brewery annually, whichever is the lesser 635 636 amount. For purposes of this subsection, contract-brewed beer 637 shall not be included in the amount of beer produced annually at 638 the brewery. The light wine, light spirit product or beer must be 639 sold at a price approximating retail prices generally charged for 640 identical beverages in the county where the brewery is located.

641 (b) A small craft brewery shall not make retail sales 642 of more than five hundred seventy-six (576) ounces, in the

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646 (c) The limits on sales provided for in this subsection647 shall not apply to beer provided pursuant to Section 67-3-47.

(3) A small craft brewery shall take commercially reasonable steps to ensure that light wine, light spirit product or beer products sold for consumption off the premises of the brewery are being sold for personal use and not for resale and are not being sold to anyone holding a retail permit for the purpose of resale in their establishment.

654 (4) A small craft brewery shall not make retail sales of655 contract-brewed beer.

(5) A small craft brewery shall not mail or ship light wine,
657 light spirit product or beer to a consumer.

658 SECTION 20. Section 67-3-48.1, Mississippi Code of 1972, is 659 amended as follows:

660 67-3-48.1. (1) In the event a small craft brewery is 661 acquired by an entity that manufactures light wine, light spirit 662 product or beer that does not fall within the definition of the 663 term "small craft brewery," the entity that acquired the small 664 craft brewery may continue to operate the brewery as a small craft 665 brewery for as long as the acquired facility meets the definition 666 of the term "small craft brewery"; however, the limit in Section 667 67-3-3 on the amount of barrels of light wine, light spirit

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668 <u>product</u> or beer that a small craft brewery may produce shall not 669 apply to light wine, <u>light spirit product</u> or beer that is not 670 produced by the acquired small craft brewery.

671 In the event a small craft brewery acquires an entity (2)672 that manufactures light wine, light spirit product or beer that 673 does not fall within the definition of the term "small craft 674 brewery," the small craft brewery that acquired the entity may 675 continue to operate as a small craft brewery for as long as the 676 brewery meets the definition of the term "small craft brewery." The light wine, light spirit product or beer produced by the 677 678 entity that is acquired by a small craft brewery shall not apply 679 to the limit in Section 67-3-3 on the amount of light wine, light 680 spirit product or beer that the small craft brewery may produce. 681 (3) A small craft brewery described in subsections (1) and 682 (2) of this section may continue to sell at retail brands the 683 small craft brewery produces on its premises at all locations at 684 which it was selling the brands at retail at the time of the

685 acquisition; however, the small craft brewery may not sell at 686 retail brands produced by the entity that acquired it or by the 687 entity it acquires, as the case may be.

688 SECTION 21. Section 67-3-49, Mississippi Code of 1972, is 689 amended as follows:

690 67-3-49. (1) Except as otherwise provided in this section,
691 it shall be unlawful for any brewer or manufacturer or distributor
692 or wholesale dealer of or in light wines, light spirit products

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693 and/or beer to manufacture or knowingly bring upon his premises or 694 keep thereon any wine of an alcoholic content of more than five 695 percent (5%) by weight \* \* \*, any light spirit product of an 696 alcoholic content of more than four percent (4%) by weight, any 697 beer of an alcoholic content of more than eight percent (8%) by 698 weight, or any distilled spirits of any alcoholic content 699 whatsoever. Any person that shall add to or mix with any beer, 700 light spirit product or light wine any alcoholic or other liquid, 701 or any alcohol cube or cubes, or any other ingredient or 702 ingredients that will increase or tend to increase the alcoholic 703 content of such liquor, or any person that shall knowingly offer 704 for sale any liquor so treated, shall be quilty of a misdemeanor 705 and punished as hereinafter provided in this chapter. The 706 commissioner shall take any action he considers necessary to 707 ensure that light wine, light spirit product and/or beer 708 manufactured at a brewpub complies with the provisions of this 709 section.

710 (2) A brewer or manufacturer of light wine, light spirit
711 <u>product</u> or beer may manufacture and keep upon his premises beer of
712 an alcoholic content of more than eight percent (8%) by weight if
713 the beer is manufactured for legal sale in another state.

714 SECTION 22. Section 67-3-51, Mississippi Code of 1972, is 715 amended as follows:

716 67-3-51. (1) It shall be unlawful for any person to sell,
717 or offer to sell, or keep for sale any bottled beer, bottled light

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518 <u>spirit product</u> or bottled light wine except the same be in the 519 original bottle or in the original package containing bottles, 520 each of which bottles shall bear the original label and the full 521 name of the brewer or manufacturer of the contents of such bottle, 522 both on the label and on the cap or cork of such bottle in the 523 case of beer, and on the label only in the case of light wine <u>and</u> 524 light spirit product.

(2) It shall be unlawful for any person to sell, or offer for sale, or keep for sale any beer<u>, light spirit product</u> or light wine in the original package or packages unless each such original package (whether barrel or other container, and whether containing liquor in bottles or otherwise) shall have plainly stamped on the container or label for each such container the full name of the manufacturer of the liquor therein contained.

(3) It shall be unlawful for any person to sell on draught any beer, light spirit product or light wine except the same be drawn from the original barrel or other container, which such container shall have plainly stamped on each end thereof the full name of the manufacturer of such liquor.

737 (4) This section shall not apply to beer offered and
738 provided on the premises of a brewery for the purpose of tasting
739 or sampling as authorized in Section 67-3-47.

740 SECTION 23. Section 67-3-52, Mississippi Code of 1972, is 741 amended as follows:

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 30 (BS\KW) 742 67-3-52. It shall be unlawful for any person holding a 743 permit authorizing the sale of beer, light spirit product or light 744 wine at retail to obtain such beer, light spirit product or light 745 wine from any source outside of the State of Mississippi. Anv person who violates the provisions of this section, upon 746 747 conviction thereof, shall be punished by a fine of not more than 748 One Thousand Dollars (\$1,000.00) or by imprisonment in the county 749 jail for not more than six (6) months, or by both such fine and 750 imprisonment, in the discretion of the court. Any person 751 convicted of violating this section, or any rules or regulations 752 promulgated by the commissioner with regard to the unlawful acts 753 described in this section, shall forfeit his permit. Any person 754 whose permit has been forfeited pursuant to this section shall not 755 be eligible for a permit issued by the commissioner for a period 756 of five (5) years after the date of such forfeiture. In addition, 757 no permit shall be issued for the same location, for which an 758 offender has forfeited a permit pursuant to this section, to a 759 spouse, offspring or sibling of the offender when to do so would 760 circumvent the purposes of this section. The commissioner may 761 assess a retailer who violates this section the amount of excise 762 taxes due on the unlawfully imported beer, light spirit product or 763 light wine, together with a penalty in the amount of four (4) 764 times the state excise taxes due or One Hundred Dollars (\$100.00) 765 per case, whichever is greater.

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766 SECTION 24. Section 67-3-53, Mississippi Code of 1972, is
767 amended as follows:

768 67-3-53. In addition to any act declared to be unlawful by 769 this chapter, or by Sections 27-71-301 through 27-71-347, and 770 Sections 67-3-17, 67-3-27, 67-3-29 and 67-3-57, it shall be 771 unlawful for the holder of a permit authorizing the sale of beer, 772 light spirit product or light wine at retail or a small craft 773 brewery selling light wine, light spirit product or beer at retail pursuant to Section 67-3-48 or for the employee of the holder of 774 775 such a permit or the employee of such a brewery:

776 (a) To sell or give to be consumed in or upon any 777 licensed premises or in or upon the premises of a small craft 778 brewery any beer, light spirit product or light wine between the 779 hours of midnight and seven o'clock the following morning or 780 during any time the licensed premises may be required to be closed 781 by municipal ordinance or order of the board of supervisors; 782 however, in areas where the sale of alcoholic beverages is legal 783 under the provisions of the Local Option Alcoholic Beverage 784 Control Law and the hours for selling those alcoholic beverages 785 have been extended beyond midnight for on-premises permittees 786 under Section 67-1-37, the hours for selling beer, light spirit 787 products or light wines are likewise extended in areas where the 788 sale of beer, light spirit products and light wines is legal in 789 accordance with the provisions of this chapter.

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(b) To sell, give or furnish any beer, light spirit
product or light wine to any person visibly or noticeably
intoxicated, or to any habitual drunkard, or to any person under
the age of twenty-one (21) years.

794 (c) To permit in the premises any lewd, immoral or795 improper entertainment, conduct or practices.

(d) To permit loud, boisterous or disorderly conduct of any kind upon the premises or to permit the use of loud musical instruments if either or any of the same may disturb the peace and quietude of the community in which the business is located.

(e) To permit persons of ill repute, known criminals,
prostitutes or minors to frequent the licensed premises or the
premises of the small craft brewery, except minors accompanied by
parents or guardians, or under proper supervision.

(f) To permit or suffer illegal gambling or the operation of illegal games of chance upon the licensed premises or the premises of the small craft brewery.

807 To receive, possess or sell on the licensed (q) 808 premises or, except as otherwise authorized by this chapter, on 809 the premises of the small craft brewery any beverage of any kind 810 or character containing more than five percent (5%) of alcohol by 811 weight except any beer containing not more than eight percent (8%) 812 of alcohol by weight, unless the licensee also possesses an 813 on-premises or manufacturer's permit under the Local Option Alcoholic Beverage Control Law. 814

(h) To accept as full or partial payment for any
product any coupons that are redeemed directly or indirectly from
a manufacturer, wholesaler or distributor of light wine, light
spirit product or beer.

819 SECTION 25. Section 67-3-54, Mississippi Code of 1972, is 820 amended as follows:

821 67-3-54. (1) A person who is at least eighteen (18) years 822 of age but under the age of twenty-one (21) years may possess and 823 consume light wine, light spirit product or beer with the consent 824 of his parent or legal quardian in the presence of his parent or 825 legal quardian, and it shall not be unlawful for the parent, legal 826 quardian or spouse of such person to furnish light wine, light 827 spirit product or beer to such person who is at least eighteen 828 (18) years of age.

(2) A person who is at least eighteen (18) years of age and
who is serving in the armed services of the United States may
lawfully possess and consume light wine, light spirit product or
beer on military property where the consumption of light wine,
light spirit product or beer is allowed.

(3) A person who is under twenty-one (21) years of age shall
not be deemed to unlawfully possess or furnish light wine, light
spirit product or beer, if in the scope of his employment such
person:

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(a) Clears or buses tables that have glasses or other
containers that contain or did contain light wine, light spirit
product or beer;

841 (b) Waits on tables by taking orders for light wine,842 light spirit product or beer; or

843 (c) Stocks, bags or otherwise handles purchases of844 light wine, light spirit product or beer at a store.

845 SECTION 26. Section 67-3-55, Mississippi Code of 1972, is 846 amended as follows:

847 67-3-55. (1) It shall be unlawful for any retailer to possess for purpose of sale, to sell, or to offer to sell any 848 light wine, light spirit product or beer which was not purchased 849 850 from a wholesaler in this state who has a permit to sell such 851 light wine, light spirit product or beer, except for beer, light 852 spirit product or light wine that was brewed on the premises of 853 the retailer who holds a permit as a brewpub pursuant to Article 854 3, Chapter 71, Title 27, Mississippi Code of 1972.

(2) It shall be unlawful for any wholesaler to possess for
purpose of sale, to sell, or to offer to sell any light wine,
<u>light spirit product</u> or beer which was not purchased from a
manufacturer or importer of a foreign manufacturer authorized to
sell such light wine, light spirit product or beer in this state.
(3) This section shall not apply to:

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861 (a) Beer offered and provided on the premises of a
862 brewery for the purpose of tasting or sampling as authorized in
863 Section 67-3-47; or

(b) Light wine, light spirit product or beer sold on
the premises of a small craft brewery as authorized in Section
67-3-48.

867 SECTION 27. Section 67-3-57, Mississippi Code of 1972, is 868 amended as follows:

869 67-3-57. (1) It shall be unlawful for any retailer to
870 possess, sell or offer to sell, or to possess for purpose of sale,
871 any light wine, light spirit product or beer at his place of
872 business before securing a permit required by this chapter.

(2) It shall be unlawful for any person to possess, sell or
offer to sell any light wine, light spirit product or beer at his
place of business after revocation of his permit or to purchase,
to sell or offer to sell any light wine, light spirit product or
beer during the period of suspension of his permit.

(3) Any light wine, light spirit product or beer found in
possession of, or sold by, a person in violation of this section
shall be seized and disposed of in the manner provided for in
Section 67-1-18.

882 SECTION 28. Section 67-3-59, Mississippi Code of 1972, is 883 amended as follows:

884 67-3-59. (1) Except as provided in this subsection, sales 885 by wholesalers, distributors or manufacturers to persons who do

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886 not hold valid permits are unlawful; and any wholesaler, 887 distributor or manufacturer making such sales, or who sells any 888 beer, light spirit product or light wine on which the tax provided 889 by law has not been paid, shall, in addition to any other fines, 890 penalties and forfeitures, be subject to a penalty of Twenty-five 891 Dollars (\$25.00) for each sale. If all other applicable taxes are 892 paid, this penalty will not apply to the following: sales to 893 employees of the wholesaler; sales to nonprofit charitable and 894 civic organizations for special fund-raising events provided that 895 the beer, light spirit product or light wine is not resold; sales 896 to affiliated member associations.

897 (2) The commissioner may assess the penalty by giving notice
898 by mail, demanding payment within thirty (30) days from date of
899 delivery of the notice.

900 The proceeds of all penalties shall be deposited by the 901 commissioner with the other monies collected by him and shall be 902 disposed of as provided by law.

903 SECTION 29. Section 67-3-61, Mississippi Code of 1972, is 904 amended as follows:

905 67-3-61. Every railroad company, express company, aeroplane 906 company, motor transportation company, steamboat company, or other 907 transportation company, or any person that shall transport into, 908 from place to place within, or out of this state any light wines<u>,</u> 909 <u>light spirit products</u> or beer, whether brewed or manufactured 910 within this state or outside of this state, when requested by the

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911 commissioner, shall furnish him with a duplicate of the bill of lading covering the receipt for such liquor, showing the name of 912 913 the brewer or manufacturer or distributor, and the name and 914 address of the consignor and of the consignee, and the date when 915 and place where received, and the destination and the quantity of 916 such liquor received from the manufacturer or brewer or other 917 consignor for shipment from any point within or without this state 918 to any point within this state.

919 Any such company or person so transporting any such liquor that shall fail to comply with the requirements of this section, 920 921 shall forfeit and pay to the State of Mississippi the sum of One 922 Hundred Dollars (\$100.00) for each such failure, to be recovered 923 in any court of competent jurisdiction. The commissioner is 924 hereby authorized and empowered to sue in his own name, on the 925 relation and for the use of the State of Mississippi, for such 926 recovery.

927 SECTION 30. Section 67-3-63, Mississippi Code of 1972, is 928 amended as follows:

929 67-3-63. The commissioner shall cause a record to be kept of 930 the names and places of business of all persons engaged in the 931 brewing of beer, of all persons engaged in the manufacture of 932 light wines <u>or light spirit products</u>, and of all persons engaged 933 in the sale of light wines<u>, light spirit products</u> and/or beer, 934 whether at retail or otherwise. He shall also cause a record to 935 be kept of all beer, light spirit products and light wines (and of

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 38 (BS\KW) 936 the amount thereof) brewed or manufactured by each brewery or 937 winery, and of all such liquors (and of the amount thereof) sold 938 by each brewery or winery, with the names and business addresses 939 of the purchasers, and of all such liquors (and of the amount 940 thereof) sold by every dealer other than a brewer or manufacturer, 941 and in the case of sales by dealers other than retail dealers, of 942 the names and business addresses of the purchasers.

943 The commissioner shall cause a record to be kept of all 944 expenses incurred in the collection of such data.

945 **SECTION 31.** Section 67-3-65, Mississippi Code of 1972, is 946 amended as follows:

947 67-3-65. Municipalities may enforce such proper rules and 948 regulations for fixing zones and territories, prescribing hours of 949 opening and of closing, and for such other measures as will 950 promote public health, morals, and safety, as they may by 951 ordinance provide. The board of supervisors of any county may 952 make such rules and regulations as to territory outside of 953 municipalities as are herein provided for municipalities.

Nothing in this chapter shall prohibit the governing body of any municipality from designating what territory surrounding churches and schools in said municipalities, and the board of supervisors of any county from designating what territory surrounding churches and schools outside of any municipality, in which light wines, light spirit products and beer shall not be sold or consumed.

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H. B. No. 917 20/HR26/R1604 PAGE 39 (BS\KW) 961 SECTION 32. Section 67-3-67, Mississippi Code of 1972, is 962 amended as follows:

963 67-3-67. No county or any officer or agent thereof, nor any 964 other officer, agent, or person, shall interfere with or impede 965 the passage through such county of any light wine, light spirit 966 product or beer moving in accordance with the provisions of this 967 chapter and the provisions of Section 67-9-1 and which in transit 968 to or from any county of this state wherein the traffic in light 969 wines, light spirit products and beer is not prohibited, any county prohibition of such traffic to the contrary 970 971 notwithstanding.

972 SECTION 33. Section 67-3-69, Mississippi Code of 1972, is 973 amended as follows:

974 67-3-69. (1) Except as to Sections 67-3-17, 67-3-23, 975 67-3-27, 67-3-55 and 67-3-57, any violation of any provision of 976 this chapter or of any rule or regulation of the commissioner, 977 shall be a misdemeanor and, where the punishment therefor is not 978 elsewhere prescribed in this section, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00) or imprisonment 979 980 for not more than six (6) months, or both, in the discretion of 981 the court. If any person so convicted shall be the holder of any 982 permit or license issued by the commissioner under authority of 983 this chapter, the permit or license shall from and after the date 984 of such conviction be void and the holder thereof shall not thereafter, for a period of one (1) year from the date of such 985

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H. B. No. 917 20/HR26/R1604 PAGE 40 (BS\KW) 986 conviction, be entitled to any permit or license for any purpose authorized by this chapter. Upon conviction of the holder of any 987 988 permit or license, the appropriate law enforcement officer shall 989 seize the permit or license and transmit it to the commissioner. 990 (2)(a) Any person who shall violate any provision of 991 Section 67-3-17, 67-3-23, 67-3-27 or 67-3-55 shall be quilty of a 992 misdemeanor, and upon conviction thereof shall be punished by a 993 fine of not more than Five Hundred Dollars (\$500.00) or by 994 imprisonment in the county jail for not more than six (6) months, 995 or by both such fine and imprisonment, in the discretion of the 996 court.

997 (b) Any person who shall violate any provision of 998 Section 67-3-57 shall be guilty of a misdemeanor, and upon 999 conviction thereof, shall be punished by a fine of not more than One Thousand Dollars (\$1,000.00) or by imprisonment in the county 1000 1001 jail for not more than one (1) year, or by both, in the discretion 1002 of the court. Any person convicted of violating any provision of 1003 the sections referred to in this subsection shall forfeit his 1004 permit, and shall not thereafter be permitted to engage in any 1005 business taxable under the provisions of Sections 27-71-301 1006 through 27-71-347.

1007 (3) If the holder of a permit, or the employee of the holder
1008 of a permit, shall be convicted of selling any beer, light spirit
1009 product or wine to anyone who is visibly intoxicated from the
1010 licensed premises or to any person under the age of twenty-one

1011 (21) years from the licensed premises in violation of Section 1012 67-3-53(b), then, in addition to any other penalty provided for by 1013 law, the commissioner may impose the following penalties against 1014 the holder of a permit:

(a) For the first offense on the licensed premises, by a fine of not less than Five Hundred Dollars (\$500.00) nor more than One Thousand Dollars (\$1,000.00) and/or suspension of the permit for not more than three (3) months.

1019 (b) For a second offense occurring on the licensed 1020 premises within twelve (12) months of the first offense, by a fine 1021 of not less than Five Hundred Dollars (\$500.00) nor more than Two 1022 Thousand Dollars (\$2,000.00) and/or suspension of the permit for 1023 not more than six (6) months.

(c) For a third offense occurring on the licensed premises within twelve (12) months of the first, by a fine of not less than Two Thousand Dollars (\$2,000.00) nor more than Five Thousand Dollars (\$5,000.00) and/or suspension or revocation of the permit to sell beer, light spirit product or light wine.

(d) For a fourth or subsequent offense occurring on the licensed premises within twelve (12) months of the first, by a fine of not less than Two Thousand Dollars (\$2,000.00) nor more than Five Thousand Dollars (\$5,000.00) and/or suspension or revocation of the permit to sell beer, light spirit product or light wine.

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A person who sells any beer, light spirit product or 1035 (4) 1036 wine to a person under the age of twenty-one (21) years shall not be guilty of a violation of Section 67-3-53(b) if the person under 1037 1038 the age of twenty-one (21) years represents himself to be 1039 twenty-one (21) years of age or older by displaying an apparently 1040 valid Mississippi driver's license containing a physical 1041 description consistent with his appearance or by displaying some 1042 other apparently valid identification document containing a 1043 picture and physical description consistent with his appearance for the purpose of inducing the person to sell beer, light spirit 1044 1045 product or wine to him.

1046 (5) If the holder of a permit to operate a brewpub is 1047 convicted of violating the provisions of Section 67-3-22(3), then, 1048 in addition to any other provision provided for by law, the holder 1049 of the permit shall be punished as follows:

1050 (a) For the first offense, the holder of a permit to
1051 operate a brewpub may be fined in an amount not to exceed Five
1052 Hundred Dollars (\$500.00).

1053 (b) For a second offense occurring within twelve (12) 1054 months of the first offense, the holder of a permit to operate a 1055 brewpub may be fined an amount not to exceed One Thousand Dollars 1056 (\$1,000.00).

1057 (c) For a third or subsequent offense occurring within 1058 twelve (12) months of the first offense, the holder of a permit to 1059 operate a brewpub may be fined an amount not to exceed Five

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1060 Thousand Dollars (\$5,000.00) and the permit to operate a brewpub 1061 shall be suspended for thirty (30) days.

1062 (6) If a small craft brewery is convicted of violating the 1063 provisions of Section 67-3-48, then, in addition to any other 1064 provision provided for by law, the small craft brewery shall be 1065 punished as follows:

1066 (a) For the first offense, the small craft brewery may
1067 be fined in an amount not to exceed Five Hundred Dollars
1068 (\$500.00).

1069 (b) For a second offense occurring within twelve (12) 1070 months of the first offense, the small craft brewery may be fined 1071 an amount not to exceed One Thousand Dollars (\$1,000.00).

1072 (c) For a third or subsequent offense occurring within 1073 twelve (12) months of the first offense, the small craft brewery 1074 may be fined an amount not to exceed Five Thousand Dollars 1075 (\$5,000.00) and the permit to operate as a manufacturer shall be 1076 suspended for thirty (30) days.

1077 SECTION 34. Section 67-3-70, Mississippi Code of 1972, is 1078 amended as follows:

1079 67-3-70. (1) Except as otherwise provided by Section 1080 67-3-54, any person under the age of twenty-one (21) years who 1081 purchases or possesses any light wine, light spirit product or 1082 beer shall be guilty of a misdemeanor, and upon conviction, shall 1083 be punished by a fine of not less than Two Hundred Dollars

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1086 Any person under the age of twenty-one (21) years who (2)1087 falsely states he is twenty-one (21) years of age or older or 1088 presents any document that indicates he is twenty-one (21) years 1089 of age or older for the purpose of purchasing or possessing any 1090 light wine, light spirit product or beer shall be guilty of a misdemeanor, and upon conviction, shall be punished by a fine of 1091 1092 not less than Two Hundred Dollars (\$200.00) nor more than Five Hundred Dollars (\$500.00) and a sentence to not more than thirty 1093 1094 (30) days community service.

1095 Except as otherwise provided by Section 67-3-54, any (3)1096 person who knowingly purchases light wine, light spirit product or 1097 beer for, or gives light wine, light spirit product or beer to a person under the age of twenty-one (21) years, shall be guilty of 1098 1099 a misdemeanor, and upon conviction, shall be punished by a fine of 1100 not less than Two Hundred Dollars (\$200.00) nor more than Five Hundred Dollars (\$500.00) and a sentence to not more than thirty 1101 1102 (30) days community service. The punishment provided under this 1103 subsection shall not be applicable to violations of Section 1104 97-5-49.

1105 (4) The term "community service" as used in this section 1106 shall mean work, projects or services for the benefit of the 1107 community assigned, supervised and recorded by appropriate public 1108 officials.

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1109 (5) If a person under the age of twenty-one (21) years is convicted or enters a plea of guilty of violating subsection (1) 1110 or subsection (2) of this section, the trial judge, in lieu of the 1111 penalties otherwise provided under this section, shall suspend the 1112 1113 minor's driver's license by taking and keeping it in the custody 1114 of the court for a period of time not to exceed ninety (90) days. The judge so ordering the suspension shall enter upon his docket 1115 "DEFENDANT'S DRIVER'S LICENSE SUSPENDED FOR DAYS IN LIEU OF 1116 1117 CONVICTION" and such action by the trial judge shall not 1118 constitute a conviction. During the period that the minor's 1119 driver's license is suspended, the trial judge shall suspend the 1120 imposition of any fines or penalties that may be imposed under 1121 this section and may place the minor on probation subject to such conditions as the judge deems appropriate. If the minor violates 1122 any of the conditions of probation, then the trial judge shall 1123 1124 return the driver's license to the minor and impose the fines, penalties, or both, that he would have otherwise imposed, and such 1125 action shall constitute a conviction. 1126

(6) Any person who has been charged with a violation of subsections (1) or (2) of this section may, not sooner than one (1) year after the dismissal and discharge or completion of any sentence and/or payment of any fine, apply to the court for an order to expunge from all official records all recordation relating to his arrest, trial, finding or plea of guilty, and dismissal and discharge. If the court determines that such person

1134 was dismissed and the proceedings against him discharged or that 1135 such person had satisfactorily served his sentence and/or paid his 1136 fine, it shall enter such order.

1137 SECTION 35. Section 67-3-73, Mississippi Code of 1972, is 1138 amended as follows:

1139 67 - 3 - 73. (1) The Mississippi Legislature finds and declares 1140 that the consumption of intoxicating beverages, rather than the 1141 sale or serving or furnishing of such beverages, is the proximate 1142 cause of any injury, including death and property damage, 1143 inflicted by an intoxicated person upon himself or upon another 1144 person.

(2) Notwithstanding any other law to the contrary, no holder 1145 1146 of an alcoholic beverage, beer, light spirit product or light wine 1147 permit, or any agent or employee of such holder, who lawfully 1148 sells or serves intoxicating beverages to a person who may 1149 lawfully purchase such intoxicating beverages, shall be liable to 1150 such person or to any other person or to the estate, or survivors of either, for any injury suffered off the licensed premises, 1151 1152 including wrongful death and property damage, because of the 1153 intoxication of the person to whom the intoxicating beverages were 1154 sold or served.

1155 Notwithstanding any other law to the contrary, no social (3) 1156 host who serves or furnishes any intoxicating beverage to a person who may lawfully consume such intoxicating beverage shall be 1157 1158 liable to such person or to any other person or to the estate, or

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1159 survivors of either, for any injury suffered off such social 1160 host's premises, including wrongful death and property damage, because of the intoxication of the person to whom the intoxicating 1161 beverages were served or furnished. No social host who owns, 1162 1163 leases or otherwise lawfully occupies a premises on which, in his 1164 absence and without his consent, intoxicating beverages are consumed by a person who may lawfully consume such intoxicating 1165 1166 beverage shall be liable to such person or to any other person or 1167 to the estate, or survivors of either, for any injury suffered off 1168 the premises, including wrongful death and property damage, 1169 because of the intoxication of the person who consumed the 1170 intoxicating beverages.

1171 The limitation of liability provided by this section (4)1172 shall not apply to any person who causes or contributes to the 1173 consumption of alcoholic beverages by force or by falsely 1174 representing that a beverage contains no alcohol, or to any holder of an alcoholic beverage, beer, light spirit product or light wine 1175 permit, or any agent or employee of such holder when it is shown 1176 1177 that the person making a purchase of an alcoholic beverage was at 1178 the time of such purchase visibly intoxicated.

1179 SECTION 36. Section 67-3-74, Mississippi Code of 1972, is
1180 amended as follows:

1181 67-3-74. (1) In addition to peace officers within their 1182 jurisdiction, all enforcement officers of the Alcoholic Beverage 1183 Control Division of the Department of Revenue are authorized to

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enforce the provisions made unlawful by this chapter and Section 97-5-49; however, the provisions prohibiting the sale of light wine, light spirit product or beer to persons under the age of twenty-one (21) years shall be enforced by the division as provided for in this section.

(2) (a) The Alcoholic Beverage Control Division shall investigate violations of the laws prohibiting the sale of light wine, light spirit product or beer to persons under the age of twenty-one (21) years upon receipt of a complaint or information from a person stating that they have knowledge of such violation.

(b) Upon receipt of such complaint or information, the Alcoholic Beverage Control Division shall notify the permit holder of the complaint by certified mail to the primary business office of such permit holder or by hand delivery of the complaint or information to the primary business office of such holder, except in cases where the complaint or information is received from any law enforcement officer.

1201 (c) If an enforcement officer of the Alcoholic Beverage 1202 Control Division enters the business of the holder of the permit 1203 to investigate a complaint and discovers a violation, the agent 1204 shall notify the person that committed the violation and the 1205 holder of the permit:

(i) Within ten (10) days after such violation,
Sundays and holidays excluded, if the business sells light wine,
light spirit product or beer for on-premises consumption; and

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(ii) Within seventy-two (72) hours after such 1210 violation, Sundays and holidays excluded, if the business does not sell light wine, light spirit product or beer for on-premises 1211 1212 consumption.

1213 SECTION 37. Section 67-1-5, Mississippi Code of 1972, is 1214 amended as follows:

67-1-5. For the purposes of this chapter and unless 1215 1216 otherwise required by the context:

1217 "Alcoholic beverage" means any alcoholic liquid, (a) 1218 including wines of more than five percent (5%) of alcohol by 1219 weight, capable of being consumed as a beverage by a human being, but shall not include light wine, light spirit product and beer, 1220 1221 as defined in Section 67-3-3, Mississippi Code of 1972, but shall 1222 include native wines. The words "alcoholic beverage" shall not 1223 include ethyl alcohol manufactured or distilled solely for fuel 1224 purposes or beer of an alcoholic content of more than eight 1225 percent (8%) by weight if the beer is legally manufactured in this 1226 state for sale in another state.

1227 (b) "Alcohol" means the product of distillation of any 1228 fermented liquid, whatever the origin thereof, and includes 1229 synthetic ethyl alcohol, but does not include denatured alcohol or 1230 wood alcohol.

1231 "Distilled spirits" means any beverage containing (C) 1232 more than four percent (4%) of alcohol by weight produced by

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1233 distillation of fermented grain, starch, molasses or sugar, 1234 including dilutions and mixtures of these beverages.

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

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

1242 (f) "Manufacturer" means any person engaged in 1243 manufacturing, distilling, rectifying, blending or bottling any 1244 alcoholic beverage.

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

(h) "Retailer" means any person who sells, distributes,
or offers for sale or distribution, any alcoholic beverage for use
or consumption by the purchaser and not for resale.

(i) "State Tax Commission," "commission" or
"department" means the Department of Revenue of the State of
Mississippi, which shall create a division in its organization to
be known as the Alcoholic Beverage Control Division. Any
reference to the commission or the department hereafter means the

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1257 powers and duties of the Department of Revenue with reference to 1258 supervision of the Alcoholic Beverage Control Division.

1259 (j) "Division" means the Alcoholic Beverage Control1260 Division of the Department of Revenue.

1261 (k) "Municipality" means any incorporated city or town 1262 of this state.

"Hotel" means an establishment within a 1263 (1)1264 municipality, or within a qualified resort area approved as such 1265 by the department, where, in consideration of payment, food and 1266 lodging are habitually furnished to travelers and wherein are 1267 located at least twenty (20) adequately furnished and completely 1268 separate sleeping rooms with adequate facilities that persons 1269 usually apply for and receive as overnight accommodations. Hotels 1270 in towns or cities of more than twenty-five thousand (25,000) 1271 population are similarly defined except that they must have fifty 1272 (50) or more sleeping rooms. Any such establishment described in 1273 this paragraph with less than fifty (50) beds shall operate one or 1274 more regular dining rooms designed to be constantly frequented by 1275 customers each day. When used in this chapter, the word "hotel" 1276 shall also be construed to include any establishment that meets 1277 the definition of "bed and breakfast inn" as provided in this 1278 section.

1279

(m) "Restaurant" means:

1280 (i) A place which is regularly and in a bona fide1281 manner used and kept open for the serving of meals to guests for

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1282 compensation, which has suitable seating facilities for quests, 1283 and which has suitable kitchen facilities connected therewith for cooking an assortment of foods and meals commonly ordered at 1284 1285 various hours of the day; the service of such food as sandwiches 1286 and salads only shall not be deemed in compliance with this 1287 requirement. Except as otherwise provided in this paragraph, no place shall qualify as a restaurant under this chapter unless 1288 1289 twenty-five percent (25%) or more of the revenue derived from such 1290 place shall be from the preparation, cooking and serving of meals and not from the sale of beverages, or unless the value of food 1291 1292 given to and consumed by customers is equal to twenty-five percent 1293 (25%) or more of total revenue; or

1294 (ii) Any privately owned business located in a 1295 building in a historic district where the district is listed in 1296 the National Register of Historic Places, where the building has a 1297 total occupancy rating of not less than one thousand (1,000) and 1298 where the business regularly utilizes ten thousand (10,000) square 1299 feet or more in the building for live entertainment, including not 1300 only the stage, lobby or area where the audience sits and/or 1301 stands, but also any other portion of the building necessary for 1302 the operation of the business, including any kitchen area, bar 1303 area, storage area and office space, but excluding any area for In addition to the other requirements of this 1304 parking. 1305 subparagraph, the business must also serve food to quests for 1306 compensation within the building and derive the majority of its

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H. B. No. 917 20/HR26/R1604 PAGE 53 (BS\KW) 1307 revenue from event-related fees, including, but not limited to, 1308 admission fees or ticket sales to live entertainment in the 1309 building, and from the rental of all or part of the facilities of 1310 the business in the building to another party for a specific event 1311 or function.

1312(n) "Club" means an association or a corporation:1313(i) Organized or created under the laws of this1314state for a period of five (5) years prior to July 1, 1966;

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

1318 (iii) Maintained by its members through the 1319 payment of annual dues;

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

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

(vi) No member, officer, agent or employee of which is paid, or directly or indirectly receives, in the form of a salary or other compensation any profit from the distribution or sale of alcoholic beverages to the club or to members or guests of

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1332 the club beyond such salary or compensation as may be fixed and 1333 voted at a proper meeting by the board of directors or other 1334 governing body out of the general revenues of the club.

1335 The department may, in its discretion, waive the five-year 1336 provision of this paragraph. In order to qualify under this 1337 paragraph, a club must file with the department, at the time of its application for a license under this chapter, two (2) copies 1338 of a list of the names and residences of its members and similarly 1339 1340 file, within ten (10) days after the election of any additional 1341 member, his name and address. Each club applying for a license 1342 shall also file with the department at the time of the application a copy of its articles of association, charter of incorporation, 1343 1344 bylaws or other instruments governing the business and affairs thereof. 1345

"Qualified resort area" means any area or locality 1346 (0)1347 outside of the limits of incorporated municipalities in this state 1348 commonly known and accepted as a place which regularly and customarily attracts tourists, vacationists and other transients 1349 1350 because of its historical, scenic or recreational facilities or 1351 attractions, or because of other attributes which regularly and 1352 customarily appeal to and attract tourists, vacationists and other 1353 transients in substantial numbers; however, no area or locality 1354 shall so qualify as a resort area until it has been duly and 1355 properly approved as such by the department. The department may not approve an area as a qualified resort area after July 1, 2018, 1356

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H. B. No. 917 20/HR26/R1604 PAGE 55 (BS\KW) 1357 if any portion of such proposed area is located within two (2) 1358 miles of a convent or monastery that is located in a county traversed by Interstate 55 and U.S. Highway 98. A convent or 1359 1360 monastery may waive such distance restrictions in favor of 1361 allowing approval by the department of an area as a qualified 1362 resort area. Such waiver shall be in written form from the owner, 1363 the governing body, or the appropriate officer of the convent or 1364 monastery having the authority to execute such a waiver, and the 1365 waiver shall be filed with and verified by the department before 1366 becoming effective.

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

1374 (ii) The term includes any state park which is 1375 declared a resort area by the department; however, such 1376 declaration may only be initiated in a written request for resort 1377 area status made to the department by the Executive Director of 1378 the Department of Wildlife, Fisheries and Parks, and no permit for 1379 the sale of any alcoholic beverage, as defined in this chapter, 1380 except an on-premises retailer's permit, shall be issued for a 1381 hotel, restaurant or bed and breakfast inn in such park.

1382 (iii) The term includes: 1383 The clubhouses associated with the state 1. park golf courses at the Lefleur's Bluff State Park, the John Kyle 1384 1385 State Park, the Percy Quin State Park and the Hugh White State 1386 Park; 1387 2. The clubhouse and associated golf course 1388 where the golf course is adjacent to one or more planned 1389 residential developments and the golf course and all such 1390 developments collectively include at least seven hundred fifty (750) acres and at least four hundred (400) residential units; 1391 1392 3. Any facility located on property that is a game reserve with restricted access that consists of at least 1393 1394 three thousand (3,000) contiguous acres with no public roads and that offers as a service hunts for a fee to overnight quests of 1395 1396 the facility; 1397 4. Any facility located on federal property 1398 surrounding a lake and designated as a recreational area by the United States Army Corps of Engineers that consists of at least 1399 1400 one thousand five hundred (1,500) acres; 1401 5. Any facility that is located in a 1402 municipality that is bordered by the Pearl River, traversed by 1403 Mississippi Highway 25, adjacent to the boundaries of the Jackson International Airport and is located in a county which has voted 1404 against coming out from under the dry law; however, any such 1405

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1406 facility may only be located in areas designated by the governing 1407 authorities of such municipality;

Any municipality with a population in 1408 6. excess of ten thousand (10,000) according to the latest federal 1409 1410 decennial census that is located in a county that is bordered by 1411 the Pearl River and is not traversed by Interstate Highway 20, with a population in excess of forty-five thousand (45,000) 1412 1413 according to the latest federal decennial census; however, the 1414 governing authorities of such a municipality may by ordinance: 1415 a. Specify the hours of operation of 1416 facilities that offer alcoholic beverages for sale; 1417 Specify the percentage of revenue b. 1418 that facilities that offer alcoholic beverages for sale must derive from the preparation, cooking and serving of meals and not 1419 from the sale of beverages; 1420 1421 с. Designate the areas in which 1422 facilities that offer alcoholic beverages for sale may be located; 1423 7. The West Pearl Restaurant Tax District as 1424 defined in Chapter 912, Local and Private Laws of 2007; 1425 8. a. Land that is located in any county in 1426 which Mississippi Highway 43 and Mississippi Highway 25 intersect 1427 and: 1428 Α. Owned by the Pearl River Valley Water Supply District, and/or 1429

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 58 (BS\KW) 1430 Β. Located within the Reservoir 1431 Community District, zoned commercial, east of Old Fannin Road, north of Regatta Drive, south of Spillway Road, west of Hugh Ward 1432 Boulevard and accessible by Old Fannin Road, Spillway Road, Spann 1433 1434 Drive and/or Lake Vista Place, and/or 1435 C. Located within the Reservoir Community District, zoned commercial, west of Old Fannin Road, 1436 1437 south of Spillway Road and extending to the boundary of the 1438 corporate limits of the City of Flowood, Mississippi; 1439 b. The board of supervisors of such 1440 county, with respect to B and C of this item 8, may by resolution or other order: 1441 1442 Specify the hours of operation Α. of facilities that offer alcoholic beverages for sale, 1443 1444 Β. Specify the percentage of 1445 revenue that facilities that offer alcoholic beverages for sale 1446 must derive from the preparation, cooking and serving of meals and not from the sale of beverages, and 1447 1448 С. Designate the areas in which facilities that offer alcoholic beverages for sale may be located; 1449 1450 9. Any facility located on property that is a 1451 game reserve with restricted access that consists of at least eight hundred (800) contiguous acres with no public roads, that 1452 offers as a service hunts for a fee to overnight quests of the 1453

H. B. No. 917 **\* OFFICIAL ~** 20/HR26/R1604 PAGE 59 (BS\KW) 1454 facility, and has accommodations for at least fifty (50) overnight
1455 guests;

1456 Any facility that: 10. 1457 Consists of at least six thousand a. 1458 (6,000) square feet being heated and cooled along with an 1459 additional adjacent area that consists of at least two thousand 1460 two hundred (2,200) square feet regardless of whether heated and 1461 cooled, 1462 b. For a fee is used to host events such 1463 as weddings, reunions and conventions, 1464 c. Provides lodging accommodations regardless of whether part of the facility and/or located adjacent 1465 1466 to or in close proximity to the facility, and 1467 Is located on property that consists d. 1468 of at least thirty (30) contiguous acres; 1469 11. Any facility and related property: 1470 a. Located on property that consists of at least one hundred twenty-five (125) contiguous acres and 1471 1472 consisting of an eighteen (18) hole golf course, and/or located in 1473 a facility that consists of at least eight thousand (8,000) square 1474 feet being heated and cooled, 1475 b. Used for the purpose of providing 1476 meals and hosting events, and

H. B. No. 917 20/HR26/R1604 PAGE 60 (BS\KW) 1477 Used for the purpose of teaching с. 1478 culinary arts courses and/or turf management and grounds keeping courses, and/or outdoor recreation and leadership courses; 1479 1480 12. Any facility and related property that: 1481 Consist of at least eight thousand a. 1482 (8,000) square feet being heated and cooled, 1483 For a fee is used to host events, b. 1484 Is used for the purpose of culinary с. 1485 arts courses, and/or outdoor recreation and leadership courses; The clubhouse and associated golf course 1486 13. 1487 where the golf course is adjacent to one or more residential 1488 developments and the golf course and all such developments 1489 collectively include at least two hundred (200) acres and at least 1490 one hundred fifty (150) residential units and are located a. in a 1491 county that has voted against coming out from under the dry law; 1492 and b. outside of but in close proximity to a municipality in such 1493 county which has voted under Section 67-1-14, after January 1, 2013, to come out from under the dry law; 1494 1495 14. The clubhouse and associated eighteen 1496 (18) hole golf course located in a municipality traversed by 1497 Interstate Highway 55 and U.S. Highway 51 that has voted to come 1498 out from under the dry law; 1499 Land that is planned for mixed use 15. 1500 development and consists of at least two hundred (200) contiguous acres with one or more planned residential developments 1501

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 61 (BS\KW) 1502 collectively planned to include at least two hundred (200) 1503 residential units when completed and which land is located: 1504 a. In a county that has voted to come 1505 out from under the dry law, 1506 Outside the corporate limits of any b. 1507 municipality in such county and adjacent to or in close proximity 1508 to a golf course located in a municipality in such county, and

1509 c. Within one (1) mile of a state 1510 institution of higher learning.

1511 The status of these municipalities, districts, clubhouses, 1512 facilities, golf courses and areas described in subparagraph (iii) 1513 of this paragraph (o) as qualified resort areas does not require 1514 any declaration of same by the department.

"Native wine" means any product, produced in 1515 (p) 1516 Mississippi for sale, having an alcohol content not to exceed 1517 twenty-one percent (21%) by weight and made in accordance with 1518 revenue laws of the United States, which shall be obtained primarily from the alcoholic fermentation of the juice of ripe 1519 1520 grapes, fruits, berries or vegetables grown and produced in 1521 Mississippi; provided that bulk, concentrated or fortified wines 1522 used for blending may be produced without this state and used in 1523 producing native wines. The department shall adopt and promulgate rules and regulations to permit a producer to import such bulk 1524 1525 and/or fortified wines into this state for use in blending with

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1526 native wines without payment of any excise tax that would 1527 otherwise accrue thereon.

1528 (q) "Native winery" means any place or establishment 1529 within the State of Mississippi where native wine is produced, in 1530 whole or in part, for sale.

"Bed and breakfast inn" means an establishment 1531 (r) 1532 within a municipality where in consideration of payment, breakfast 1533 and lodging are habitually furnished to travelers and wherein are 1534 located not less than eight (8) and not more than nineteen (19) 1535 adequately furnished and completely separate sleeping rooms with 1536 adequate facilities, that persons usually apply for and receive as overnight accommodations; however, such restriction on the minimum 1537 1538 number of sleeping rooms shall not apply to establishments on the National Register of Historic Places. No place shall qualify as a 1539 1540 bed and breakfast inn under this chapter unless on the date of the 1541 initial application for a license under this chapter more than 1542 fifty percent (50%) of the sleeping rooms are located in a structure formerly used as a residence. 1543

1544 (s) "Board" shall refer to the Board of Tax Appeals of 1545 the State of Mississippi.

(t) "Spa facility" means an establishment within a municipality or qualified resort area and owned by a hotel where, in consideration of payment, patrons receive from licensed professionals a variety of private personal care treatments such as massages, facials, waxes, exfoliation and hairstyling.

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 63 (BS\KW) (u) "Art studio or gallery" means an establishment within a municipality or qualified resort area that is in the sole business of allowing patrons to view and/or purchase paintings and other creative artwork.

"Cooking school" means an establishment within a 1555 (V) 1556 municipality or qualified resort area and owned by a nationally recognized company that offers an established culinary education 1557 1558 curriculum and program where, in consideration of payment, patrons 1559 are given scheduled professional group instruction on culinary 1560 techniques. For purposes of this paragraph, the definition of 1561 cooking school shall not include schools or classes offered by 1562 grocery stores, convenience stores or drugstores.

1563 "Campus" means property owned by a public school (w) district, community or junior college, college or university in 1564 1565 this state where educational courses are taught, school functions 1566 are held, tests and examinations are administered or academic 1567 course credits are awarded; however, the term shall not include any "restaurant" or "hotel" that is located on property owned by a 1568 1569 community or junior college, college or university in this state, 1570 and is operated by a third party who receives all revenue 1571 generated from food and alcoholic beverage sales.

1572 SECTION 38. Section 67-1-18, Mississippi Code of 1972, is 1573 amended as follows:

1574 67-1-18. (1) Any alcoholic beverage, light wine, beer<u>,</u> 1575 <u>light spirit product</u> or raw material seized under the authority of

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1576 this chapter, Chapter 3 of Title 67, or Chapter 31 of Title 97, 1577 Mississippi Code of 1972, shall be submitted to the custody of the 1578 Mississippi Department of Revenue for disposition.

1579 (2)(a) Except as otherwise provided in this paragraph, the 1580 department shall not dispose of any alcoholic beverage, light 1581 wine, beer, light spirit product or raw material without first providing reasonable notice to all individuals having an interest 1582 1583 in the property and an opportunity for them to appear and 1584 establish their right or claim to the property. If no hearing is 1585 requested by the passage of the appropriate deadline, the 1586 department shall require the alcoholic beverages, light wine, 1587 beer, light spirit products or raw materials to be sold for the 1588 benefit of the state or destroyed.

The provisions of paragraph (a) of this subsection 1589 (b) 1590 shall not apply in cases in which the owner or possessor of the 1591 alcoholic beverage, light wine, beer, light spirit product or raw 1592 material is convicted of possession of alcoholic beverages, beer, 1593 light spirit products or light wine in a location in which such 1594 possession is prohibited by law, or convicted of a violation of 1595 Section 67-1-81(2) or 67-3-70. In such cases, the alcoholic 1596 beverage, light wine, beer, light spirit product or raw materials 1597 seized in connection with the violation may be disposed of in the 1598 manner prescribed by the department.

1599 (3) (a) If the department orders the property, other than 1600 alcoholic beverages, sold, then the property shall be sold to the

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(b) All bids and payment shall be made in the manner as
prescribed by the department. Bids, after opening, shall be
subject to public inspection.

1611 (4) If the department orders the sale of seized alcoholic 1612 beverages, it may place the alcoholic beverages in the state 1613 inventory to be sold to authorized retailers in the same manner as 1614 other alcoholic beverages in the state inventory are sold.

1615 (5) Any appeal from a seizure and disposal made under this 1616 section shall be made pursuant to Section 67-1-72.

1617 SECTION 39. Section 67-1-51, Mississippi Code of 1972, is 1618 amended as follows:

1619 67-1-51. (1) Permits which may be issued by the department 1620 shall be as follows:

(a) Manufacturer's permit. A manufacturer's permit
shall permit the manufacture, importation in bulk, bottling and
storage of alcoholic liquor and its distribution and sale to
manufacturers holding permits under this chapter in this state and

1625 to persons outside the state who are authorized by law to purchase 1626 the same, and to sell exclusively to the department.

1627 Manufacturer's permits shall be of the following classes:

1628 Class 1. Distiller's and/or rectifier's permit, which shall 1629 authorize the holder thereof to operate a distillery for the 1630 production of distilled spirits by distillation or redistillation 1631 and/or to operate a rectifying plant for the purifying, refining, 1632 mixing, blending, flavoring or reducing in proof of distilled 1633 spirits and alcohol.

1634 Class 2. Wine manufacturer's permit, which shall authorize 1635 the holder thereof to manufacture, import in bulk, bottle and 1636 store wine or vinous liquor.

1637 Class 3. Native wine producer's permit, which shall 1638 authorize the holder thereof to produce, bottle, store and sell 1639 native wines.

1640 (b) Package retailer's permit. Except as otherwise provided in this paragraph and Section 67-1-52, a package 1641 retailer's permit shall authorize the holder thereof to operate a 1642 1643 store exclusively for the sale at retail in original sealed and 1644 unopened packages of alcoholic beverages, including native wines, 1645 not to be consumed on the premises where sold. Alcoholic 1646 beverages shall not be sold by any retailer in any package or container containing less than fifty (50) milliliters by liquid 1647 1648 measure. A package retailer's permit, with prior approval from the department, shall authorize the holder thereof to sample new 1649

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1650 products furnished by a manufacturer's representative or his 1651 employees at the permitted place of business so long as the 1652 sampling otherwise complies with this chapter and applicable 1653 department regulations. Such samples may not be provided to 1654 customers at the permitted place of business. In addition to the 1655 sale at retail of packages of alcoholic beverages, the holder of a 1656 package retailer's permit is authorized to sell at retail 1657 corkscrews, wine glasses, soft drinks, ice, juices, mixers and 1658 other beverages commonly used to mix with alcoholic beverages. 1659 Nonalcoholic beverages sold by the holder of a package retailer's 1660 permit shall not be consumed on the premises where sold.

1661 **On-premises retailer's permit.** Except as otherwise (C) 1662 provided in subsection (5) of this section, an on-premises 1663 retailer's permit shall authorize the sale of alcoholic beverages, 1664 including native wines, for consumption on the licensed premises 1665 only; however, a patron of the permit holder may remove one (1) 1666 bottle of wine from the licensed premises if: (i) the patron consumed a portion of the bottle of wine in the course of 1667 1668 consuming a meal purchased on the licensed premises; (ii) the 1669 permit holder securely reseals the bottle; (iii) the bottle is 1670 placed in a bag that is secured in a manner so that it will be 1671 visibly apparent if the bag is opened; and (iv) a dated receipt for the wine and the meal is available. Such a permit shall be 1672 issued only to qualified hotels, restaurants and clubs, and to 1673 1674 common carriers with adequate facilities for serving passengers.

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H. B. No. 917 20/HR26/R1604 PAGE 68 (BS\KW) 1675 In resort areas, whether inside or outside of a municipality, the 1676 department, in its discretion, may issue on-premises retailer's permits to such establishments as it deems proper. An on-premises 1677 retailer's permit when issued to a common carrier shall authorize 1678 1679 the sale and serving of alcoholic beverages aboard any licensed 1680 vehicle while moving through any county of the state; however, the 1681 sale of such alcoholic beverages shall not be permitted while such 1682 vehicle is stopped in a county that has not legalized such sales. 1683 If an on-premises retailer's permit is applied for by a common 1684 carrier operating solely in the water, such common carrier must, 1685 along with all other qualifications for a permit, (i) be certified 1686 to carry at least one hundred fifty (150) passengers and/or 1687 provide overnight accommodations for at least fifty (50) passengers and (ii) operate primarily in the waters within the 1688 State of Mississippi which lie adjacent to the State of 1689 1690 Mississippi south of the three (3) most southern counties in the 1691 State of Mississippi and/or on the Mississippi River or navigable 1692 waters within any county bordering on the Mississippi River.

(d) **Solicitor's permit**. A solicitor's permit shall authorize the holder thereof to act as salesman for a manufacturer or wholesaler holding a proper permit, to solicit on behalf of his employer orders for alcoholic beverages, and to otherwise promote his employer's products in a legitimate manner. Such a permit shall authorize the representation of and employment by one (1) principal only. However, the permittee may also, in the

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discretion of the department, be issued additional permits to represent other principals. No such permittee shall buy or sell alcoholic beverages for his own account, and no such beverage shall be brought into this state in pursuance of the exercise of such permit otherwise than through a permit issued to a wholesaler or manufacturer in the state.

1706 Native wine retailer's permit. Except as otherwise (e) 1707 provided in subsection (5) of this section, a native wine 1708 retailer's permit shall be issued only to a holder of a Class 3 1709 manufacturer's permit, and shall authorize the holder thereof to make retail sales of native wines to consumers for on-premises 1710 1711 consumption or to consumers in originally sealed and unopened 1712 containers at an establishment located on the premises of or in the immediate vicinity of a native winery. 1713

(f) Temporary retailer's permit. Except as otherwise provided in subsection (5) of this section, 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.

1719 Temporary retailer's permits shall be of the following 1720 classes:

1721 Class 1. A temporary one-day permit may be issued to bona 1722 fide nonprofit civic or charitable organizations authorizing the 1723 sale of alcoholic beverages, including native wine, for 1724 consumption on the premises described in the temporary permit

1725 only. Class 1 permits may be issued only to applicants 1726 demonstrating to the department, by a statement signed under penalty of perjury submitted ten (10) days prior to the proposed 1727 1728 date or such other time as the department may determine, that they 1729 meet the qualifications of Sections 67-1-11, 67-1-37, 67-1-51(2) 1730 and (3), 67-1-55, 67-1-57 (excluding paragraph (e)) and 67-1-59. 1731 Class 1 permittees shall obtain all alcoholic beverages from 1732 package retailers located in the county in which the temporary 1733 permit is issued. Alcoholic beverages remaining in stock upon 1734 expiration of the temporary permit may be returned by the 1735 permittee to the package retailer for a refund of the purchase 1736 price upon consent of the package retailer or may be kept by the 1737 permittee exclusively for personal use and consumption, subject to all laws pertaining to the illegal sale and possession of 1738 alcoholic beverages. The department, following review of the 1739 1740 statement provided by the applicant and the requirements of the 1741 applicable statutes and regulations, may issue the permit.

1742 Class 2. A temporary permit, not to exceed seventy (70) 1743 days, may be issued to prospective permittees seeking to transfer 1744 a permit authorized in paragraph (c) of this subsection. A Class 1745 2 permit may be issued only to applicants demonstrating to the 1746 department, by a statement signed under the penalty of perjury, that they meet the qualifications of Sections 67-1-5(1), (m), (n), 1747 1748 (o), (p) or (q), 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 67-1-59. The department, following a preliminary review of the 1749

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1750 statement provided by the applicant and the requirements of the 1751 applicable statutes and regulations, may issue the permit.

1752 Class 2 temporary permittees must purchase their alcoholic 1753 beverages directly from the department or, with approval of the 1754 department, purchase the remaining stock of the previous 1755 permittee. If the proposed applicant of a Class 1 or Class 2 1756 temporary permit falsifies information contained in the 1757 application or statement, the applicant shall never again be 1758 eligible for a retail alcohol beverage permit and shall be subject 1759 to prosecution for perjury.

1760 Class 3. A temporary one-day permit may be issued to a retail establishment authorizing the complimentary distribution of 1761 1762 wine, including native wine, to patrons of the retail establishment at an open house or promotional event, for 1763 1764 consumption only on the premises described in the temporary 1765 permit. A Class 3 permit may be issued only to an applicant 1766 demonstrating to the department, by a statement signed under 1767 penalty of perjury submitted ten (10) days before the proposed 1768 date or such other time as the department may determine, that it 1769 meets the qualifications of Sections 67-1-11, 67-1-37, 67-1-51(2) 1770 and (3), 67-1-55, 67-1-57 (excluding paragraph (e)) and 67-1-59. 1771 A Class 3 permit holder shall obtain all alcoholic beverages from the holder(s) of a package retailer's permit located in the county 1772 1773 in which the temporary permit is issued. Wine remaining in stock upon expiration of the temporary permit may be returned by the 1774

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1775 Class 3 temporary permit holder to the package retailer for a 1776 refund of the purchase price, with consent of the package retailer, or may be kept by the Class 3 temporary permit holder 1777 exclusively for personal use and consumption, subject to all laws 1778 1779 pertaining to the illegal sale and possession of alcoholic 1780 beverages. The department, following review of the statement 1781 provided by the applicant and the requirements of the applicable 1782 statutes and regulations, may issue the permit. No retailer may 1783 receive more than twelve (12) Class 3 temporary permits in a 1784 calendar year. A Class 3 temporary permit shall not be issued to 1785 a retail establishment that either holds a merchant permit issued 1786 under paragraph (1) of this subsection, or holds a permit issued 1787 under Chapter 3, Title 67, Mississippi Code of 1972, authorizing 1788 the holder to engage in the business of a retailer of light wine, 1789 light spirit product or beer.

1790 (q) Caterer's permit. A caterer's permit shall permit 1791 the purchase of alcoholic beverages by a person engaging in 1792 business as a caterer and the resale of alcoholic beverages by 1793 such person in conjunction with such catering business. No person 1794 shall qualify as a caterer unless forty percent (40%) or more of 1795 the revenue derived from such catering business shall be from the 1796 serving of prepared food and not from the sale of alcoholic 1797 beverages and unless such person has obtained a permit for such 1798 business from the Department of Health. A caterer's permit shall not authorize the sale of alcoholic beverages on the premises of 1799

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H. B. No. 917 20/HR26/R1604 PAGE 73 (BS\KW) 1800 the person engaging in business as a caterer; however, the holder 1801 of an on-premises retailer's permit may hold a caterer's permit. When the holder of an on-premises retailer's permit or an 1802 1803 affiliated entity of the holder also holds a caterer's permit, the 1804 caterer's permit shall not authorize the service of alcoholic 1805 beverages on a consistent, recurring basis at a separate, fixed 1806 location owned or operated by the caterer, on-premises retailer or 1807 affiliated entity and an on-premises retailer's permit shall be 1808 required for the separate location. All sales of alcoholic 1809 beverages by holders of a caterer's permit shall be made at the 1810 location being catered by the caterer, and, except as otherwise provided in subsection (5) of this section, such sales may be made 1811 1812 only for consumption at the catered location. The location being catered may be anywhere within a county or judicial district that 1813 1814 has voted to come out from under the dry laws or in which the 1815 sale, distribution and possession of alcoholic beverages is 1816 otherwise authorized by law. Such sales shall be made pursuant to 1817 any other conditions and restrictions which apply to sales made by 1818 on-premises retail permittees. The holder of a caterer's permit 1819 or his employees shall remain at the catered location as long as 1820 alcoholic beverages are being sold pursuant to the permit issued 1821 under this paragraph (g), and the permittee shall have at the location the identification card issued by the Alcoholic Beverage 1822 1823 Control Division of the department. No unsold alcoholic beverages 1824 may be left at the catered location by the permittee upon the

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1825 conclusion of his business at that location. Appropriate law 1826 enforcement officers and Alcoholic Beverage Control Division 1827 personnel may enter a catered location on private property in 1828 order to enforce laws governing the sale or serving of alcoholic 1829 beverages.

(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 department or from importers, wineries and distillers of alcoholic beverages for professional research.

1837 Alcohol processing permit. An alcohol processing (i) 1838 permit shall authorize the holder thereof to purchase, transport 1839 and possess alcoholic beverages for the exclusive use in cooking, 1840 processing or manufacturing products which contain alcoholic 1841 beverages as an integral ingredient. An alcohol processing permit shall not authorize the sale of alcoholic beverages on the 1842 1843 premises of the person engaging in the business of cooking, 1844 processing or manufacturing products which contain alcoholic 1845 beverages. The amounts of alcoholic beverages allowed under an 1846 alcohol processing permit shall be set by the department.

(j) Hospitality cart permit. A hospitality cart permit shall authorize the sale of alcoholic beverages from a mobile cart on a golf course that is the holder of an on-premises retailer's

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1850 permit. The alcoholic beverages sold from the cart must be 1851 consumed within the boundaries of the golf course.

(k) **Special service permit.** A special service permit shall authorize the holder to sell commercially sealed alcoholic beverages to the operator of a commercial or private aircraft for en route consumption only by passengers. A special service permit shall be issued only to a fixed-base operator who contracts with an airport facility to provide fueling and other associated services to commercial and private aircraft.

1859 (1) Merchant permit. Except as otherwise provided in 1860 subsection (5) of this section, a merchant permit shall be issued only to the owner of a spa facility, an art studio or gallery, or 1861 1862 a cooking school, and shall authorize the holder to serve complimentary by the glass wine only, including native wine, at 1863 the holder's spa facility, art studio or gallery, or cooking 1864 1865 school. A merchant permit holder shall obtain all wine from the 1866 holder of a package retailer's permit.

1867 Temporary alcoholic beverages charitable auction (m) 1868 permit. A temporary permit, not to exceed five (5) days, may be 1869 issued to a qualifying charitable nonprofit organization that is 1870 exempt from taxation under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986. The permit shall authorize the 1871 1872 holder to sell alcoholic beverages for the limited purpose of 1873 raising funds for the organization during a live or silent auction 1874 that is conducted by the organization and that meets the following

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1875 requirements: (i) the auction is conducted in an area of the 1876 state where the sale of alcoholic beverages is authorized; (ii) if the auction is conducted on the premises of an on-premises 1877 retailer's permit holder, then the alcoholic beverages to be 1878 1879 auctioned must be stored separately from the alcoholic beverages 1880 sold, stored or served on the premises, must be removed from the premises immediately following the auction, and may not be 1881 1882 consumed on the premises; (iii) the permit holder may not conduct 1883 more than two (2) auctions during a calendar year; (iv) the permit 1884 holder may not pay a commission or promotional fee to any person 1885 to arrange or conduct the auction.

Event venue retailer's permit. An event venue 1886 (n) 1887 retailer's permit shall authorize the holder thereof to purchase and resell alcoholic beverages, including native wines, for 1888 1889 consumption on the premises during legal hours during events held 1890 on the licensed premises if food is being served at the event by a 1891 caterer who is not affiliated with or related to the permittee. The caterer must serve at least three (3) entrees. The permit may 1892 1893 only be issued for venues that can accommodate two hundred (200) 1894 persons or more. The number of persons a venue may accommodate 1895 shall be determined by the local fire department and such 1896 determination shall be provided in writing and submitted along 1897 with all other documents required to be provided for an 1898 on-premises retailer's permit. The permittee must derive the 1899 majority of its revenue from event-related fees, including, but

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 77 (BS\KW) 1900 not limited to, admission fees or ticket sales for live 1901 entertainment in the building. "Event-related fees" do not 1902 include alcohol, beer, light spirit product or light wine sales or 1903 any fee which may be construed to cover the cost of alcohol, beer, 1904 light spirit product or light wine. This determination shall be 1905 made on a per event basis. An event may not last longer than two 1906 (2) consecutive days per week.

1907 Temporary theatre permit. A temporary theatre  $(\circ)$ 1908 permit, not to exceed five (5) days, may be issued to a charitable 1909 nonprofit organization that is exempt from taxation under Section 1910 501(c)(3) or (4) of the Internal Revenue Code and owns or operates 1911 a theatre facility that features plays and other theatrical 1912 performances and productions. Except as otherwise provided in subsection (5) of this section, the permit shall authorize the 1913 holder to sell alcoholic beverages, including native wines, to 1914 1915 patrons of the theatre during performances and productions at the 1916 theatre facility for consumption during such performances and productions on the premises of the facility described in the 1917 1918 permit. A temporary theatre permit holder shall obtain all 1919 alcoholic beverages from package retailers located in the county 1920 in which the permit is issued. Alcoholic beverages remaining in 1921 stock upon expiration of the temporary theatre permit may be returned by the permittee to the package retailer for a refund of 1922 1923 the purchase price upon consent of the package retailer or may be kept by the permittee exclusively for personal use and 1924

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1927 (p) Charter ship operator's permit. Subject to the provisions of this paragraph (p), a charter ship operator's permit 1928 1929 shall authorize the holder thereof and its employees to serve, 1930 monitor, store and otherwise control the serving and availability of alcoholic beverages to customers of the permit holder during 1931 1932 private charters under contract provided by the permit holder. A 1933 charter ship operator's permit shall authorize such action by the 1934 permit holder and its employees only as to alcoholic beverages 1935 brought onto the permit holder's ship by customers of the permit 1936 holder as part of such a private charter. All such alcoholic 1937 beverages must be removed from the charter ship at the conclusion 1938 of each private charter. A charter ship operator's permit shall 1939 not authorize the permit holder to sell, charge for or otherwise 1940 supply alcoholic beverages to customers, except as authorized in 1941 this paragraph (p). For the purposes of this paragraph (p), "charter ship operator" means a common carrier that (i) is 1942 1943 certified to carry at least one hundred fifty (150) passengers 1944 and/or provide overnight accommodations for at least fifty (50) 1945 passengers, (ii) operates only in the waters within the State of 1946 Mississippi, which lie adjacent to the State of Mississippi south of the three (3) most southern counties in the State of 1947 Mississippi, and (iii) provides charters under contract for tours 1948 1949 and trips in such waters.

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H. B. No. 917 20/HR26/R1604 PAGE 79 (BS\KW) 1950 Distillery retailer's permit. The holder of a (a) 1951 Class 1 manufacturer's permit may obtain a distillery retailer's A distillery retailer's permit shall authorize the holder 1952 permit. 1953 thereof to sell at retail alcoholic beverages by the sealed and 1954 unopened bottle from a retail location at the distillery for 1955 off-premises consumption. The holder may only sell product 1956 manufactured by the manufacturer at the distillery described in 1957 the permit. The holder shall not sell at retail more than ten 1958 percent (10%) of the alcoholic beverages produced annually at its distillery. The holder shall not make retail sales of more than 1959 1960 two and twenty-five one-hundredths (2.25) liters, in the 1961 aggregate, of the alcoholic beverages produced at its distillery 1962 to any one (1) individual for consumption off the premises of the 1963 distillery within a twenty-four-hour period. The hours of sale 1964 shall be the same as those hours for package retailers under this 1965 chapter. The holder of a distillery retailer's permit is not 1966 required to purchase the alcoholic beverages authorized to be sold by this paragraph from the department's liquor distribution 1967 1968 warehouse; however, if the holder does not purchase the alcoholic 1969 beverages from the department's liquor distribution warehouse, the 1970 holder shall pay to the department all taxes, fees and surcharges 1971 on the alcoholic beverages that are imposed upon the sale of alcoholic beverages shipped by the Alcoholic Beverage Control 1972 1973 Division of the Department of Revenue. In addition to alcoholic beverages, the holder of a distillery retailer's permit may sell 1974

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1975 at retail promotional products from the same retail location, 1976 including shirts, hats, glasses, and other promotional products 1977 customarily sold by alcoholic beverage manufacturers.

1978 (2) Except as otherwise provided in subsection (4) of this
1979 section, retail permittees may hold more than one (1) retail
1980 permit, at the discretion of the department.

(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 1988 1989 imposed in this subsection in favor of allowing issuance by the 1990 department of a permit, pursuant to subsection (1) of this 1991 section, to authorize activity relating to the manufacturing, sale or storage of alcoholic beverages which would otherwise be 1992 1993 prohibited under the minimum distance criterion. Such waiver 1994 shall be in written form from the owner, the governing body, or 1995 the appropriate officer of the church or funeral home having the 1996 authority to execute such a waiver, and the waiver shall be filed 1997 with and verified by the department before becoming effective. 1998 The distance restrictions imposed in this subsection shall

1999 not apply to the sale or storage of alcoholic beverages at a bed

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2000 and breakfast inn listed in the National Register of Historic 2001 Places or to the sale or storage of alcoholic beverages in a 2002 historic district that is listed in the National Register of 2003 Historic Places, is a qualified resort area and is located in a 2004 municipality having a population greater than one hundred thousand 2005 (100,000) according to the latest federal decennial census.

2006 No person, either individually or as a member of a firm, (4) 2007 partnership, limited liability company or association, or as a 2008 stockholder, officer or director in a corporation, shall own or 2009 control any interest in more than one (1) package retailer's 2010 permit, nor shall such person's spouse, if living in the same household of such person, any relative of such person, if living 2011 2012 in the same household of such person, or any other person living 2013 in the same household with such person own any interest in any 2014 other package retailer's permit.

2015 (5) (a) In addition to any other authority granted under 2016 this section, the holder of a permit issued under subsection 2017 (1)(c), (e), (f), (g), (l), (n) and/or (o) of this section may 2018 sell or otherwise provide alcoholic beverages and/or wine to a 2019 patron of the permit holder in the manner authorized in the permit 2020 and the patron may remove an open glass, cup or other container of 2021 the alcoholic beverage and/or wine from the licensed premises and 2022 may possess and consume the alcoholic beverage or wine outside of 2023 the licensed premises if: (i) the licensed premises is located within a leisure and recreation district created under Section 2024

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H. B. No. 917 20/HR26/R1604 PAGE 82 (BS\KW) 2025 67-1-101 and (ii) the patron remains within the boundaries of the 2026 leisure and recreation district while in possession of the 2027 alcoholic beverage or wine.

(b) Nothing in this subsection shall be construed to allow a person to bring any alcoholic beverages into a permitted premises except to the extent otherwise authorized by this chapter.

2032 SECTION 40. Section 67-1-72, Mississippi Code of 1972, is 2033 amended as follows:

Except as otherwise provided in this chapter, 2034 67 - 1 - 72. (1) 2035 any applicant or holder of a permit issued under this chapter 2036 which is aggrieved by an action of the Department of Revenue to 2037 deny his application for a permit, to deny the renewal of his permit or to revoke or suspend his permit shall be allowed to 2038 2039 appeal to the Board of Tax Appeals from this action. This appeal 2040 is to be filed by the aggrieved person with the Executive Director 2041 of the Board of Tax Appeals, with a copy being sent to the Department of Revenue, within fifteen (15) days from the date that 2042 2043 person received notice of the action of the department being 2044 aggrieved. If the person aggrieved fails to appeal within this 2045 fifteen-day period, the action of the Department of Revenue shall 2046 take effect as set out in the notice. The Department of Revenue 2047 retains the authority to change at any time the action aggrieved 2048 to in an appeal under this subsection. The applicant or holder of any permit issued under this chapter may waive his right to notice 2049

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2050 and opportunity to a hearing as provided by this subsection and 2051 agree to the action being taken by the department. The inability 2052 of the Department of Revenue to issue or renew a permit due to an 2053 incomplete application or due to the failure of the applicant to 2054 pay the annual privilege taxes and fees provided by Section 2055 27-71-5 and/or the failure of the applicant to post or deposit the 2056 bond, cash or securities as required by Section 27-71-21 shall not 2057 constitute a denial for purposes of this subsection.

2058 Any applicant for approval as a manager of an (2) 2059 establishment operating under a permit issued under this chapter 2060 or who holds the designation of an approved manager of an 2061 establishment operating under a permit issued under this chapter 2062 and who is aggrieved by an action of the Department of Revenue to 2063 deny his application for approval as a manager or to revoke or 2064 suspend his designation as an approved manager shall be allowed to 2065 appeal to the Board of Tax Appeals from this action. This appeal 2066 is to be filed by the aggrieved person with the Executive Director 2067 of the Board of Tax Appeals, with a copy being sent to the 2068 Department of Revenue, within fifteen (15) days from the date that 2069 person received notice of the action of the department being 2070 aggrieved. If the person aggrieved fails to appeal within this 2071 fifteen-day period, the action of the Department of Revenue shall 2072 take effect as set out in the notice. The Department of Revenue 2073 retains the authority to change at any time the action aggrieved 2074 to in an appeal under this subsection. The applicant or holder of

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H. B. No. 917 20/HR26/R1604 PAGE 84 (BS\KW) 2075 an approved manager designation may waive his right to notice and 2076 opportunity to a hearing as provided by this subsection and agree 2077 to the action being taken by the department. The inability of the 2078 Department of Revenue to consider an application for approval of 2079 an applicant as a manager due to an incomplete application shall 2080 not constitute a denial of the application for purposes of this 2081 subsection.

2082 (3) Any applicant for approval of an area or locality as a 2083 qualified resort area under this chapter who is aggrieved by the decision of the Department of Revenue to deny the qualified resort 2084 2085 area as requested and any county or municipality wherein the 2086 proposed qualified resort area is located may appeal to the Board of Tax Appeals from such decision. This appeal is to be filed by 2087 2088 the aggrieved applicant or by the affected county or municipality 2089 with the Executive Director of the Board of Tax Appeals, with a 2090 copy being sent to the Department of Revenue, within fifteen (15) 2091 days from the date that the person or entity filing the appeal 2092 received notice of the decision of the Department of Revenue to 2093 deny the qualified resort area. If an appeal is not filed within 2094 this fifteen-day period, the decision of the Department of Revenue 2095 shall become final. The Department of Revenue retains the 2096 authority to change at any time the decision aggrieved to in an 2097 appeal under this subsection. The inability of the Department of 2098 Revenue to consider an application for the approval of an area or locality as a qualified resort area due to an incomplete 2099

H. B. No. 917 20/HR26/R1604 PAGE 85 (BS\KW)  2100 application shall not constitute a denial of that application for 2101 purposes of this subsection.

2102 Any person, including any county or municipality in (4) 2103 which the qualified resort area is located, who is apprieved by 2104 the decision of the Department of Revenue to revoke the approval 2105 of an area or locality as a qualified resort area may appeal to 2106 the Board of Tax Appeals from such decision. This appeal is to be 2107 filed by the aggrieved person with the Executive Director of the 2108 Board of Tax Appeals, with a copy being sent to the Department of 2109 Revenue, within fifteen (15) days from the date that the person or 2110 entity filing the appeal received notice of the decision of the 2111 department to revoke approval of the qualified resort area. At 2112 the discretion of the Department of Revenue, in addition to any 2113 other notice to be provided under this subsection, the department may provide notice of its decision to revoke approval of the 2114 2115 qualified resort area by publication in the same manner as 2116 provided by regulation when approval of a gualified resort area is sought. In regard to such publication, the fifteen-day period 2117 2118 provided herein will begin on the date that notice is first 2119 published. If an appeal is not filed within this fifteen-day 2120 period, the decision of the Department of Revenue shall become 2121 The Department of Revenue retains the authority to change final. 2122 at any time the decision aggrieved to in an appeal under this 2123 subsection.

H. B. No. 917 20/HR26/R1604 PAGE 86 (BS\KW) 2124 (5) Any person objecting to an application for the issuance 2125 or transfer of a permit, other than a temporary retailer's permit, issued under this chapter and who timely requests in writing a 2126 hearing on his objection shall be given a hearing before the Board 2127 2128 of Tax Appeals unless the permit is denied by the Department of 2129 Revenue and an appeal is not taken by the applicant to the Board 2130 of Tax Appeals from that denial or the applicant withdraws his 2131 application. Any written request for a hearing on an objection 2132 must be filed with the Department of Revenue within fifteen (15) days from the first date of publication of the notice of such 2133 2134 application under Section 67-1-53. If the department determines that the permit should be denied, notice will be provided to the 2135 applicant as set out in subsection (1) of this section, and if the 2136 applicant timely requests a hearing on the denial as provided by 2137 2138 this subsection (5), the department will advise the Executive 2139 Director of the Board of Tax Appeals and the applicant of the written request for a hearing on an objection to the permit. 2140 The hearing on the objection to the permit and the hearing on the 2141 2142 appeal by the applicant from the denial of the department of the 2143 application shall be consolidated and heard by the Board of Tax 2144 Appeals at the same time. If the department determines that the 2145 permit should be issued, the department will advise the applicant 2146 and the Executive Director of the Board of Tax Appeals of the 2147 timely written request for a hearing on an objection to the 2148 application and a hearing will be set before the Board of Tax

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H. B. No. 917 20/HR26/R1604 PAGE 87 (BS\KW) 2149 Appeals on this objection. If prior to the hearing, either the 2150 person requesting the hearing withdraws his request or the applicant withdraws his application, the hearing will be cancelled 2151 2152 and the objection proceedings before the Board of Tax Appeals on 2153 the application will be dismissed as moot. In the case of such 2154 withdrawals, the Board of Tax Appeals is authorized to assess to either or both parties any costs incurred by it prior to such 2155 2156 withdrawal. The Department of Revenue retains authority to issue 2157 the permit to the applicant where the person objecting to the 2158 application withdraws his request for a hearing.

2159 (6) Any person objecting to an application for approval by 2160 the Department of Revenue of a area or locality as a qualified 2161 resort area under this chapter and who timely requests in writing 2162 a hearing on his objection shall be given a hearing before the 2163 Board of Tax Appeals unless approval of the application is denied 2164 by the Department of Revenue and an appeal is not taken by the 2165 applicant or the county or municipality in which the proposed 2166 qualified resort area is located to the Board of Tax Appeals from 2167 that denial or the applicant withdraws his application. Any 2168 written request for a hearing on an objection must be filed with 2169 the Department of Revenue within fifteen (15) days from the first 2170 date of publication of the notice of such application as provided 2171 by regulation. If the department determines that the application 2172 for approval of the proposed area or locality as a qualified resort area should be denied, the department will proceed with 2173

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2174 denial of such application as set out in subsection (3) of this 2175 section, and if the applicant or the county or municipality in which the proposed qualified resort area is located timely 2176 2177 requests a hearing on the denial as provided by subsection (3) of 2178 this section, the department will advise the Executive Director of 2179 the Board of Tax Appeals and the applicant of the written request 2180 for a hearing on an objection to the application. The hearing on 2181 the objection to approval of the proposed qualified resort area 2182 and the hearing on the appeal from the denial of the department of 2183 the application for such approval shall be consolidated and heard 2184 by the Board of Tax Appeals at the same time. If the department 2185 determines that the proposed qualified resort area should be 2186 approved, the department will advise the applicant and the 2187 Executive Director of the Board of Tax Appeals of the timely 2188 written request for a hearing on an objection to the application 2189 and a hearing will be set before the Board of Tax Appeals on this 2190 objection. If prior to the hearing, either the person requesting the hearing withdraws his request or the applicant withdraws his 2191 2192 application, the hearing will be cancelled and the objection 2193 proceedings before the Board of Tax Appeals on the application 2194 will be dismissed as moot. In the case of such withdrawals, the 2195 Board of Tax Appeals is authorized to assess to either or both parties any costs incurred by it prior to such withdrawal. 2196 The Department of Revenue retains authority to approve the proposed 2197

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2198 area or locality as a qualified resort area where the person 2199 objecting to the application withdraws his request for a hearing.

2200 Any person having an interest in any alcoholic (7) 2201 beverages, light wine, beer, light spirit products or raw 2202 materials which the Department of Revenue intends to dispose of 2203 under Section 67-1-18 shall be given reasonable notice of this 2204 proposed disposal, and upon such notice, this person may request a 2205 hearing before the Board of Tax Appeals to establish his right or 2206 claim to this property. This request for a hearing shall be filed 2207 with the Board of Tax Appeals, with a copy sent to the Department of Revenue, within fifteen (15) days from the date of receipt of 2208 2209 the notice provided above by the person filing the request. If a 2210 request is not received by the Board of Tax Appeals within this 2211 fifteen-day period, the department may order the property disposed 2212 of in accordance with Section 67-1-18.

2213 (8) Upon receipt of a written request for hearing or appeal 2214 as set out above, the executive director shall schedule a hearing before the Board of Tax Appeals on this request or appeal. A 2215 2216 notice of the hearing shall be mailed to all persons or entities 2217 having an interest in the matter being heard which shall always 2218 include the person or entity filing the request or appeal for 2219 which the hearing is being set, the applicant or holder of any permit, approved manager status or qualified resort area status in 2220 2221 issue, any person who filed a written request for a hearing on an 2222 objection to any application in issue and the Department of

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H. B. No. 917 20/HR26/R1604 PAGE 90 (BS\KW) 2223 This notice shall provide the date, time and location of Revenue. 2224 the hearing. Mailing to the attorney representing a person or entity in the matter being heard shall be the same as mailing to 2225 2226 the person or entity the attorney represents. Failure of the 2227 person or entity on whose request or appeal the matter was set for 2228 hearing to appear personally or through his designated 2229 representative at the hearing shall constitute an involuntary 2230 withdrawal of his request or appeal. Upon such withdrawal, the 2231 Board of Tax Appeals shall note on the record the failure of the 2232 person or entity to appear at the hearing and shall dismiss the 2233 request or appeal and remand the matter back to the Department of 2234 Revenue for appropriate action.

2235 At any hearing before the Board of Tax Appeals on an (9) 2236 appeal or hearing request as set out above, two (2) members of the 2237 Board of Tax Appeals shall constitute a quorum. At the hearing, 2238 the Board of Tax Appeals shall try the issues presented according 2239 to law and the facts and pursuant to any guidelines established by regulation. The rules of evidence shall be relaxed at the hearing 2240 2241 and the hearing shall be recorded by a court reporter. After 2242 reaching a decision on the issues presented, the Board of Tax 2243 Appeals shall enter an order setting forth its findings and 2244 decision in the matter. A copy of the order of the Board of Tax 2245 Appeals shall be mailed to the person or entity filing the request 2246 or appeal which was heard, the applicant or holder of any permit, approved manager status or qualified resort area status in issue, 2247

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any person who filed a written request for a hearing on an objection to any application in issue and the Department of Revenue to notify them of the findings and decision of the Board of Tax Appeals.

2252 SECTION 41. Section 67-7-3, Mississippi Code of 1972, is 2253 amended as follows:

2254 67-7-3. The legislative purpose of this chapter is to 2255 provide a structure for the business relations between a 2256 wholesaler and a supplier of light wine, light spirit product or 2257 beer. Regulation in this area is considered necessary for the 2258 following reasons:

(a) To maintain stability and healthy competition in the light wine, light spirit product and beer industry in this state.

(b) To promote and maintain a sound, stable and viable system of distribution of light wine, light spirit product and beer to the public.

(c) To provide for the private settlement of disputes
between wholesalers and suppliers of light wine, light spirit
<u>product</u> or beer as an alternative to civil litigation which
consumes the time and resources of the parties and the judicial
system.

(d) To promote the public health, safety and welfare.
 SECTION 42. Section 67-7-5, Mississippi Code of 1972, is
 amended as follows:

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2273 67-7-5. As used in this chapter, the following words or 2274 phrases, or the plural thereof, whenever they appear in this 2275 chapter, unless the context clearly requires otherwise, shall have 2276 the meaning ascribed to them in this section.

(a) "Agreement" means any agreement between a wholesaler and a supplier, whether oral or written, whereby a wholesaler is granted the right to purchase and sell a brand or brands of light wine, light spirit product or beer sold by a supplier.

"Ancillary business" means a business owned by the 2282 (b) 2283 wholesaler, by a substantial stockholder of a wholesaler, or by a 2284 substantial partner of a wholesaler, the primary business of which 2285 is directly related to the transporting, storing or marketing of 2286 the brand or brands of light wine, light spirit product or beer of 2287 a supplier with whom the wholesaler has an agreement; or a 2288 business owned by a wholesaler, a substantial stockholder of a 2289 wholesaler.

(c) "Commission" or "department" means the Departmentof Revenue of the State of Mississippi.

(d) "Commissioner" means the Commissioner of Revenue of the Department of Revenue.

(e) "Designated member" means the spouse, child,
grandchild, parent, brother or sister of a deceased individual who
owned an interest, including a controlling interest, in a
wholesaler, or any person who inherits under the deceased

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individual's will, or under the laws of intestate succession of 2298 2299 this state; or any person who or entity which has otherwise, through a valid testamentary device by the deceased individual, 2300 2301 succeeded the deceased individual in the wholesaler's business, or 2302 has succeeded to the deceased individual's ownership interest in 2303 the wholesaler pursuant to a written contract or instrument which 2304 has been previously approved by the supplier; "designated member" 2305 includes the appointed and qualified personal representative and 2306 the testamentary trustee of a deceased individual owning an 2307 ownership interest in a wholesaler, and it includes the person 2308 appointed by a court as the quardian or conservator of the 2309 property of an incapacitated individual owning an ownership 2310 interest in a wholesaler.

2311 (f) "Establish" means to adjust or regulate, to provide 2312 for and uphold.

(g) "Good faith" means honesty in fact and observance of reasonable commercial standards of fair dealing in the trade, as defined in and interpreted under the Uniform Commercial Code.

(h) "Reasonable qualifications" means the standard of the reasonable criteria established and consistently used by the respective supplier for similarly situated wholesalers that entered into, continued or renewed an agreement with the supplier during a period of twenty-four (24) months before the proposed transfer of the wholesaler's business, or for similarly situated wholesalers who have changed managers or designated managers,

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H. B. No. 917 20/hr26/r1604 PAGE 94 (bs\kw) 2323 under the agreement, during a period of twenty-four (24) months 2324 before the proposed change in the manager or successor manager of 2325 the wholesaler's business.

(i) "Retaliatory action" means the refusal to continue an agreement, or a material reduction in the quality of service or quantity of products available to a wholesaler under an agreement, which refusal or reduction is not made in good faith.

(j) "Sales territory" means a primary area of sales
responsibility for the brand or brands of light wine, light spirit
<u>product</u> or beer sold by a supplier as designated by an agreement.

(k) "Substantial stockholder or substantial partner"
means a stockholder of or partner in the wholesaler who owns an
interest of ten percent (10%) or more of the partnership or of the
capital stock of a corporate wholesaler.

(1) "Successor" means a person who replaces a supplier with regard to the right to manufacture, sell, distribute or import a brand or brands of light wine, light spirit product or beer.

(m) "Supplier" means a manufacturer or importer of light wine, light spirit product or beer as regulated by the department under Sections 67-3-1 through 67-3-73.

(n) "Transfer of wholesaler's business" means the
voluntary sale, assignment or other transfer of ten percent (10%)
or more of control of the business or all or substantially all of
the assets of the wholesaler, or ten percent (10%) or more of

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 95 (BS\KW) 2348 control of the capital stocks of the wholesaler, including without 2349 limitation the sale or other transfer of capital stock or assets 2350 by merger, consolidation or dissolution, or of the capital stock 2351 of the parent corporation, or of the capital stock or beneficial 2352 ownership of any other entity owning or controlling the 2353 wholesaler.

(o) "Wholesaler" means a wholesaler of light wine,
 <u>light spirit product</u> or beer as regulated by the department under
 Sections 67-3-1 through 67-3-73.

(p) "Similarly situated wholesalers" means wholesalers of a supplier that are of a generally comparable size and operate in markets in Mississippi and adjoining states with similar demographic characteristics, including population size, density, distribution and vital statistics, as well as reasonably similar economic and geographic conditions.

2363 (q) "Light wine, light spirit product and/or beer" has 2364 the meaning ascribed to such terms in Section 67-3- \* \* \*3.

2365 SECTION 43. Section 67-7-7, Mississippi Code of 1972, is 2366 amended as follows:

2367

67-7-7. (1) A supplier shall not do the following:

(a) Fail to provide each wholesaler of the supplier's
brand or brands with a written agreement which contains in total
the supplier's agreement with each wholesaler, and designates a
specific sales territory. Any agreement which is in existence on
April 7, 1995, shall be renewed consistent with this chapter,

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2373 provided that this chapter may be incorporated by reference in the 2374 agreement. Nothing contained herein shall prevent a supplier from appointing, one (1) time for a period not to exceed ninety (90) 2375 2376 days, a wholesaler to service temporarily a sales territory not 2377 designated to another wholesaler, until such time as a wholesaler 2378 is appointed by the supplier; and such wholesaler who is 2379 designated to service the sales territory during this period of 2380 temporary service shall not be in violation of the chapter, and, 2381 with respect to the temporary service territory, shall not have any of the rights provided under Sections 67-7-11 and 67-7-15. 2382

2383 (b) Fix, maintain or establish the price at which a wholesaler shall sell any light wine, light spirit product or 2384 2385 beer.

2386 Enter into an additional agreement with any other (C) 2387 wholesaler for, or to sell to any other wholesaler, the same brand 2388 or brands of light wine, light spirit product or beer in the same 2389 territory or any portion thereof, or to sell directly to any 2390 retailer in this state.

2391 Require any wholesaler to accept delivery of any (d) 2392 light wine, light spirit product or beer or other commodity which 2393 has not been ordered by the wholesaler, except that a supplier may 2394 impose reasonable inventory requirements upon a wholesaler if the 2395 requirements are made in good faith and are generally applied to 2396 other similarly situated wholesalers who have an agreement with 2397 the supplier.

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(e) Require any wholesaler to accept delivery of any
light wine, light spirit product or beer or other commodity
ordered by a wholesaler if the order was properly cancelled by the
wholesaler in accordance with the supplier's procedure.

(f) Require any wholesaler to do any illegal act or to
violate any law or regulation by threatening to amend, modify,
cancel, terminate or refuse to renew any agreement existing
between the supplier and wholesaler.

2406 Require a wholesaler to assent to any condition, (q) 2407 stipulation or provision limiting the wholesaler's right to sell the brand or brands of light wine, light spirit product or beer of 2408 2409 any other supplier unless the acquisition of the brand or brands 2410 of another supplier would materially impair or adversely affect the wholesaler's quality of service, sales or ability to compete 2411 2412 effectively in representing the brand or brands of the supplier 2413 presently being sold by the wholesaler, except that in any action 2414 challenging a supplier's position, the supplier shall have the 2415 burden of providing that such acquisition of such other brand or 2416 brands would have such effect.

(h) Require a wholesaler to purchase one or more brands of light wine, light spirit product or beer products in order for the wholesaler to purchase another brand or brands of light wine, <u>light spirit product</u> or beer for any reason, except that a wholesaler that has agreed to distribute a brand or brands before

April 7, 1995, shall continue to distribute the brand or brands in conformance with this chapter.

(i) Require a wholesaler to submit audited profit and loss statements, balance sheets or financial records as a condition of renewal or continuation of an agreement, except that a supplier may require reasonable proof of a wholesaler's financial condition prior to extending credit terms to a wholesaler.

(j) Withhold delivery of light wine, light spirit
2430 (j) Withhold delivery of light wine, light spirit
2431 product or beer ordered by wholesaler, or change a wholesaler's
2432 quota of a brand or brands if the withholding or change is not
2433 made in good faith.

(k) Require a wholesaler by any means directly to participate in or contribute to any local or national advertising fund controlled directly or indirectly by a supplier.

(1) Take any retaliatory action against a wholesaler that files a complaint in good faith regarding an alleged violation by the supplier of federal, state or local law or an administrative rule as a result of that complaint.

(m) Require or prohibit any change in the manager or successor manager of any wholesaler who has been approved by the supplier as of or after April 7, 1995, unless the supplier acts in good faith. Should a wholesaler change an approved manager or successor manager, a supplier shall not require or prohibit the change unless the person selected by the wholesaler fails to meet

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H. B. No. 917 20/HR26/R1604 PAGE 99 (BS\KW) the nondiscriminatory, material and reasonable standards and qualifications for managers consistently applied to similarly situated wholesalers by the supplier, except that, in any action challenging a supplier's decision, the supplier shall have the burden of proving that such person fails to meet such standards and qualifications.

(n) Upon written notice of intent to transfer the wholesaler's business, interfere with, prevent or unreasonably delay (not to exceed thirty (30) days) the transfer of the wholesaler's business if the proposed transferee is a designated member.

2458 Upon written notice of intent to transfer the  $(\circ)$ 2459 wholesaler's business other than to a designated member, withhold 2460 consent to or approval of, or unreasonably delay (not to exceed thirty (30) days after receipt of all material information 2461 2462 reasonably requested) a response to a request by the wholesaler 2463 for any transfer of a wholesaler's business if the proposed 2464 transferee meets the nondiscriminatory material and reasonable 2465 qualifications and standards required by the supplier for 2466 similarly situated wholesalers.

2467 (p) Restrict or inhibit the right of free association2468 among wholesalers for any lawful purpose.

(q) Threaten to cancel or withhold credit, or to reduce the time period normally given the wholesaler to make payment on a delivery from the supplier as a means of compelling the wholesaler

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 100 (BS\KW) 2472 to meet certain standards of performance in any area of business 2473 not directly related to credit.

SECTION 44. Section 67-7-9, Mississippi Code of 1972, is 2474 2475 amended as follows:

2476

67-7-9. A wholesaler shall not do any of the following: Fail to devote such efforts and resources to the 2477 (a) 2478 sale and distribution of all the supplier's brands of light wine, 2479 light spirit product or beer which the wholesaler has been granted 2480 the right to sell or distribute as are required in the 2481 wholesaler's agreement with the supplier.

2482 Sell or deliver light wine, light spirit product or (b) 2483 beer to a retail licensee located outside the sales territory 2484 designated to the wholesaler by the supplier of a particular brand 2485 or brands of light wine, light spirit product or beer, except that 2486 during periods of temporary service interruptions impacting a 2487 particular sales territory, a supplier may appoint another 2488 wholesaler to service the sales territory during the period of temporary service interruption. A wholesaler who is designated to 2489 2490 service the impacted sales territory during the period of 2491 temporary service interruption shall not be in violation of this chapter and shall not have any of the rights provided under 2492 2493 Sections 67-7-11 and 67-7-15 with respect to the temporary service 2494 territory.

2495 (C) Transfer the wholesaler's business without giving the supplier written notice of intent to transfer the wholesaler's 2496

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2497 business and, where required by this chapter, receiving the 2498 supplier's written approval for the proposed transfer, except that the consent or approval of the supplier shall not be required of 2499 2500 any transfer of the wholesaler's business to a designated member, 2501 or of any transfer of less than ten percent (10%) of the 2502 wholesaler's business unless such transfer results in a change in 2503 The wholesaler shall give the supplier written notice of control. 2504 any change in ownership of the wholesaler.

2505 SECTION 45. Section 67-7-11, Mississippi Code of 1972, is 2506 amended as follows:

2507 67-7-11. (1) Except as otherwise provided for in this
2508 chapter, a supplier shall not amend or modify an agreement; cause
2509 a wholesaler to resign from an agreement; or cancel, terminate,
2510 fail to renew or refuse to continue under an agreement, unless the
2511 supplier has complied with all of the following:

(a) Has satisfied the applicable notice requirements ofthis section.

2514

(b) Has acted in good faith.

(c) Has good cause for the amendment, modification, cancellation, termination, nonrenewal, discontinuance or forced resignation.

(2) In any action challenging such amendment, modification, termination, cancellation, nonrenewal or discontinuance, the supplier shall have the burden of proving that it has acted in good faith, that the notice requirements under this section have

H. B. No. 917 ~ OFFICIAL ~ 20/HR26/R1604 PAGE 102 (BS\KW) 2522 been complied with, and that there was good cause for the 2523 amendment, modification, termination, cancellation, nonrenewal or 2524 discontinuance.

2525 (3)Except as otherwise provided in this section, and in 2526 addition to the time limits set forth in subsection (4)(d) of this 2527 section, the supplier shall furnish written notice of the amendment, modification, termination, cancellation, nonrenewal or 2528 2529 discontinuance of an agreement to the wholesaler not less than 2530 thirty (30) days before the effective date of the amendment, 2531 modification, termination, cancellation, nonrenewal or 2532 discontinuance. The notice shall be by certified mail and shall 2533 contain all of the following:

(a) A statement of intention to amend, modify,terminate, cancel, nonrenew or discontinue the agreement.

(b) A statement of the reason for the amendment, modification, termination, cancellation, nonrenewal or discontinuance.

(c) The date on which the amendment, modification, termination, cancellation, nonrenewal or discontinuance takes effect.

(4) Good cause shall exist for the purposes of a
termination, cancellation, nonrenewal or discontinuance under
subsection (1)(c) of this section when all of the following occur:
(a) There is a failure by the wholesaler to comply with
a provision of the agreement which is both reasonable and of

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2547 material significance to the business relationship between the 2548 wholesaler and the supplier.

(b) The supplier first acquired knowledge of the failure described in subparagraph (a) not more than twenty-four (24) months before the date notification was given pursuant to subsection (3) of this section.

(c) The wholesaler was given notice by the supplier offailure to comply with this agreement.

(d) The wholesaler has been afforded thirty (30) days in which to submit a plan of corrective action to comply with the agreement and an additional ninety (90) days to cure such noncompliance in accordance with the plan.

(5) Notwithstanding subsections (1) and (3) of this section, a supplier may terminate, cancel, fail to renew or discontinue an agreement immediately upon written notice given in the manner and containing the information required by subsection (3)(a), (b) and (c) of this section if any of the following occur:

(a) Insolvency of the wholesaler, the filing of any
petition by or against the wholesaler under any bankruptcy or
receivership law or the assignment for the benefit of creditors or
dissolution or liquidation of the wholesaler which materially
affects the wholesaler's ability to remain in business.

2569 (b) Revocation or suspension of the wholesaler's state 2570 or federal license by the appropriate regulatory agency whereby

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 104 (BS\KW) 2571 the wholesaler cannot service the wholesaler's sales territory for 2572 more than thirty-one (31) days.

2573 (C) The wholesaler, or a partner or an individual who 2574 owns ten percent (10%) or more of the partnership or stock of a 2575 corporate wholesaler, has been convicted of a felony under the 2576 United States Code or the laws of any state which reasonably may 2577 adversely affect the good will or interest of the wholesaler or 2578 supplier. However, an existing stockholder or stockholders, or 2579 partner or partners, or a designated member or members, shall 2580 have, subject to the provisions of this chapter, the right to 2581 purchase the partnership interest or the stock of the offending 2582 partner or stockholder prior to the conviction of the offending 2583 partner or stockholder, and if the sale is completed prior to 2584 conviction the provisions of this subparagraph shall not apply.

(d) There was fraudulent conduct relating to a material matter on the part of the wholesaler in dealings with the supplier or its product, except that the supplier shall have the burden of proving fraudulent conduct relating to a material matter on the part of the wholesaler in any legal action challenging such termination.

(e) The wholesaler failed to confine to the designated sales territory its sales of a brand or brands to retailers except that this subsection does not apply if there is a dispute between two (2) or more wholesalers as to the boundaries of the assigned territory, and the boundaries cannot be determined by a reading of

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 105 (BS\KW) 2596 the description contained in the agreements between the supplier 2597 and the wholesalers.

(f) A wholesaler has failed to pay for light wine, light spirit product or beer ordered and delivered in accordance with established terms and the wholesaler fails to make full payment within five (5) business days after receipt of written notice of the delinquency and demand for immediate payment from the supplier.

(g) A wholesaler intentionally has made a transfer of wholesaler's business, other than a transfer to a designated member without prior written notice to the supplier.

(h) A wholesaler intentionally has made a transfer of wholesaler's business, other than a transfer to a designated member, although the wholesaler has prior to said transfer received from supplier a timely notice of disapproval of said transfer in accordance with this chapter.

2612 The wholesaler intentionally ceases to carry on (i) business with respect to any of supplier's brand or brands 2613 2614 previously serviced by wholesaler in its territory designated by 2615 the supplier, unless such cessation is due to force majeure or to 2616 labor dispute and the wholesaler has made good faith efforts to 2617 overcome such events. Provided, however, this shall affect only 2618 that brand or brands with respect to which the wholesaler ceased 2619 to carry on business.

H. B. No. 917 20/HR26/R1604 PAGE 106 (BS\KW) 2620 (6) Notwithstanding subsections (1), (3) and (5) of this 2621 section, a supplier may terminate, cancel, not renew or discontinue an agreement upon not less than thirty (30) days prior 2622 2623 written notice if the supplier discontinues production or 2624 discontinues distribution in this state of all the brands sold by 2625 the supplier to the wholesaler, except that nothing in this 2626 section shall prohibit a supplier from: (a) upon not less than thirty (30) days notice, discontinuing the distribution of any 2627 2628 particular brand or package of light wine, light spirit product or beer; or (b) conducting test marketing of a new brand of light 2629 2630 wine, light spirit product or beer which is not currently being 2631 sold in this state, except that the supplier has notified 2632 the \* \* \* department in writing of its plans to test market, which 2633 notice shall describe the market area in which the test shall be 2634 conducted; the name or names of the wholesaler or wholesalers who 2635 will be selling the light wine, light spirit product or beer; the 2636 name or names of the brand of light wine, light spirit product or beer being tested; and the period of time, not to exceed eighteen 2637 2638 (18) months, during which the testing will take place.

2639 SECTION 46. Section 67-9-1, Mississippi Code of 1972, is 2640 amended as follows:

2641 67-9-1. Notwithstanding the provisions of any section of 2642 Title 27 or 67, Mississippi Code of 1972, it shall be lawful for 2643 any person holding an alcohol processing permit to transport and 2644 possess alcoholic beverages, light wine, light spirit product and

H. B. No. 917 **\* OFFICIAL \*** 20/HR26/R1604 PAGE 107 (BS\KW) 2645 beer, in any part of the state, for his or her use in cooking, 2646 processing or manufacturing products which contain alcoholic 2647 beverages as an integral ingredient, in amounts as limited by the Alcoholic Beverage Control Division of the \* \* \* Department of 2648 2649 Revenue. The authority to transport and possess alcoholic 2650 beverages, light wine, light spirit product and beer under this 2651 section exists regardless of whether (a) the county or 2652 municipality in which the transportation or possession takes place 2653 has voted for or against coming out from under the dry law, or (b) 2654 the transportation, storage, sale, distribution, receipt or manufacture of light wine, light spirit product and beer otherwise 2655 2656 is prohibited.

The provisions of this section shall not be construed as amending, repealing or otherwise affecting any statute or any lawfully adopted ordinance, rule or regulation that prohibits or restricts the location at which, or the premises upon which, alcoholic beverages, light wine, light spirit product or beer may be sold or consumed.

2663 **SECTION 47.** Section 27-65-241, Mississippi Code of 1972, is 2664 amended as follows:

2665 27-65-241. (1) As used in this section, the following terms 2666 shall have the meanings ascribed to them in this section unless 2667 otherwise clearly indicated by the context in which they are used: 2668 (a) "Hotel" or "motel" means and includes a place of 2669 lodging that at any one time will accommodate transient guests on

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2670 a daily or weekly basis and that is known to the trade as such.
2671 Such terms shall not include a place of lodging with ten (10) or
2672 less rental units.

(b) "Municipality" means any municipality in the State of Mississippi with a population of one hundred fifty thousand (150,000) or more according to the most recent federal decennial census.

2677 "Restaurant" means and includes all places where (C) 2678 prepared food is sold and whose annual gross proceeds of sales or gross income for the preceding calendar year equals or exceeds One 2679 Hundred Thousand Dollars (\$100,000.00). The term "restaurant" 2680 2681 shall not include any nonprofit organization that is exempt from 2682 federal income taxation under Section 501(c)(3) of the Internal 2683 Revenue Code. For the purpose of calculating gross proceeds of 2684 sales or gross income, the sales or income of all establishments 2685 owned, operated or controlled by the same person, persons or 2686 corporation shall be aggregated.

Subject to the provisions of this section, the 2687 (2)(a) 2688 governing authorities of a municipality may impose upon all 2689 persons as a privilege for engaging or continuing in business or 2690 doing business within such municipality, a special sales tax at 2691 the rate of not more than one percent (1%) of the gross proceeds 2692 of sales or gross income of the business, as the case may be, derived from any of the activities taxed at the rate of seven 2693

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2696 The tax levied under this section shall apply to (b) 2697 every person making sales of tangible personal property or 2698 services within the municipality but shall not apply to: 2699 (i) Sales exempted by Sections 27-65-19, 2700 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and 2701 27-65-111 of the Mississippi Sales Tax Law; 2702 (ii) Gross proceeds of sales or gross income of 2703 restaurants derived from the sale of food and beverages; 2704 (iii) Gross proceeds of sales or gross income of 2705 hotels and motels derived from the sale of hotel rooms and motel 2706 rooms for lodging purposes; 2707 (iv) Retail sales of food for human consumption 2708 not purchased with food stamps issued by the United States 2709 Department of Agriculture, or other federal agency, but which 2710 would be exempt under Section 27-65-111(o) from the taxes imposed by this chapter if the food items were purchased with food stamps; 2711 2712 Gross income of businesses engaging or (V) 2713 continuing in the business of TV cable systems, subscription TV 2714 services, and other similar activities, including, but not limited 2715 to, cable Internet services; 2716 Wholesale sales of food and drink for human (vi) 2717 consumption sold to full service vending machine operators; and

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2719 <u>product</u>, beer and alcoholic beverages.

2720 (3)Before any tax authorized under this section may be (a) 2721 imposed, the governing authorities of the municipality shall adopt 2722 a resolution declaring its intention to levy the tax, setting 2723 forth the amount of the tax to be imposed, the purposes for which 2724 the revenue collected pursuant to the tax levy may be used and 2725 expended, the date upon which the tax shall become effective, the 2726 date upon which the tax shall be repealed, and calling for an 2727 election to be held on the question. The date of the election shall be set in the resolution. Notice of the election shall be 2728 2729 published once each week for at least three (3) consecutive weeks 2730 in a newspaper published or having a general circulation in the 2731 municipality, with the first publication of the notice to be made 2732 not less than twenty-one (21) days before the date fixed in the 2733 resolution for the election and the last publication to be made 2734 not more than seven (7) days before the election. At the 2735 election, all qualified electors of the municipality may vote. 2736 The ballots used at the election shall have printed thereon a 2737 brief description of the sales tax, the amount of the sales tax 2738 levy, a description of the purposes for which the tax revenue may be used and expended and the words "FOR THE LOCAL SALES TAX" and 2739 2740 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing 2741 a cross (X) or check mark  $(\sqrt{)}$  opposite his choice on the proposition. When the results of the election have been canvassed 2742

2743 by the election commissioners of the municipality and certified by 2744 them to the governing authorities, it shall be the duty of such governing authorities to determine and adjudicate whether at least 2745 three-fifths (3/5) of the qualified electors who voted in the 2746 2747 election voted in favor of the tax. If at least three-fifths 2748 (3/5) of the qualified electors who voted in the election voted in 2749 favor of the tax, the governing authorities shall adopt a 2750 resolution declaring the levy and collection of the tax provided 2751 in this section and shall set the first day of the second month 2752 following the date of such adoption as the effective date of the 2753 tax levy. A certified copy of this resolution, together with the 2754 result of the election, shall be furnished to the Department of 2755 Revenue not less than thirty (30) days before the effective date 2756 of the levy.

(b) A municipality shall not hold more than two (2)elections under this subsection.

(4) The revenue collected pursuant to the tax levy imposed under this section may be expended to pay the cost of road and street repair, reconstruction and resurfacing projects based on traffic patterns, need and usage, and to pay the costs of water, sewer and drainage projects in accordance with a master plan adopted by the \* \* \* <u>department</u> established pursuant to subsection (7).

(5) (a) The special sales tax authorized by this sectionshall be collected by the Department of Revenue, shall be

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2768 accounted for separately from the amount of sales tax collected 2769 for the state in the municipality and shall be paid to the 2770 municipality. The Department of Revenue may retain one percent 2771 (1%) of the proceeds of such tax for the purpose of defraying the 2772 costs incurred by the department in the collection of the tax. 2773 Payments to the municipality shall be made by the Department of 2774 Revenue on or before the fifteenth day of the month following the 2775 month in which the tax was collected.

2776 The proceeds of the special sales tax shall be (b) 2777 placed into a special municipal fund apart from the municipal 2778 general fund and any other funds of the municipality, and shall be 2779 expended by the municipality solely for the purposes authorized in 2780 subsection (4) of this section. The records reflecting the 2781 receipts and expenditures of the revenue from the special sales 2782 tax shall be audited annually by an independent certified public 2783 accountant. The accountant shall make a report of his findings to 2784 the governing authorities of the municipality and file a copy of 2785 his report with the Secretary of the Senate and the Clerk of the 2786 House of Representatives. The audit shall be made and completed 2787 as soon as practical after the close of the fiscal year of the 2788 municipality, and expenses of the audit shall be paid from the 2789 funds derived by the municipality pursuant to this section.

(c) All provisions of the Mississippi Sales Tax Law
applicable to filing of returns, discounts to the taxpayer,
remittances to the Department of Revenue, enforced collection,

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2793 rights of taxpayers, recovery of improper taxes, refunds of 2794 overpaid taxes or other provisions of law providing for imposition 2795 and collection of the state sales tax shall apply to the special 2796 sales tax authorized by this section, except where there is a 2797 conflict, in which case the provisions of this section shall 2798 control. Any damages, penalties or interest collected for the 2799 nonpayment of taxes imposed under this section, or for 2800 noncompliance with the provisions of this section, shall be paid 2801 to the municipality on the same basis and in the same manner as 2802 the tax proceeds. Any overpayment of tax for any reason that has 2803 been disbursed to a municipality or any payment of the tax to a 2804 municipality in error may be adjusted by the Department of Revenue 2805 on any subsequent payment to the municipality pursuant to the 2806 provisions of the Mississippi Sales Tax Law. The Department of 2807 Revenue may, from time to time, make such rules and regulations 2808 not inconsistent with this section as may be deemed necessary to 2809 carry out the provisions of this section, and such rules and 2810 regulations shall have the full force and effect of law.

(6) If a municipality expands its corporate boundaries, the governing authorities of the municipality may not impose the special sales tax in the annexed area unless the tax is approved at an election conducted, as far as is practicable, in the manner provided in subsection (3) of this section, except that only qualified electors in the annexed area may vote in the election.

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(7) (a) Any municipality that levies the special sales tax authorized under this section shall establish a commission as provided for in this section. Expenditures of revenue from the special sales tax authorized by this section shall be in accordance with a master plan adopted by the commission pursuant to this subsection.

2823 (b) The commission shall be composed of ten (10) voting 2824 members who shall be known as commissioners appointed as follows:

(i) Four (4) members representing the business community in the municipality appointed by the local chamber of commerce for initial terms of one (1), two (2), four (4) and five (5) years respectively. The members appointed pursuant to this paragraph shall be persons who represent businesses located within the city limits of the municipality.

(ii) Three (3) members shall be appointed at large by the mayor of the municipality, with the advice and consent of the legislative body of the municipality, for initial terms of two (2), three (3) and four (4) years respectively. All appointments made by the mayor pursuant to this paragraph shall be residents of the municipality.

(iii) One (1) member shall be appointed at large by the Governor for an initial term of four (4) years. All appointments made by the Governor pursuant to this paragraph shall be residents of the municipality.

(iv) One (1) member shall be appointed at large by
the Lieutenant Governor for an initial term of four (4) years.
All appointments made by the Lieutenant Governor pursuant to this
paragraph shall be residents of the municipality.

(v) One (1) member shall be appointed at large by the Speaker of the House of Representatives for a term of four (4) years. All appointments made by the Speaker of the House of Representatives pursuant to this paragraph shall be residents of the municipality.

(c) The terms of all appointments made subsequent to the initial appointment shall be made for five (5) years. Any vacancy which may occur shall be filled in the same manner as the original appointment and shall be made for the unexpired term. Each member of the commission shall serve until his successor is appointed and qualified.

(d) The mayor of the municipality shall designate a chairman of the commission from among the membership of the commission. The vice chairman and secretary shall be elected by the commission from among the membership of the commission for a term of two (2) years. The vice chairman and secretary may be reelected, and the chairman may be reappointed.

(e) The commissioners shall serve without compensation.
(f) Any commissioner shall be disqualified and shall be
removed from office for either of the following reasons:

2865 (i) Conviction of a felony in any state court or 2866 in federal court; or

2867 (ii) Failure to attend three (3) consecutive
2868 meetings without just cause.

If a commissioner is removed for any of the above reasons, the vacancy shall be filled in the manner prescribed in this section and shall be made for the unexpired term.

(g) A quorum shall consist of six (6) voting members of the commission. The commission shall adopt such rules and regulations as may govern the time and place for holding meetings, regular and special.

2876 The commission shall, with input from the (h) 2877 municipality, establish a master plan for road and street repair, 2878 reconstruction and resurfacing projects based on traffic patterns, 2879 need and usage, and for water, sewer and drainage projects. 2880 Expenditures of the revenue from the tax authorized to be imposed 2881 pursuant to this section shall be made at the discretion of the 2882 governing authorities of the municipality if the expenditures 2883 comply with the master plan. The commission shall monitor the compliance of the municipality with the master plan. 2884

(8) The governing authorities of any municipality that levies the special sales tax authorized under this section are authorized to incur debt, including bonds, notes or other evidences of indebtedness, for the purpose of paying the costs of road and street repair, reconstruction and resurfacing projects

2890 based on traffic patterns, need and usage, and to pay the costs of 2891 water, sewer and drainage projects in accordance with a master plan adopted by the commission established pursuant to subsection 2892 2893 (7) of this section. Any bonds or notes issued to pay such costs 2894 may be secured by the proceeds of the special sales tax levied 2895 pursuant to this section or may be general obligations of the 2896 municipality and shall satisfy the requirements for the issuance 2897 of debt provided by Sections 21-33-313 through 21-33-323.

2898 (9) This section shall stand repealed from and after July 1, 2899 2035.

2900 SECTION 48. Section 27-71-301, Mississippi Code of 1972, is 2901 amended as follows:

2902 27-71-301. When used in this article the words and terms2903 hereafter mentioned shall have the following definitions:

(a) "State Auditor" means the State Auditor of Public
Accounts of the State of Mississippi or any legally appointed
deputy, clerk or agent.

(b) "Person" includes all natural persons or corporations, a partnership, an association, a joint venture, an estate, a trust, or any other group or combination acting as a unit and shall include the plural as well as the singular unless an intention to give another meaning thereto is disclosed in the context.

2913 (c) "Consumer" means a person who comes into the 2914 possession of beer, light spirit product or light wine, the sale

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2915 of which is authorized by Chapter 3 of Title 67, Mississippi Code 2916 of 1972, for the purpose of consuming it, giving it away or 2917 otherwise disposing of it in any manner except by sale, barter or 2918 exchange.

2919 (d) "Retailer" means any person who comes into the 2920 possession of such light wines, light spirit products or beer for the purpose of selling it to the consumer, or giving it away, or 2921 2922 exposing it where it may be taken or purchased or acquired in any 2923 other manner by the consumer; however, the term "retailer" shall not include a person who offers and provides beer on the premises 2924 2925 of a brewery for the purpose of tasting or sampling as authorized in Section 67-3-47. 2926

(e) "Wholesaler" means any person who comes into possession of such light wine, light spirit product or beer for the purpose of selling, distributing, or giving it away to retailers or other wholesalers or dealers inside or outside of this state.

(f) "Commissioner" means the Commissioner of Revenue of the Department of Revenue or his duly appointed agents or employees.

(g) "Sale" includes the exchange of such light wines, light spirit products or beer for money, or giving away or distributing any such light wines, light spirit products or beer for anything of value; however, the term "sale" shall not include

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(i) "Distributor" includes every person who receives
either from within or from without this state, from a brewery, a
winery or any other source, light wines, light spirit products or
beer as defined in Chapter 3 of Title 67, Mississippi Code of
1972, for the purpose of distributing or otherwise disposing of
such light wines, light spirit products or beer to a wholesaler or
retailer of such light wines, light spirit products or beer.

2951 "Brewpub" means the premises of any location in (i) 2952 which light wine, light spirit product or beer is manufactured or 2953 brewed, for retail sale if the total amount of light wine, light 2954 spirit product or beer produced on the premises does not exceed 2955 the production limitation imposed in Section 67-3-22, and the 2956 light wine, light spirit product or beer is produced for 2957 consumption on the premises or off the premises as authorized in Section 67-3-22(3). 2958

(k) "Hospitality cart" means a mobile cart from which alcoholic beverages and light wine, light spirit product and beer are sold on a golf course and for which a hospitality cart permit has been issued under Section 67-1-51.

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 120 (BS\KW) 2963 (1) "Small craft brewery" shall have the meaning 2964 ascribed to such term in Section 67-3-3.

2965 (m) "Manufacturer" means a person who brews beer at a 2966 brewery; however, the term does not include "brewpubs."

2967 SECTION 49. Section 27-71-303, Mississippi Code of 1972, is 2968 amended as follows:

2969 27-71-303. Upon each person approved for a permit to engage 2970 in the business of selling light wines, <u>light spirit products</u> or 2971 beer there is hereby imposed, levied and assessed, to be collected 2972 and paid as herein provided, annual privilege taxes in the 2973 following amounts:

2974	(a)	Retailersfor each place of
2975		business\$ 30.00
2976	(b)	Wholesalers or distributorsfor each
2977		county\$ 100.00
2978	(C)	Manufacturersfor each place of
2979		business\$1,000.00
2980	(d)	Brewpubsfor each place of
2981		business\$1,000.00
2982	Upon each	person operating an airline, bus, boat or railroad
2983	car upon which	light wines, light spirit products or beer may be
2984	sold there is i	hereby imposed, levied and assessed, to be collected
2985	and paid, annu	al privilege taxes of Thirty Dollars (\$30.00) for
2986	each airplane,	bus, boat or railroad car so operated in this

2987 state.

H. B. No. 917 ~ OFFICIAL ~ 20/HR26/R1604 PAGE 121 (BS\KW) Provided, however, the amount of the privilege tax to be paid for a permit issued for a period of less than twelve (12) months shall be that proportionate amount of the annual privilege tax that the number of months, or part of a month, remaining until its expiration date bears to twelve (12) months, but in no case shall the privilege tax be less than Ten Dollars (\$10.00).

2994 SECTION 50. Section 27-71-307, Mississippi Code of 1972, is 2995 amended as follows:

2996 27 - 71 - 307. (1) In addition to the specific tax imposed (a) 2997 in Section 27-71-303, there is hereby imposed, levied, assessed and shall be collected, as hereinafter provided, an excise or 2998 2999 privilege tax upon each person engaged or continuing in the 3000 business of wholesaler or distributor of light wines, light spirit 3001 products or beer equivalent to Forty-two and Sixty-eight 3002 One-hundredths Cents (42.68¢) per gallon upon all light wines, 3003 light spirit products and beer acquired for sale or distribution 3004 in this state. The excise or privilege tax is also imposed at the same rate upon each gallon of light wine, light spirit product or 3005 3006 beer manufactured by brewpubs, each of which shall accurately and 3007 reliably measure the quantity of light wine, light spirit product 3008 and beer produced by using a measuring device such as a meter or 3009 gauge glass or any other suitable method approved by the The excise or privilege tax is also imposed at the 3010 commissioner. 3011 same rate upon each gallon of light wine, light spirit product or beer provided by a small craft brewery for sale as authorized 3012

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3013 under Section 67-3-48 and upon each gallon of light wine, light 3014 <u>spirit product</u> or beer provided for tasting or sampling under 3015 Section 67-3-47. The tax is hereby imposed as an additional tax 3016 for the privilege of engaging or continuing in business.

3017 (b) The excise tax imposed in this section shall be 3018 paid to the Department of Revenue monthly on or before the 3019 fifteenth day of the month following the month in which the beer, 3020 <u>light spirit product</u> or light wine was manufactured or received in 3021 this state. Monthly report forms shall be furnished by the 3022 commissioner to the wholesalers, distributors, brewpubs and small 3023 craft breweries.

3024 Provided that persons operating a railroad dining (C) 3025 car, club car or other car in interstate commerce upon which light 3026 wines, light spirit products or beer may be sold and who are 3027 licensed under the provisions of Section 67-3-27 and any other law 3028 relating to the sale of such beverages shall keep such records of 3029 the sales of such light wines, light spirit products and beer in 3030 this state as the commissioner shall prescribe and shall submit 3031 monthly reports of such sales to the commissioner within fifteen 3032 (15) days after the end of each month on a form prescribed 3033 therefor by the commissioner, and shall pay the tax due under the 3034 provisions of this section at the time such reports are filed.

3035 No official crowns, lids, labels or stamps with the word 3036 "MISSISSIPPI" or "MS" imprinted thereon or any other evidence of 3037 tax payment is required by this section, or may be required under

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3038 rule or regulation promulgated by the commissioner, to be affixed 3039 on or to any part of a beer, light wine, light spirit product or malt cooler bottle, can or other light wine, light spirit product 3040 or malt cooler container. For purposes of this section, malt 3041 cooler products shall be defined as a flavored malt beverage made 3042 3043 from a base of malt beverage and flavored with fruit juices, aromatics and essences of other flavoring in quantities and 3044 3045 proportions such that the resulting product possesses a character 3046 and flavor distinctive from the base malt beverage and 3047 distinguishable from other malt beverages.

3048 (2) A licensed wholesaler or distributor of beer, light 3049 spirit product or light wine may not import beer, light spirit 3050 product or light wine from any source other than a brewer or 3051 importer authorized by the commissioner to sell such beer, light 3052 spirit product or light wine in Mississippi. Any person who 3053 violates the provisions of this subsection, upon conviction 3054 thereof, shall be punished by a fine of not more than One Thousand 3055 Dollars (\$1,000.00) or by imprisonment in the county jail for not 3056 more than six (6) months, or by both such fine and imprisonment, 3057 in the discretion of the court and shall be subject to license 3058 forfeiture following an appropriate hearing before the Department 3059 of Revenue.

3060 (3) The wholesaler, distributor or small craft brewery shall 3061 be allowed credit for tax paid on beer, light spirit product or 3062 light wine which is no longer marketable and which is destroyed by

3063 same when such destruction is witnessed by an agent of the 3064 commissioner and when the amount of the excise tax exceeds One 3065 Hundred Dollars (\$100.00). No other loss will be allowed.

3066 A brewpub shall be allowed credit for light wine, light 3067 spirit product or beer which has passed through the meter, gauge 3068 glass or other approved measuring device and which has been soured 3069 or damaged. The brewpub shall record the removal of sour or 3070 damaged light wine, light spirit product or beer and may take 3071 credit after the destruction is witnessed by an agent of the commissioner and when the amount of excise tax exceeds Twenty-five 3072 Dollars (\$25.00). No other loss shall be allowed. 3073

3074 (4) All manufacturers, brewers and importers of beer, light
3075 <u>spirit product</u> or light wine shall file monthly reports as
3076 prescribed by the commissioner listing sales to each wholesaler or
3077 distributor by date, invoice number, quantity and container size,
3078 and any other information deemed necessary.

3079 (5) All small craft breweries shall file monthly reports as
3080 prescribed by the commissioner regarding the sale of light wine,
3081 <u>light spirit product</u> or beer authorized under Section 67-3-48.
3082 (6) Manufacturers who offer and provide limited amounts of
3083 beer for tasting or sampling under Section 67-3-47 shall file

3084 monthly reports as prescribed by the commissioner regarding the 3085 beer provided for such tasting or sampling.

3086 (7) All administrative provisions of the Mississippi Sales 3087 Tax Law, including those which fix damages, penalties and interest

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3088 for nonpayment of taxes and for noncompliance with the provisions 3089 of such chapter, and all other requirements and duties imposed upon taxpayers, shall apply to all persons liable for taxes under 3090 3091 the provisions of this chapter, and the commissioner shall 3092 exercise all the power and authority and perform all the duties 3093 with respect to taxpayers under this chapter as are provided in 3094 the sales tax law except where there is conflict, then the 3095 provisions of this chapter shall control.

3096 SECTION 51. Section 27-71-311, Mississippi Code of 1972, is 3097 amended as follows:

3098 27-71-311. Before any person shall engage in the business of manufacturing light wines, light spirit products or beer, in the 3099 3100 business of wholesaler or distributor of light wines, light spirit products or beer, or in the business of a brewpub, he shall be 3101 3102 required to enter into a good and sufficient bond. The bond shall 3103 be made payable to the State of Mississippi, in a sum of not less 3104 than Five Thousand Dollars (\$5,000.00) nor more than Two Hundred Thousand Dollars (\$200,000.00), the amount to be determined by 3105 3106 the \* \* \* Department of Revenue. The bond of a wholesaler, 3107 distributor or brewpub shall not exceed the amount of excise tax 3108 estimated to be owed by such wholesaler, distributor or brewpub 3109 for any sixty-day period. If a manufacturer is operating a small craft brewery and is distributing light wine, light spirit product 3110 or beer for sale as authorized under Section 67-3-48, the 3111 3112 manufacturer, in addition to any other required bond, shall enter

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3125 SECTION 52. Section 27-71-315, Mississippi Code of 1972, is 3126 amended as follows:

27-71-315. Except as otherwise provided in Section 67-9-1 3127 3128 for the transportation of limited amounts of alcoholic beverages 3129 for the use of an alcohol processing permittee, it shall be 3130 unlawful for any person to transport from any point outside of 3131 this state to any point within this state, any light wines, light 3132 spirit products or beer except for delivery to a licensed 3133 wholesaler or distributor in this state; and except by common 3134 The commissioner may, however, upon application of a carrier. licensed wholesaler or distributor in this state, and under rules 3135 and regulations duly promulgated by him, issue a permit for the 3136 transportation by a licensed wholesaler or distributor of light 3137

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3143 Any person engaged in transporting any light wines, light 3144 spirit products or beer from any point outside of this state to 3145 any point within this state, shall have in his possession during 3146 the entire time he is engaged in transporting such light wines, 3147 light spirit products or beer, an invoice, bill of sale, or bill 3148 of lading, showing the true name and address of the consignor, and also the true name and address of the licensed wholesaler or 3149 3150 distributor to whom such light wines, light spirit products or beer is to be delivered, and the quantity of such light wines, 3151 3152 light spirit products or beer, unless such common carrier 3153 maintains a permanent office within this state where complete 3154 records of all light wines, light spirit products or beer transported from without this state to points within this state 3155 3156 are kept, and open to inspection by the commissioner or his duly 3157 authorized agent, at all reasonable times.

3158 It is hereby made the duty of all common carriers, and 3159 licensed wholesalers and distributors, transporting light wines<u>,</u> 3160 <u>light spirit products</u> or beer from without the State of 3161 Mississippi into the State of Mississippi, to furnish the 3162 commissioner on or before the fifteenth day of each month, a

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 128 (BS\KW) 3163 report showing the amount of beer transported within the state 3164 during the preceding month, the consignor, the consignee, and the 3165 quantity of light wines, light spirit products or beer so 3166 transported.

3167 SECTION 53. Section 27-71-317, Mississippi Code of 1972, is 3168 amended as follows:

3169 27-71-317. It shall be unlawful for any person to transport 3170 from any point within this state to another point within this 3171 state, any light wines, light spirit products or beer, on which the tax imposed in Section 27-71-307 of this article has not been 3172 3173 paid, except for immediate delivery to a licensed wholesaler or 3174 distributor in this state. And any person engaged in transporting 3175 any light wines, light spirit products or beer, on which the tax imposed in Section 27-71-307 of this article has not been paid, 3176 3177 from any point within this state to another point within this 3178 state shall have in his possession during the entire time he is 3179 engaged in transporting such light wines, light spirit products or beer an invoice, bill of sale, or bill of lading showing the true 3180 3181 name and address of the consignor, and also the true name and 3182 address of the licensed wholesaler or distributor to whom such 3183 light wines, light spirit products or beer is to be delivered and the quantity of such light wines, light spirit products or beer. 3184 SECTION 54. Section 27-71-325, Mississippi Code of 1972, is 3185

3186 amended as follows:

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H. B. No. 917 20/HR26/R1604 PAGE 129 (BS\KW) 3187 27-71-325. It shall be the duty of every wholesaler or 3188 distributor of light wines, light spirit products or beer licensed under the provisions of Section 67-3-27, Mississippi Code of 1972, 3189 to file with the commissioner, on or before the fifteenth \* \* \* 3190 3191 day of each month, a report covering all sales of such light 3192 wines, light spirit products or beer during the preceding month. Such report shall show the names and post-office addresses of all 3193 persons to whom such light wines, light spirit products or beer 3194 3195 have been sold or delivered and the quantities and invoice prices 3196 of the light wines, light spirit products or beer thus sold or 3197 delivered.

3198 It shall be the duty of each retail dealer in such light 3199 wines, light spirit products or beer to procure from the 3200 distributor or wholesaler from whom such light wines, light spirit products or beer were purchased or acquired, invoices showing the 3201 3202 quantity of the light wines, light spirit products or beer 3203 purchased or acquired, and the date of each delivery thereof. 3204 Such invoices shall be preserved by the retailer and shall be open 3205 for inspection by the commissioner or his duly authorized agent 3206 for a period of two (2) years. It shall likewise be the duty of 3207 such retail dealer to file with the commissioner, on or before the 3208 fifteenth \* \* \* day of each calendar month, a report showing all purchases of such light wines, light spirit products or beer made 3209 3210 by him during the preceding month. Such report shall disclose the names and addresses of all persons from whom such light wines, 3211

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3212 <u>light spirit products</u> or beer have been purchased or received by 3213 him during the preceding month and the quantities thus purchased 3214 or received.

3215 SECTION 55. Section 27-71-327, Mississippi Code of 1972, is 3216 amended as follows:

3217 27-71-327. Any person engaged in the business of manufacturer, distributor, wholesaler or retailer of light wines, 3218 3219 light spirit products or beer and any brewpub shall keep such 3220 additional records and make such additional reports with respect 3221 to the manufacture, receipt, distribution and sale of such light 3222 wines, light spirit products or beer as the commissioner may 3223 require. It shall be the duty of the commissioner to prescribe 3224 and promulgate uniform rules and regulations for keeping such 3225 records and making such reports.

3226 SECTION 56. Section 27-71-333, Mississippi Code of 1972, is 3227 amended as follows:

3228 27-71-333. Whenever it shall be determined by the commissioner that any wholesaler or distributor having in his 3229 3230 possession, or engaging in the sale or distribution of light 3231 wines, light spirit products or beer, has failed to pay the tax, 3232 as provided herein, the commissioner shall compute the correct 3233 amount of tax due and unpaid and shall notify the taxpayer of the amount as being actually due and unpaid, and penalties, and 3234 3235 interest and shall state in what manner this article is violated. 3236 The taxpayer so notified shall be given a period of ten (10) days

3237 in which to make objection and show cause why the additional tax, 3238 and penalties, and interest, should not be paid. On petition of 3239 the taxpayer, a hearing before the commissioner shall be granted, 3240 a final decision thereon shall be rendered, and the taxpayer 3241 notified as early as practicable. Any tax or deficiency in tax 3242 shall be assessed and paid, together with penalties and interest, if any, applicable thereto, within ten (10) days after notice and 3243 3244 demand by the commissioner.

3245 If no objection be made to the finding of the commissioner, and no hearing be had before the commissioner within the time 3246 3247 herein specified, the findings of the commissioner shall be final. 3248 If a hearing be had, and the amount of tax due and unpaid be 3249 determined, notice of the amount of such tax, penalties and 3250 interest shall be mailed to the taxpayer, and, if not paid within 3251 ten (10) days thereafter, the commissioner shall forthwith issue a 3252 warrant under official seal directed to the sheriff of any county 3253 of the state commanding him to levy upon and sell the real and personal property of the person owing the tax, found within his 3254 3255 county, for the payment of the amount thereof, with added damages, 3256 interest and cost of executing the warrant, and to return such 3257 warrant to the commissioner and pay to him money collected by 3258 virtue thereof by a time to be therein specified not more than 3259 sixty (60) days from the date of the warrant. The sheriff shall, within five (5) days after the receipt of the warrant, file with 3260 3261 the circuit clerk of his county a copy thereof, and thereupon the

3262 circuit clerk shall enter in the judgment roll, in the column for 3263 judgment debtors, the name of the taxpayer mentioned in the warrant, and in appropriate columns, the amount of the tax, or 3264 portion thereof and damages for which the warrant is issued, and 3265 3266 the date when such copy is filed; and thereupon the amount of such 3267 warrant or warrants so docketed shall become a lien upon the title to and interest in the real and personal property, including 3268 3269 choses in action, of the person against whom it is issued in the 3270 same manner as a judgment duly enrolled in the office of such 3271 clerk. The sheriff thereupon shall proceed upon the same in all 3272 respects, with like effect, and in the same manner prescribed by 3273 law in respect to executions issued against property upon judgment 3274 or attachment proceedings of a court of record; and he shall be 3275 entitled to the same fee for his service in executing the warrant 3276 as now allowed by law for like service, to be collected in the 3277 same manner as provided by law for like service.

3278 SECTION 57. Section 27-71-335, Mississippi Code of 1972, is 3279 amended as follows:

27-71-335. Any light wines, light spirit products or beer found at any point within this state which has been in the possession of any wholesaler or distributor for a period of more than forty-eight (48) hours and any light wines, light spirit products or beer transported into this state from a point outside this state, or from point-to-point within this state in violation of the provisions of this article, or any light wines, light

3287 spirit products or beer held or possessed by any person within 3288 this state on which the legal and proper tax has not been paid when due, whether such person be a wholesaler, retailer or 3289 3290 distributor, or individual, and whether the light wines, light 3291 spirit products or beer be for sale or storage or individual use, 3292 except light wines, light spirit products or beer in possession of a licensed wholesaler or distributor for a period of time less 3293 3294 than forty-eight (48) hours after receipt of the light wines, 3295 light spirit products or beer within this state, and light wines, 3296 light spirit products or beer held in storage by licensed 3297 manufacturers or producers, are hereby declared to be contraband 3298 goods, and there is hereby imposed and assessed, as tax and 3299 penalty, to be collected by the commissioner, an amount equal to 3300 the amount of the excise tax otherwise imposed under the 3301 Mississippi Wine and Beer Tax Law, plus a penalty of one hundred 3302 percent (100%) of the amount of the tax; or, at the option of the 3303 commissioner, the light wines, light spirit products or beer may be seized by the commissioner or his agents or any sheriff, or 3304 3305 other lawful officer, and shall be dealt with in the same manner 3306 as provided for in Section 67-1-18 for alcoholic beverages.

3307 SECTION 58. Section 27-71-345, Mississippi Code of 1972, is 3308 amended as follows:

3309 27-71-345. Any municipality, in which any business licensed 3310 under the provisions of Section 67-3-27, Mississippi Code of 1972, 3311 may be carried on, shall have the right to impose upon persons

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3312 engaged in such business an annual privilege tax of not more than 3313 fifty percent (50%) of the tax imposed by Section 27-71-303 of this article, and any county, in which any business licensed under 3314 the provisions of Section 67-3-27, Mississippi Code of 1972, may 3315 3316 be carried on outside of the territory taxed by municipalities, 3317 shall have the right to impose upon persons engaged in such business an annual privilege tax of not more than fifty percent 3318 3319 (50%) of the tax imposed by Section 27-71-303 of this article; 3320 provided, however, that no person engaged in the business of 3321 manufacturer, brewpub, wholesaler or distributor of light wines, 3322 light spirit products or beer shall be taxed by any municipality 3323 other than that in which the warehouse or plant of such wholesaler 3324 or distributor, or the premises of such brewpub, is located, nor 3325 shall any county impose any such tax upon such manufacturer, 3326 brewpub, wholesaler or distributor of light wines, light spirit 3327 products or beer if the place of business is located within the 3328 jurisdiction of any municipality.

3329 SECTION 59. Section 27-71-349, Mississippi Code of 1972, is 3330 amended as follows:

3331 27-71-349. (1) Every manufacturer or importer of light 3332 wine, light spirit product or beer shall designate sales 3333 territories for each of its brands sold in Mississippi and shall 3334 name one (1) licensed light wine, light spirit product or beer 3335 wholesaler in each territory who, within such territory, shall be 3336 the licensed wholesaler for the brand or brands assigned by the

3337 manufacturer or importer. If the manufacturer or importer 3338 supplies more than one (1) brand, sales territories may be granted 3339 to a different wholesaler for the sale of each brand. No licensed 3340 wholesaler shall distribute the specified brand or brands of light 3341 wine, light spirit product or beer outside his assigned territory, 3342 nor shall he knowingly sell to a retailer whose licensed retail 3343 establishment is located outside his assigned territory.

3344 A licensed wholesaler designated as the licensed (2)3345 wholesaler for light wine, light spirit product or beer within a 3346 designated sales territory shall present that light wine, light 3347 spirit product or beer for sale to all licensed retailers within the designated sales territory without discrimination in service. 3348 3349 A licensed wholesaler shall not sell, supply or deliver, either 3350 directly or indirectly through a third party, any light wine, 3351 light spirit product or beer to a licensed retailer outside of the 3352 designated sales territory of the designated wholesaler, nor to 3353 any person the licensed wholesaler has reason to believe will sell or supply any quantity of the light wine, light spirit product or 3354 3355 beer to any retail location outside of the designated sales 3356 territory of the licensed wholesaler.

(3) All light wines, light spirit products or beer shall be transported only by a marked conveyance owned or leased by the licensed wholesaler and operated by the licensed wholesaler or an employee of the wholesaler for the products of a manufacturer or importer within the designated sales territory to the address and

3362 location of a licensed retail dealer within that designated sales 3363 territory.

(4) Any light wine, light spirit product or beer sold by the licensed wholesaler shall not be delivered to, received by or stored at any place other than the address and location of the licensed retailer for which the required licenses and permits have been issued.

(5) With the approval of the designated manufacturer, a licensed wholesaler may sell the designated brands to a licensed retailer located in a designated sales territory of another licensed wholesaler if the former licensed wholesaler is unable temporarily for any reason to provide the designated brands of the designated manufacturer within its designated sales territory.

(6) All light wine, light spirit product or beer purchased by a licensed wholesaler for resale in this state shall come into the physical possession of the licensed wholesaler and be unloaded in and distributed from the warehouse of the licensed wholesaler located in this state before being resold in this state.

3380 (7) As used in this section, the term "sales territory"3381 shall have the meaning ascribed to such term in Section 67-7-5.

3382 SECTION 60. Section 27-71-509, Mississippi Code of 1972, is 3383 amended as follows:

3384 27-71-509. It shall be unlawful for any brewer,
3385 manufacturer, distributor or retailer of light wines, light spirit
3386 products and beer, or either of them, to whom a permit has been

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 137 (BS\KW) 3387 issued under the provisions of Sections 67-3-15 and 67-3-23, 3388 Mississippi Code of 1972, to write or print on any label or 3389 container of either of the above-named commodities any matter relating to the alcoholic content of such beverage or beverages, 3390 3391 except a statement, to the effect that the contents of the vessel 3392 or container in which light wine shall be sold does not contain alcohol in excess of five percent (5%) of the contents thereof, by 3393 3394 weight, that the contents of the vessel or container in which 3395 light spirit product shall be sold does not contain alcohol in 3396 excess of four percent (4%) of the contents thereof, by weight, and that the contents of the vessel or container in which beer 3397 3398 shall be sold does not contain alcohol in excess of eight percent 3399 (8%) of the contents thereof, by weight. It shall be unlawful for 3400 any such brewer, wholesaler, distributor or retailer to sell any 3401 such commodity with any statement in conflict with the provisions 3402 of this section, with reference to the alcoholic content of such 3403 beverage or beverages, except that a statement of alcoholic 3404 content may be expressed on any light wine, light spirit product 3405 or beer label in terms of volume or weight, at the manufacturer's 3406 option; and such statement, if by volume, shall be subject to the 3407 same permitted tolerance allowed for wine containing fourteen 3408 percent (14%) alcohol by volume or less by Section 4.36(b)(1) of 3409 the Federal Labeling Requirements for Wine, 27 CFR Part 4, subpart D, and Section 7.71(c) 27 CFR Part 7, subpart G, and, if by 3410

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H. B. No. 917 20/HR26/R1604 PAGE 138 (BS\KW) 3411 weight, shall be subject to an equivalent permitted tolerance, 3412 determined in terms of alcohol by weight.

3413 **SECTION 61.** Section 45-9-101, Mississippi Code of 1972, is 3414 amended as follows:

3415 45-9-101. (1)(a) Except as otherwise provided, the 3416 Department of Public Safety is authorized to issue licenses to 3417 carry stun guns, concealed pistols or revolvers to persons 3418 qualified as provided in this section. Such licenses shall be 3419 valid throughout the state for a period of five (5) years from the date of issuance. Any person possessing a valid license issued 3420 3421 pursuant to this section may carry a stun gun, concealed pistol or concealed revolver. 3422

3423 The licensee must carry the license, together with (b) 3424 valid identification, at all times in which the licensee is 3425 carrying a stun gun, concealed pistol or revolver and must display 3426 both the license and proper identification upon demand by a law 3427 enforcement officer. A violation of the provisions of this paragraph (b) shall constitute a noncriminal violation with a 3428 3429 penalty of Twenty-five Dollars (\$25.00) and shall be enforceable 3430 by summons.

3431 (2) The Department of Public Safety shall issue a license if 3432 the applicant:

3433 (a) Is a resident of the state. However, this
3434 residency requirement may be waived if the applicant possesses a
3435 valid permit from another state, is active military personnel

3436 stationed in Mississippi, or is a retired law enforcement officer 3437 establishing residency in the state;

Is twenty-one (21) years of age or older; or 3438 (b) (i) 3439 (ii) Is at least eighteen (18) years of age but 3440 not yet twenty-one (21) years of age and the applicant: 3441 1. Is a member or veteran of the United 3442 States Armed Forces, including National Guard or Reserve; and 3443 2. Holds a valid Mississippi driver's license 3444 or identification card issued by the Department of Public Safety; 3445 (C) Does not suffer from a physical infirmity which 3446 prevents the safe handling of a stun gun, pistol or revolver; 3447 Is not ineligible to possess a firearm by virtue of (d)

3448 having been convicted of a felony in a court of this state, of any 3449 other state, or of the United States without having been pardoned 3450 for same;

3451 (e) Does not chronically or habitually abuse controlled 3452 substances to the extent that his normal faculties are impaired. It shall be presumed that an applicant chronically and habitually 3453 3454 uses controlled substances to the extent that his faculties are 3455 impaired if the applicant has been voluntarily or involuntarily 3456 committed to a treatment facility for the abuse of a controlled 3457 substance or been found quilty of a crime under the provisions of the Uniform Controlled Substances Law or similar laws of any other 3458 state or the United States relating to controlled substances 3459

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3462 Does not chronically and habitually use alcoholic (f) beverages to the extent that his normal faculties are impaired. 3463 3464 It shall be presumed that an applicant chronically and habitually 3465 uses alcoholic beverages to the extent that his normal faculties 3466 are impaired if the applicant has been voluntarily or 3467 involuntarily committed as an alcoholic to a treatment facility or 3468 has been convicted of two (2) or more offenses related to the use of alcohol under the laws of this state or similar laws of any 3469 3470 other state or the United States within the three-year period 3471 immediately preceding the date on which the application is 3472 submitted;

3473 (g) Desires a legal means to carry a stun gun,3474 concealed pistol or revolver to defend himself;

3475 (h) Has not been adjudicated mentally incompetent, or 3476 has waited five (5) years from the date of his restoration to 3477 capacity by court order;

(i) Has not been voluntarily or involuntarily committed to a mental institution or mental health treatment facility unless he possesses a certificate from a psychiatrist licensed in this state that he has not suffered from disability for a period of five (5) years;

3483 (j) Has not had adjudication of guilt withheld or3484 imposition of sentence suspended on any felony unless three (3)

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 141 (BS\KW) 3485 years have elapsed since probation or any other conditions set by 3486 the court have been fulfilled;

3487 (k) Is not a fugitive from justice; and

3488 (1) Is not disqualified to possess a weapon based on 3489 federal law.

3490 (3)The Department of Public Safety may deny a license if 3491 the applicant has been found quilty of one or more crimes of 3492 violence constituting a misdemeanor unless three (3) years have 3493 elapsed since probation or any other conditions set by the court 3494 have been fulfilled or expunction has occurred prior to the date 3495 on which the application is submitted, or may revoke a license if 3496 the licensee has been found quilty of one or more crimes of 3497 violence within the preceding three (3) years. The department 3498 shall, upon notification by a law enforcement agency or a court 3499 and subsequent written verification, suspend a license or the 3500 processing of an application for a license if the licensee or 3501 applicant is arrested or formally charged with a crime which would 3502 disqualify such person from having a license under this section, 3503 until final disposition of the case. The provisions of subsection 3504 (7) of this section shall apply to any suspension or revocation of 3505 a license pursuant to the provisions of this section.

3506 (4) The application shall be completed, under oath, on a 3507 form promulgated by the Department of Public Safety and shall 3508 include only:

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3509 (a) The name, address, place and date of birth, race,3510 sex and occupation of the applicant;

3511 (b) The driver's license number or social security 3512 number of applicant;

3513 (c) Any previous address of the applicant for the two3514 (2) years preceding the date of the application;

3515 (d) A statement that the applicant is in compliance 3516 with criteria contained within subsections (2) and (3) of this 3517 section;

3518 (e) A statement that the applicant has been furnished a 3519 copy of this section and is knowledgeable of its provisions;

3520 (f) A conspicuous warning that the application is 3521 executed under oath and that a knowingly false answer to any 3522 question, or the knowing submission of any false document by the 3523 applicant, subjects the applicant to criminal prosecution; and

(g) A statement that the applicant desires a legal means to carry a stun gun, concealed pistol or revolver to defend himself.

3527 (5) The applicant shall submit only the following to the 3528 Department of Public Safety:

3529 (a) A completed application as described in subsection3530 (4) of this section;

3531 (b) A full-face photograph of the applicant taken 3532 within the preceding thirty (30) days in which the head, including 3533 hair, in a size as determined by the Department of Public Safety,

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3534 except that an applicant who is younger than twenty-one (21) years 3535 of age must submit a photograph in profile of the applicant;

3536 (c) A nonrefundable license fee of Eighty Dollars 3537 (\$80.00). Costs for processing the set of fingerprints as 3538 required in paragraph (d) of this subsection shall be borne by the 3539 applicant. Honorably retired law enforcement officers, disabled 3540 veterans and active duty members of the Armed Forces of the United 3541 States shall be exempt from the payment of the license fee;

3542 (d) A full set of fingerprints of the applicant3543 administered by the Department of Public Safety; and

(e) A waiver authorizing the Department of Public 3545 Safety access to any records concerning commitments of the 3546 applicant to any of the treatment facilities or institutions 3547 referred to in subsection (2) and permitting access to all the 3548 applicant's criminal records.

3549 (6) (a) The Department of Public Safety, upon receipt of 3550 the items listed in subsection (5) of this section, shall forward 3551 the full set of fingerprints of the applicant to the appropriate 3552 agencies for state and federal processing.

3553 (b) The Department of Public Safety shall forward a 3554 copy of the applicant's application to the sheriff of the 3555 applicant's county of residence and, if applicable, the police 3556 chief of the applicant's municipality of residence. The sheriff 3557 of the applicant's county of residence and, if applicable, the 3558 police chief of the applicant's municipality of residence may, at

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3559 his discretion, participate in the process by submitting a 3560 voluntary report to the Department of Public Safety containing any readily discoverable prior information that he feels may be 3561 3562 pertinent to the licensing of any applicant. The reporting shall 3563 be made within thirty (30) days after the date he receives the 3564 copy of the application. Upon receipt of a response from a sheriff or police chief, such sheriff or police chief shall be 3565 3566 reimbursed at a rate set by the department.

3567 (c) The Department of Public Safety shall, within 3568 forty-five (45) days after the date of receipt of the items listed 3569 in subsection (5) of this section:

3570

(i) Issue the license;

(ii) Deny the application based solely on the ground that the applicant fails to qualify under the criteria listed in subsections (2) and (3) of this section. If the Department of Public Safety denies the application, it shall notify the applicant in writing, stating the ground for denial, and the denial shall be subject to the appeal process set forth in subsection (7); or

(iii) Notify the applicant that the department is unable to make a determination regarding the issuance or denial of a license within the forty-five-day period prescribed by this subsection, and provide an estimate of the amount of time the department will need to make the determination.

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H. B. No. 917 20/HR26/R1604 PAGE 145 (BS\KW) 3583 (d) In the event a legible set of fingerprints, as 3584 determined by the Department of Public Safety and the Federal Bureau of Investigation, cannot be obtained after a minimum of two 3585 3586 (2) attempts, the Department of Public Safety shall determine 3587 eligibility based upon a name check by the Mississippi Highway 3588 Safety Patrol and a Federal Bureau of Investigation name check 3589 conducted by the Mississippi Highway Safety Patrol at the request 3590 of the Department of Public Safety.

3591 If the Department of Public Safety denies the (7)(a) 3592 issuance of a license, or suspends or revokes a license, the party aggrieved may appeal such denial, suspension or revocation to the 3593 3594 Commissioner of Public Safety, or his authorized agent, within thirty (30) days after the aggrieved party receives written notice 3595 3596 of such denial, suspension or revocation. The Commissioner of 3597 Public Safety, or his duly authorized agent, shall rule upon such 3598 appeal within thirty (30) days after the appeal is filed and 3599 failure to rule within this thirty-day period shall constitute 3600 sustaining such denial, suspension or revocation. Such review 3601 shall be conducted pursuant to such reasonable rules and 3602 regulations as the Commissioner of Public Safety may adopt.

3603 (b) If the revocation, suspension or denial of issuance 3604 is sustained by the Commissioner of Public Safety, or his duly 3605 authorized agent pursuant to paragraph (a) of this subsection, the 3606 aggrieved party may file within ten (10) days after the rendition 3607 of such decision a petition in the circuit or county court of his

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H. B. No. 917 20/HR26/R1604 PAGE 146 (BS\KW) 3608 residence for review of such decision. A hearing for review shall 3609 be held and shall proceed before the court without a jury upon the 3610 record made at the hearing before the Commissioner of Public 3611 Safety or his duly authorized agent. No such party shall be 3612 allowed to carry a stun gun, concealed pistol or revolver pursuant 3613 to the provisions of this section while any such appeal is 3614 pending.

The Department of Public Safety shall maintain an 3615 (8) 3616 automated listing of license holders and such information shall be 3617 available online, upon request, at all times, to all law 3618 enforcement agencies through the Mississippi Crime Information 3619 However, the records of the department relating to Center. 3620 applications for licenses to carry stun guns, concealed pistols or 3621 revolvers and records relating to license holders shall be exempt 3622 from the provisions of the Mississippi Public Records Act of 1983, 3623 and shall be released only upon order of a court having proper 3624 jurisdiction over a petition for release of the record or records.

3625 Within thirty (30) days after the changing of a (9) 3626 permanent address, or within thirty (30) days after having a 3627 license lost or destroyed, the licensee shall notify the 3628 Department of Public Safety in writing of such change or loss. 3629 Failure to notify the Department of Public Safety pursuant to the provisions of this subsection shall constitute a noncriminal 3630 violation with a penalty of Twenty-five Dollars (\$25.00) and shall 3631 3632 be enforceable by a summons.

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H. B. No. 917 20/HR26/R1604 PAGE 147 (BS\KW) (10) In the event that a stun gun, concealed pistol or revolver license is lost or destroyed, the person to whom the license was issued shall comply with the provisions of subsection (9) of this section and may obtain a duplicate, or substitute thereof, upon payment of Fifteen Dollars (\$15.00) to the Department of Public Safety, and furnishing a notarized statement to the department that such license has been lost or destroyed.

3640 (11) A license issued under this section shall be revoked if 3641 the licensee becomes ineligible under the criteria set forth in 3642 subsection (2) of this section.

3643 (12)(a) No less than ninety (90) days prior to the expiration date of the license, the Department of Public Safety 3644 3645 shall mail to each licensee a written notice of the expiration and 3646 a renewal form prescribed by the department. The licensee must renew his license on or before the expiration date by filing with 3647 3648 the department the renewal form, a notarized affidavit stating 3649 that the licensee remains qualified pursuant to the criteria 3650 specified in subsections (2) and (3) of this section, and a full 3651 set of fingerprints administered by the Department of Public 3652 Safety or the sheriff of the county of residence of the licensee. 3653 The first renewal may be processed by mail and the subsequent 3654 renewal must be made in person. Thereafter every other renewal 3655 may be processed by mail to assure that the applicant must appear 3656 in person every ten (10) years for the purpose of obtaining a new 3657 photograph.

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3658 (i) Except as provided in this subsection, a 3659 renewal fee of Forty Dollars (\$40.00) shall also be submitted 3660 along with costs for processing the fingerprints;

(ii) Honorably retired law enforcement officers, disabled veterans and active duty members of the Armed Forces of the United States shall be exempt from the renewal fee; and

(iii) The renewal fee for a Mississippi resident aged sixty-five (65) years of age or older shall be Twenty Dollars (\$20.00).

(b) The Department of Public Safety shall forward the full set of fingerprints of the applicant to the appropriate agencies for state and federal processing. The license shall be renewed upon receipt of the completed renewal application and appropriate payment of fees.

3672 (c) A licensee who fails to file a renewal application 3673 on or before its expiration date must renew his license by paying 3674 a late fee of Fifteen Dollars (\$15.00). No license shall be 3675 renewed six (6) months or more after its expiration date, and such 3676 license shall be deemed to be permanently expired. A person whose 3677 license has been permanently expired may reapply for licensure; 3678 however, an application for licensure and fees pursuant to 3679 subsection (5) of this section must be submitted, and a background 3680 investigation shall be conducted pursuant to the provisions of 3681 this section.

H. B. No. 917 20/HR26/R1604 PAGE 149 (BS\KW) 3682 (13)No license issued pursuant to this section shall 3683 authorize any person to carry a stun gun, concealed pistol or revolver into any place of nuisance as defined in Section 95-3-1, 3684 3685 Mississippi Code of 1972; any police, sheriff or highway patrol 3686 station; any detention facility, prison or jail; any courthouse; 3687 any courtroom, except that nothing in this section shall preclude a judge from carrying a concealed weapon or determining who will 3688 3689 carry a concealed weapon in his courtroom; any polling place; any 3690 meeting place of the governing body of any governmental entity; any meeting of the Legislature or a committee thereof; any school, 3691 3692 college or professional athletic event not related to firearms; 3693 any portion of an establishment, licensed to dispense alcoholic 3694 beverages for consumption on the premises, that is primarily 3695 devoted to dispensing alcoholic beverages; any portion of an 3696 establishment in which beer, light spirit product or light wine is consumed on the premises, that is primarily devoted to such 3697 3698 purpose; any elementary or secondary school facility; any junior 3699 college, community college, college or university facility unless 3700 for the purpose of participating in any authorized 3701 firearms-related activity; inside the passenger terminal of any 3702 airport, except that no person shall be prohibited from carrying 3703 any legal firearm into the terminal if the firearm is encased for shipment, for purposes of checking such firearm as baggage to be 3704 3705 lawfully transported on any aircraft; any church or other place of worship, except as provided in Section 45-9-171; or any place 3706

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H. B. No. 917 20/HR26/R1604 PAGE 150 (BS\KW) 3707 where the carrying of firearms is prohibited by federal law. Ιn 3708 addition to the places enumerated in this subsection, the carrying of a stun qun, concealed pistol or revolver may be disallowed in 3709 3710 any place in the discretion of the person or entity exercising 3711 control over the physical location of such place by the placing of 3712 a written notice clearly readable at a distance of not less than ten (10) feet that the "carrying of a pistol or revolver is 3713 3714 prohibited." No license issued pursuant to this section shall 3715 authorize the participants in a parade or demonstration for which 3716 a permit is required to carry a stun gun, concealed pistol or 3717 revolver.

3718 A law enforcement officer as defined in Section 45-6-3, (14)3719 chiefs of police, sheriffs and persons licensed as professional bondsmen pursuant to Chapter 39, Title 83, Mississippi Code of 3720 3721 1972, shall be exempt from the licensing requirements of this 3722 section. The licensing requirements of this section do not apply 3723 to the carrying by any person of a stun gun, pistol or revolver, 3724 knife, or other deadly weapon that is not concealed as defined in 3725 Section 97-37-1.

(15) Any person who knowingly submits a false answer to any question on an application for a license issued pursuant to this section, or who knowingly submits a false document when applying for a license issued pursuant to this section, shall, upon conviction, be guilty of a misdemeanor and shall be punished as provided in Section 99-19-31, Mississippi Code of 1972.

(16) All fees collected by the Department of Public Safety pursuant to this section shall be deposited into a special fund hereby created in the State Treasury and shall be used for implementation and administration of this section. After the close of each fiscal year, the balance in this fund shall be certified to the Legislature and then may be used by the Department of Public Safety as directed by the Legislature.

(17) All funds received by a sheriff or police chief pursuant to the provisions of this section shall be deposited into the general fund of the county or municipality, as appropriate, and shall be budgeted to the sheriff's office or police department as appropriate.

3744 (18) Nothing in this section shall be construed to require 3745 or allow the registration, documentation or providing of serial 3746 numbers with regard to any stun gun or firearm.

3747 (19)Any person holding a valid unrevoked and unexpired 3748 license to carry stun guns, concealed pistols or revolvers issued 3749 in another state shall have such license recognized by this state 3750 to carry stun guns, concealed pistols or revolvers. The 3751 Department of Public Safety is authorized to enter into a 3752 reciprocal agreement with another state if that state requires a 3753 written agreement in order to recognize licenses to carry stun 3754 guns, concealed pistols or revolvers issued by this state.

3755 (20) The provisions of this section shall be under the3756 supervision of the Commissioner of Public Safety. The

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3757 commissioner is authorized to promulgate reasonable rules and 3758 regulations to carry out the provisions of this section.

3759 (21) For the purposes of this section, the term "stun gun" 3760 means a portable device or weapon from which an electric current, 3761 impulse, wave or beam may be directed, which current, impulse, 3762 wave or beam is designed to incapacitate temporarily, injure, 3763 momentarily stun, knock out, cause mental disorientation or 3764 paralyze.

3765 From and after January 1, 2016, the Commissioner (22)(a) 3766 of Public Safety shall promulgate rules and regulations which 3767 provide that licenses authorized by this section for honorably 3768 retired law enforcement officers and honorably retired 3769 correctional officers from the Mississippi Department of 3770 Corrections shall (i) include the words "retired law enforcement officer" on the front of the license, and (ii) that the license 3771 3772 itself have a red background to distinguish it from other licenses 3773 issued under this section.

3774 An honorably retired law enforcement officer and (b) 3775 honorably retired correctional officer shall provide the following 3776 information to receive the license described in this section: (i) 3777 a letter, with the official letterhead of the agency or department 3778 from which such officer is retiring, which explains that such officer is honorably retired, and (ii) a letter with the official 3779 letterhead of the agency or department, which explains that such 3780

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3781 officer has completed a certified law enforcement training 3782 academy.

3783 (23) A disabled veteran who seeks to qualify for an
3784 exemption under this section shall be required to provide, as
3785 proof of service-connected disability, verification from the
3786 United States Department of Veterans Affairs.

3787 A license under this section is not required for a (24)3788 loaded or unloaded pistol or revolver to be carried upon the 3789 person in a sheath, belt holster or shoulder holster or in a 3790 purse, handbag, satchel, other similar bag or briefcase or fully 3791 enclosed case if the person is not engaged in criminal activity 3792 other than a misdemeanor traffic offense, is not otherwise 3793 prohibited from possessing a pistol or revolver under state or 3794 federal law, and is not in a location prohibited under subsection 3795 (13) of this section.

3796 **SECTION 62.** Section 97-5-49, Mississippi Code of 1972, is 3797 amended as follows:

3798 97-5-49. (1) As used in this section:

3799 (a) "Adult" means a person over the age of twenty-one3800 (21) years.

3801 (b) "Alcoholic beverage" has the meaning as defined in3802 Section 67-1-5.

3803 (c) "Beer" has the meaning as defined in Section 3804 67-3-3.

H. B. No. 917 **~ OFFICIAL ~** 20/HR26/R1604 PAGE 154 (BS\KW) 3805 (d) "Light wine" means wine containing five percent3806 (5%) or less of alcohol by weight.

3807 (e) "Minor" means a person under the age of twenty-one3808 (21) years.

(f) "Party" means a gathering or event at which a group of two (2) or more persons assembles for a social occasion or activity at a private residence or a private premises.

3812 (g) "Private premises" means privately owned land,3813 including any appurtenances or improvements on the land.

3814 (h) "Private residence" means the place where a person 3815 actually lives or has his or her home.

3816 (i) "Wine" has the meaning as defined in Section 3817 67-1-5.

3818 (j) "Light spirit product" means a beverage of an 3819 alcoholic content of not more than four percent (4%) by weight and 3820 containing one or more distilled spirits, as defined in Section 3821 <u>67-1-5.</u>

3822 (2) No adult who owns or leases a private residence or
3823 private premises shall knowingly allow a party to take place or
3824 continue at the residence or premises if a minor at the party
3825 obtains, possesses or consumes any alcoholic beverage, light wine,
3826 <u>light spirit product</u> or beer if the adult knows that the minor has
3827 obtained, possesses or is consuming alcoholic beverages, light
3828 wine, light spirit product or beer.

(3) This section shall not apply to legally protected religious activities or gatherings of family members or to any of the exemptions set forth in Section 67-3-54.

3832 (4) Each incident in violation of subsection (2) of this 3833 section or any part of subsection (2) constitutes a separate 3834 offense.

(5) Any person who violates subsection (2) of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of One Thousand Dollars (\$1,000.00) or by imprisonment in the county jail for not more than six (6) months, or by both the fine and imprisonment, in the discretion of the court.

## 3841 **SECTION 63.** This act shall take effect and be in force from 3842 and after its passage.

H. B. No. 917 20/HR26/R1604 PAGE 156 (BS\KW) ST: Light spirit products; define as no more than 4% alcoholic content by weight, and regulate same as beer and light wine.