MISSISSIPPI LEGISLATURE

REGULAR SESSION 2023

By: Representative Zuber

To: Ways and Means

HOUSE BILL NO. 1137

1 AN ACT TO AUTHORIZE A PERSON WHO IS LICENSED OR PERMITTED 2 OUTSIDE OF THIS STATE TO ENGAGE IN THE ACTIVITY OF SELLING AND 3 SHIPPING WINE DIRECTLY TO RESIDENTS IN ANY OTHER STATE, TO SELL AND SHIP WINE DIRECTLY TO RESIDENTS IN THIS STATE, IF THE PERSON 4 5 OBTAINS A DIRECT WINE SHIPPER'S PERMIT FROM THE DEPARTMENT OF 6 REVENUE; TO PROVIDE FOR THE ISSUANCE OF DIRECT WINE SHIPPER'S 7 PERMITS; TO REQUIRE THE HOLDER OF A DIRECT WINE SHIPPER'S PERMIT TO KEEP CERTAIN RECORDS; TO PROHIBIT THE HOLDER OF A DIRECT WINE 8 9 SHIPPER'S PERMIT FROM SELLING OR SHIPPING LIGHT WINE, LIGHT SPIRT 10 PRODUCTS OR BEER OR ANY ALCOHOLIC BEVERAGE OTHER THAN WINE; TO 11 PROHIBIT THE HOLDER OF A DIRECT WINE SHIPPER'S PERMIT FROM SELLING 12 OR SHIPPING WINE THAT IS AVAILABLE THROUGH THE ALCOHOLIC BEVERAGE 13 CONTROL DIVISION OF THE DEPARTMENT OF REVENUE; TO PROVIDE FOR THE ANNUAL RENEWAL OF DIRECT WINE SHIPPER'S PERMITS; TO PROVIDE THAT 14 15 PERSONS PURCHASING OR RECEIVING A DIRECT SHIPMENT OF WINE FROM A 16 DIRECT WINE SHIPPER MUST BE AT LEAST TWENTY-ONE YEARS OF AGE; TO 17 PROVIDE THAT PERSONS RECEIVING A DIRECT SHIPMENT OF WINE FROM A 18 DIRECT WINE SHIPPER SHALL USE THE WINE FOR PERSONAL CONSUMPTION ONLY AND MAY NOT RESELL IT; TO AUTHORIZE THE COMMISSIONER OF 19 20 REVENUE TO ADOPT ANY RULES OR REGULATIONS AS NECESSARY TO CARRY 21 OUT THIS ACT; TO PROVIDE PENALTIES FOR VIOLATIONS OF THIS ACT; TO 22 AMEND SECTIONS 27-71-5, 27-71-7, 27-71-15 AND 27-71-29, 23 MISSISSIPPI CODE OF 1972, TO PROVIDE THE PRIVILEGE TAX REQUIRED 24 FOR THE ISSUANCE OF A DIRECT WINE SHIPPER'S PERMIT; TO LEVY A TAX 25 UPON THE SALES AND SHIPMENTS OF WINE MADE BY A DIRECT WINE 26 SHIPPER; TO REQUIRE A CERTAIN AMOUNT OF THE TAXES LEVIED TO BE 27 DEPOSITED INTO THE MENTAL HEALTH PROGRAMS FUND; TO AMEND SECTIONS 67-1-41, 67-1-45, 67-1-53, 67-1-55, 67-1-57, 67-1-73, 97-31-47 AND 97-31-49, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE FOREGOING 28 29 30 PROVISIONS OF THIS ACT; TO AMEND SECTION 67-1-51, MISSISSIPPI CODE 31 OF 1972, IN CONFORMITY TO THE FOREGOING PROVISIONS OF THIS ACT; 32 AND FOR RELATED PURPOSES.

33

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

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34 <u>SECTION 1.</u> As used in Sections 1 through 9 of this act, the 35 following words shall have the meanings as defined in this section 36 unless the context otherwise requires:

37

(a) "Department" means the Department of Revenue.

38 (b) "Direct wine shipper" means the holder of a direct 39 wine shipper's permit issued by the department under Sections 1 40 through 9 of this act.

41 (c) "Permit" means a direct wine shipper's permit42 issued by the department under Sections 1 through 9 of this act.

(d) "Wine" means any product obtained from the
alcoholic fermentation of the juice of sound, ripe grapes, fruits
or berries, made in accordance with the revenue laws of the United
States, and containing more than five percent (5%) of alcohol by
weight.

In addition, the definitions in Section 67-1-5 shall be applicable to the terms used in Sections 1 through 9 of this act unless the context otherwise requires.

51 <u>SECTION 2.</u> A person must hold a permit as a direct wine 52 shipper issued by the department before the person may engage in 53 selling and shipping wine directly to a resident in this state. A 54 direct wine shipper may sell and ship wine directly to residents 55 in this state without being required to transact the sale and 56 shipment through the Alcoholic Beverage Control Division of the 57 department.

H. B. No. 1137 23/HR43/R1446 PAGE 2 (BS\EW) 58 <u>SECTION 3.</u> To qualify for a permit, an applicant shall be a 59 person licensed or permitted outside of this state to engage in 60 the activity of selling and shipping wine directly to residents in 61 any other state.

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SECTION 4. (1) An applicant for a permit shall:

(a) Submit to the department a completed application on
a form provided by the department, containing all information that
is required by the department;

(b) Provide to the department a copy of the applicant's
current license or permit to engage in the activity of selling and
shipping wine directly to residents in any other state; and

69 (c) Pay to the department the tax prescribed in Section70 27-71-5.

(2) After a person complies with the provisions of subsection (1) of this section, the department may conduct any investigation as it considers necessary regarding the issuance of a permit, and the department shall issue a permit to the applicant if the requirements of Sections 1 through 9 of this act are met.

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SECTION 5. (1) A direct wine shipper shall:

(a) Ensure that all containers of wine sold and shipped directly to a resident in this state are conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY";

H. B. No. 1137 23/HR43/R1446 PAGE 3 (BS\EW) 81 (b) Report to the department annually the total amount 82 of wine, by type, sold and shipped into or within the state the 83 preceding calendar year;

84 (c) Maintain for at least three (3) years all records
85 that allow the department to ascertain the truthfulness of the
86 information filed under Sections 1 through 9 of this act;

87 (d) Allow the department to perform an audit of the88 direct wine shipper's records upon request; and

89 (e) Be deemed to have consented to the jurisdiction of
90 the department or any other state agency and the state courts
91 concerning enforcement of Sections 1 through 9 of this act and any
92 related laws, rules or regulations.

93

(2) A direct wine shipper may not:

94 (a) Sell or ship any light wine, light spirit products
95 or beer that is regulated under Section 67-3-1 et seq. or any
96 alcoholic beverage other than wine;

97 (b) Sell or ship wine that is available through the98 Alcoholic Beverage Control Division of the department; or

99 (c) Ship wine to an address in a county that has not100 voted in favor of coming out from under the dry law.

101 <u>SECTION 6.</u> A direct wine shipper may annually renew his or 102 her permit, if the direct wine shipper:

103

(a) Is otherwise entitled to receive a permit;

H. B. No. 1137 23/HR43/R1446 PAGE 4 (BS\EW) (b) Provides to the department a copy of his or her current license or permit to engage in the activity of selling and shipping directly to residents in any other state; and

107 (c) Pays to the department a privilege license tax as 108 prescribed in Section 27-71-5.

109 <u>SECTION 7.</u> (1) To purchase and receive a direct shipment of 110 wine from a direct wine shipper, a resident of this state must be 111 at least twenty-one (21) years of age, and a person who is at 112 least twenty-one (21) years of age must sign for any wine shipped 113 from a direct wine shipper.

(2) A shipment of wine may be ordered or purchased from adirect wine shipper through a computer network.

(3) A person who receives a direct shipment of wine from a direct wine shipper shall use the wine for personal consumption only and may not resell it.

119 <u>SECTION 8.</u> The Commissioner of Revenue of the department may 120 adopt any rules or regulations as necessary to carry out Sections 121 1 through 9 of this act. All of the enforcement provisions of 122 Section 67-1-1 et seq., that are not in conflict with Sections 1 123 through 9 of this act may be used by the department to enforce the 124 provisions of Sections 1 through 9 of this act.

125 <u>SECTION 9.</u> (1) Any person who makes, participates in, 126 transports, imports or receives a sale or shipment of wine in 127 violation of Sections 1 through 9 of this act is guilty of a 128 misdemeanor and, upon conviction thereof, shall be punished by a

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imprisonment in the county jail for not more than six (6) months, or both. Each sale or shipment in violation of Sections 1 through 9 of this act shall constitute a separate offense.

(2) If any holder of a direct wine shipper's permit violates any provision of Sections 1 through 9 of this act, the department may suspend or revoke the permit and impose civil penalties as authorized under Section 67-1-1 et seq.

137 SECTION 10. Section 27-71-5, Mississippi Code of 1972, is 138 amended as follows:

139 27-71-5. (1) Upon each person approved for a permit under 140 the provisions of the Alcoholic Beverage Control Law and 141 amendments thereto, there is levied and imposed for each location 142 for the privilege of engaging and continuing in this state in the 143 business authorized by such permit, an annual privilege license 144 tax in the amount provided in the following schedule:

(a) Except as otherwise provided in this subsection
(1), manufacturer's permit, Class 1, distiller's and/or
rectifier's:

(i) For a permittee with annual production of five thousand (5,000) gallons or more......\$4,500.00 (ii) For a permittee with annual production under five thousand (5,000) gallons.....\$2,800.00 (b) Manufacturer's permit, Class 2, wine manufacturer.....\$1,800.00

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154	(c) Manufacturer's permit, Class 3, native wine
155	manufacturer per ten thousand (10,000) gallons or part thereof
156	produced\$ 10.00
157	(d) Manufacturer's permit, Class 4, native spirit
158	manufacturer per one thousand (1,000) gallons or part thereof
159	produced\$ 300.00
160	(e) Native wine retailer's permit\$ 50.00
161	(f) Package retailer's permit, each\$ 900.00
162	(g) On-premises retailer's permit, except for clubs and
163	common carriers, each\$ 450.00
164	(h) On-premises retailer's permit for wine of more than
165	five percent (5%) alcohol by weight, but not more than twenty-one
166	percent (21%) alcohol by weight, each\$ 225.00
167	(i) On-premises retailer's permit for clubs\$ 225.00
168	(j) On-premises retailer's permit for common carriers,
169	per car, plane, or other vehicle\$ 120.00
170	(k) Solicitor's permit, regardless of any other
171	provision of law, solicitor's permits shall be issued only in the
172	discretion of the department\$ 100.00
173	(1) Filing fee for each application except for an
174	employee identification card\$ 25.00
175	(m) Temporary permit, Class 1, each\$ 10.00
176	(n) Temporary permit, Class 2, each\$ 50.00
177	(o) (i) Caterer's permit\$ 600.00

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178		(ii) Caterer's permit for holders of on-pres	mises
179	retailer's per	mit\$	150.00
180	(p)	Research permit\$	100.00
181	(q)	Temporary permit, Class 3 (wine only)\$	10.00
182	(r)	Special service permit\$	225.00
183	(s)	Merchant permit\$	225.00
184	(t)	Temporary alcoholic beverages charitable auc	tion
185	permit	\$	10.00
186	(u)	Event venue retailer's permit\$	225.00
187	(v)	Temporary theatre permit, each\$	10.00
188	(w)	Charter ship operator's permit\$	100.00
189	(x)	Distillery retailer's permit\$	450.00
190	(y)	Festival wine permit\$	10.00
191	(z)	Charter vessel operator's permit\$	100.00
192	(aa)	Native spirit retailer's permit\$	50.00
193	(bb)	Delivery service permit\$	500.00
194	(cc)	Food truck permit\$	100.00
195	(dd)	Direct wine shipper's permit\$	100.00
196	In additi	on to the filing fee imposed by paragraph (1)	of

197 This subsection, a fee to be determined by the Department of 197 This subsection, a fee to be determined by the Department of 198 Revenue may be charged to defray costs incurred to process 199 applications. The additional fees shall be paid into the State 200 Treasury to the credit of a special fund account, which is hereby 201 created, and expenditures therefrom shall be made only to defray 202 the costs incurred by the Department of Revenue in processing

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203 alcoholic beverage applications. Any unencumbered balance 204 remaining in the special fund account on June 30 of any fiscal 205 year shall lapse into the State General Fund.

All privilege taxes imposed by this section shall be paid in advance of doing business. A new permittee whose privilege tax is determined by production volume will pay the tax for the first year in accordance with department regulations. The additional privilege tax imposed for an on-premises retailer's permit based upon purchases shall be due and payable on demand.

212 Paragraph (y) of this subsection shall stand repealed from 213 and after July 1, 2023.

214 (2)There is imposed and shall be collected from each (a) permittee, except a common carrier, solicitor, a temporary 215 216 permittee, holder of a direct wine shipper's permit or a delivery 217 service permittee, by the department, an additional license tax 218 equal to the amounts imposed under subsection (1) of this section 219 for the privilege of doing business within any municipality or 220 county in which the licensee is located.

221 (b) In addition to the tax imposed in paragraph (i) 222 (a) of this subsection, there is imposed and shall be collected by 223 the department from each permittee described in subsection (1)(q), 224 (h), (i), (n) and (u) of this section, an additional license tax 225 for the privilege of doing business within any municipality or 226 county in which the licensee is located in the amount of Two 227 Hundred Twenty-five Dollars (\$225.00) on purchases exceeding Five

Thousand Dollars (\$5,000.00) and Two Hundred Twenty-five Dollars (\$225.00) for each additional purchase of Five Thousand Dollars (\$5,000.00), or fraction thereof.

231 (ii) In addition to the tax imposed in paragraph 232 (a) of this subsection, there is imposed and shall be collected by 233 the department from each permittee described in subsection (1)(o) 234 and (s) of this section, an additional license tax for the 235 privilege of doing business within any municipality or county in 236 which the licensee is located in the amount of Two Hundred Fifty 237 Dollars (\$250.00) on purchases exceeding Five Thousand Dollars 238 (\$5,000.00) and Two Hundred Twenty-five Dollars (\$225.00) for each 239 additional purchase of Five Thousand Dollars (\$5,000.00), or 240 fraction thereof.

(iii) Any person who has paid the additional
privilege license tax imposed by this paragraph, and whose permit
is renewed, may add any unused fraction of Five Thousand Dollars
(\$5,000.00) purchases to the first Five Thousand Dollars
(\$5,000.00) purchases authorized by the renewal permit, and no
additional license tax will be required until purchases exceed the
sum of the two (2) figures.

(c) If the licensee is located within a municipality, the department shall pay the amount of additional license tax collected under this section to the municipality, and if outside a municipality the department shall pay the additional license tax to the county in which the licensee is located. Payments by the

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

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

267 (5) If any person shall engage or continue in any business 268 which is taxable under this section without having paid the tax as 269 provided in this section, the person shall be liable for the full 270 amount of the tax plus a penalty thereon equal to the amount 271 thereof, and, in addition, shall be punished by a fine of not more 272 than One Thousand Dollars (\$1,000.00), or by imprisonment in the 273 county jail for a term of not more than six (6) months, or by both 274 such fine and imprisonment, in the discretion of the court.

(6) It shall be unlawful for any person to consume alcoholic
beverages on the premises of any hotel restaurant, restaurant,
club or the interior of any public place defined in Chapter 1,

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Title 67, Mississippi Code of 1972, when the owner or manager thereof displays in several conspicuous places inside the establishment and at the entrances of establishment a sign containing the following language: NO ALCOHOLIC BEVERAGES ALLOWED.

283 SECTION 11. Section 27-71-7, Mississippi Code of 1972, is 284 amended as follows:

285 27-71-7. (1) There is hereby levied and assessed an excise 286 tax upon each case of alcoholic beverages sold by the department 287 to be collected from each retail licensee at the time of sale in 288 accordance with the following schedule:

289 (a) Distilled spirits.....\$2.50 per
 290 gallon

(b) Sparkling wine and champagne.....\$1.00 per292 gallon

(c) Other wines, including native wines...\$.35 pergallon

295 In addition to the tax levied by subsection (1) of (2)(a) 296 this section, and in addition to any other markup collected, the 297 Alcoholic Beverage Control Division shall collect a markup of 298 three percent (3%) on all alcoholic beverages, as defined in 299 Section 67-1-5, Mississippi Code of 1972, which are sold by the 300 division. The proceeds of the markup shall be collected by the 301 division from each purchaser at the time of purchase.

H. B. No. 1137 23/HR43/R1446 PAGE 12 (BS\EW) 302 Until June 30, 1987, the revenue derived from this (b) 303 three percent (3%) markup shall be deposited by the division in 304 the State Treasury to the credit of the "Alcoholism Treatment and Rehabilitation Fund," a special fund which is hereby created in 305 306 the State Treasury, and shall be used by the Division of Alcohol 307 and Drug Abuse of the State Department of Mental Health and public 308 or private centers or organizations solely for funding of 309 treatment and rehabilitation programs for alcoholics and alcohol 310 abusers which are sponsored by the division or public or private 311 centers or organizations in such amounts as the Legislature may 312 appropriate to the division for use by the division or public or 313 private centers or organizations for such programs. Any tax 314 revenue in the fund which is not encumbered at the end of the 315 fiscal year shall lapse to the General Fund. It is the intent of 316 the Legislature that the State Department of Mental Health shall 317 continue to seek funds from other sources and shall use the funds 318 appropriated for the purposes of this section and Section 27-71-29 319 to match all federal funds which may be available for alcoholism 320 treatment and rehabilitation.

From and after July 1, 1987, the revenue derived from this three percent (3%) markup shall be deposited by the division in the State Treasury to the credit of the "Mental Health Programs Fund," a special fund which is hereby created in the State Treasury and shall be used by the State Department of Mental Health for the service programs of the department. Any revenue in

H. B. No. 1137 23/HR43/R1446 PAGE 13 (BS\EW) 327 the "Alcoholism Treatment and Rehabilitation Fund" which is not 328 encumbered at the end of Fiscal Year 1987 shall be deposited to 329 the credit of the "Mental Health Programs Fund."

330 (3) There is levied and assessed upon the holder of a direct 331 wine shipper's permit, a tax in the amount of thirty-four percent 332 (34%) of the sales price of each sale and shipment of wine made to 333 a resident in this state. The holder of a direct wine shipper's 334 permit shall file a monthly report with the department along with 335 a copy of the invoice for each sale and shipment of wine and remit 336 any taxes due; however, no report shall be required for months in 337 which no sales or shipments were made into this state. The 338 report, together with copies of the invoices and the payment of 339 all taxes, shall be filed with the department not later than the 340 twentieth day of the month following the month in which the shipment was made. Permittees who fail to timely file and pay 341 342 taxes as required by this subsection shall pay a late fee in the 343 amount of Fifty Dollars (\$50.00), in addition to any other penalty 344 authorized by this article. 345 SECTION 12. Section 27-71-15, Mississippi Code of 1972, is 346 amended as follows: 347 27-71-15. Except as otherwise provided in Section 67-9-1 for 348 the transportation of limited amounts of alcoholic beverages for the use of an alcohol processing permittee, and in Sections 1 349

350 through 9 of this act for the sale and shipment of wine by the

351 <u>holder of a direct wine shipper's permit</u>, if transportation

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352 requires passage through a county which has not authorized the 353 sale of alcoholic beverages, such transportation shall be by a 354 sealed vehicle. Such seal shall remain unbroken until the vehicle 355 shall reach the place of business operated by the permittee. The 356 operator of any vehicle transporting alcoholic beverages shall 357 have in his possession an invoice issued by the * * * department 358 at the time of the wholesale sale covering the merchandise 359 transported by the vehicle. The * * * department is authorized to 360 issue regulations controlling the transportation of alcoholic 361 beverages.

When the restrictions imposed by this section and by the regulation of the *** * *** <u>department</u> have not been violated, the person transporting alcoholic beverages through a county wherein the sale of alcoholic beverages is prohibited shall not be guilty of unlawful possession and such merchandise shall be immune from seizure.

368 SECTION 13. Section 27-71-29, Mississippi Code of 1972, is 369 amended as follows:

27-71-29. (1) All taxes levied by this article shall be paid to the Department of Revenue in cash or by personal check, cashier's check, bank exchange, post office money order or express money order and shall be deposited by the department in the State Treasury on the same day collected, but no remittances other than cash shall be a final discharge of liability for the tax herein

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376 imposed and levied unless and until it has been paid in cash to 377 the department.

378 All taxes levied under Section 27-71-7(1) and received by the 379 department under this article shall be paid into the General Fund, 380 and the three percent (3%) levied under Section 27-71-7(2) and 381 received by the department under this article shall be paid into 382 the special fund in the State Treasury designated as the 383 "Alcoholism Treatment and Rehabilitation Fund" as required by law. 384 Any funds derived from the sale of alcoholic beverages in excess 385 of inventory requirements shall be paid not less often than annually into the General Fund, except for a portion of the 386 387 twenty-seven and one-half percent (27-1/2%) markup provided for in 388 Section 27-71-11, as specified in subsection (2) of this section, 389 and except for fees charged by the department for the defraying of 390 costs associated with shipping alcoholic beverages. The revenue 391 derived from these fees shall be deposited by the department into 392 a special fund, hereby created in the State Treasury, which is 393 designated the "ABC Shipping Fund." The monies in this special 394 fund shall be earmarked for use by the department for any 395 expenditure made to ship alcoholic beverages. Any net proceeds 396 remaining in the special fund on August 1 of any fiscal year shall 397 lapse into the General Fund. "Net proceeds" in this section means 398 the total of all fees collected by the department to defray the 399 costs of shipping less the actual costs of shipping.

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400 (2)If the special bond sinking fund created in Section 7(3)of Chapter 483, Laws of 2022 has a balance below the minimum 401 402 amount specified in the resolution providing for the issuance of 403 the bonds, or below one and one-half (1-1/2) times the amount 404 needed to pay the annual debt obligations related to the bonds 405 issued under Section 7 of Chapter 483, Laws of 2022, whichever is 406 the lesser amount, the Commissioner of Revenue shall transfer the 407 deficit amount to the bond sinking fund from revenue derived from 408 the twenty-seven and one-half percent (27-1/2%) markup provided 409 for in Section 27-71-11.

410 (3) All taxes levied under Section 27-71-7(3) and received 411 by the department under this article shall be paid into the 412 General Fund, except for an amount equivalent to the three percent 413 (3%) levied under Section 27-71-7(2), which shall be paid into the 414 special fund in the State Treasury designated as the "Mental 415 Health Programs Fund" as required by law.

416 SECTION 14. Section 67-1-41, Mississippi Code of 1972, is 417 amended as follows:

418 67-1-41. (1) The department is hereby created a wholesale 419 distributor and seller of alcoholic beverages, not including malt 420 liquors, within the State of Mississippi. It is granted the right 421 to import and sell alcoholic beverages at wholesale within the 422 state, and no person who is granted the right to sell, distribute 423 or receive alcoholic beverages at retail shall purchase any 424 alcoholic beverages from any source other than the department,

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425 except as authorized in subsections (4), (9) and (12) of this 426 section and Sections 1 through 9 of this act. The department may 427 establish warehouses, and the department may purchase alcoholic 428 beverages in such quantities and from such sources as it may deem 429 desirable and sell the alcoholic beverages to authorized 430 permittees within the state including, at the discretion of the 431 department, any retail distributors operating within any military post or qualified resort areas within the boundaries of the state, 432 433 keeping a correct and accurate record of all such transactions and 434 exercising such control over the distribution of alcoholic 435 beverages as seem right and proper in keeping with the provisions 436 or purposes of this article.

437 (2) No person for the purpose of sale shall manufacture,
438 distill, brew, sell, possess, export, transport, distribute,
439 warehouse, store, solicit, take orders for, bottle, rectify,
440 blend, treat, mix or process any alcoholic beverage except in
441 accordance with authority granted under this article, or as
442 otherwise provided by law for native wines or native spirits.

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

447 (4) The department may promulgate rules and regulations
448 which authorize on-premises retailers to purchase limited amounts
449 of alcoholic beverages from package retailers and for package

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450 retailers to purchase limited amounts of alcoholic beverages from 451 other package retailers. The department shall develop and provide 452 forms to be completed by the on-premises retailers and the package 453 retailers verifying the transaction. The completed forms shall be 454 forwarded to the department within a period of time prescribed by 455 the department.

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

462 (6) The department shall maintain all forms to be completed
463 by applicants necessary for licensure by the department at all
464 district offices of the department.

465 (7)The department may promulgate rules which authorize the 466 manufacturer of an alcoholic beverage or wine to import, transport 467 and furnish or give a sample of alcoholic beverages or wines to 468 the holders of package retailer's permits, on-premises retailer's 469 permits, native wine or native spirit retailer's permits and 470 temporary retailer's permits who have not previously purchased the 471 brand of that manufacturer from the department. For each holder 472 of the designated permits, the manufacturer may furnish not more 473 than five hundred (500) milliliters of any brand of alcoholic 474 beverage and not more than three (3) liters of any brand of wine.

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475 (8) The department may promulgate rules disallowing open 476 product sampling of alcoholic beverages or wines by the holders of 477 package retailer's permits and permitting open product sampling of 478 alcoholic beverages by the holders of on-premises retailer's 479 permits. Permitted sample products shall be plainly identified 480 "sample" and the actual sampling must occur in the presence of the 481 manufacturer's representatives during the legal operating hours of 482 on-premises retailers.

483 The department may promulgate rules and regulations that (9) authorize the holder of a research permit to import and purchase 484 485 limited amounts of alcoholic beverages from importers, wineries 486 and distillers of alcoholic beverages or from the department. The 487 department shall develop and provide forms to be completed by the 488 research permittee verifying each transaction. The completed 489 forms shall be forwarded to the department within a period of time 490 prescribed by the department. The records and inventory of 491 alcoholic beverages shall be open to inspection at any time by the 492 Director of the Alcoholic Beverage Control Division or any duly 493 authorized agent.

(10) The department may promulgate rules facilitating a retailer's on-site pickup of alcoholic beverages sold by the department or as authorized by the department, including, but not limited to, native wines and native spirits, so that those alcoholic beverages may be delivered to the retailer at the

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499 manufacturer's location instead of via shipment from the 500 department's warehouse.

501 (11) **[Through June 30, 2023]** This section shall not apply 502 to alcoholic beverages authorized to be sold by the holder of a 503 distillery retailer's permit or a festival wine permit.

(11) **[From and after July 1, 2023]** This section shall not apply to alcoholic beverages authorized to be sold by the holder of a distillery retailer's permit.

507 (a) An individual resident of this state who is at (12)508 least twenty-one (21) years of age may purchase wine from a winery 509 and have the purchase shipped into this state so long as it is 510 shipped to a package retailer permittee in Mississippi; however, 511 the permittee shall pay to the department all taxes, fees and 512 surcharges on the wine that are imposed upon the sale of wine 513 shipped by the department or its warehouse operator. No credit 514 shall be provided to the permittee for any taxes paid to another 515 state as a result of the transaction. Package retailers may charge a service fee for receiving and handling shipments from 516 517 wineries on behalf of the purchasers. The department shall 518 develop and provide forms to be completed by the package retailer 519 permittees verifying the transaction. The completed forms shall 520 be forwarded to the department within a period of time prescribed 521 by the department.

522 (b) The purchaser of wine that is to be shipped to a 523 package retailer's store shall be required to get the prior

H. B. No. 1137 **~ OFFICIAL ~** 23/HR43/R1446 PAGE 21 (BS\EW) 524 approval of the package retailer before any wine is shipped to the 525 package retailer. A purchaser is limited to no more than ten (10) 526 cases of wine per year to be shipped to a package retailer. A 527 package retailer shall notify a purchaser of wine within two (2) 528 days after receiving the shipment of wine. If the purchaser of 529 the wine does not pick up or take the wine from the package 530 retailer within thirty (30) days after being notified by the 531 package retailer, the package retailer may sell the wine as part 532 of his inventory.

533 Shipments of wine into this state under this (C) 534 section shall be made by a duly licensed carrier. It shall be the 535 duty of every common or contract carrier, and of every firm or corporation that shall bring, carry or transport wine from outside 536 537 the state for delivery inside the state to package retailer permittees on behalf of consumers, to prepare and file with the 538 539 department, on a schedule as determined by the department, of 540 known wine shipments containing the name of the common or contract carrier, firm or corporation making the report, the period of time 541 542 covered by said report, the name and permit number of the winery, 543 the name and permit number of the package retailer permittee 544 receiving such wine, the weight of the package delivered to each 545 package retailer permittee, a unique tracking number, and the date 546 of delivery. Reports received by the department shall be made available by the department to the public via the Mississippi 547

H. B. No. 1137 23/HR43/R1446 PAGE 22 (BS\EW) 548 Public Records Act process in the same manner as other state 549 alcohol filings.

550 Upon the department's request, any records supporting the 551 report shall be made available to the department within a 552 reasonable time after the department makes a written request for 553 such records. Any records containing information relating to such 554 reports shall be kept and preserved for a period of two (2) years, 555 unless their destruction sooner is authorized, in writing, by the 556 department, and shall be open and available to inspection by the 557 department upon the department's written request. Reports shall 558 also be made available to any law enforcement or regulatory body 559 in the state in which the railroad company, express company, 560 common or contract carrier making the report resides or does 561 business.

Any common or contract carrier that willfully fails to make reports, as provided by this section or any of the rules and regulations of the department for the administration and enforcement of this section, is subject to a notification of violation. In the case of a continuing failure to make reports, the common or contract carrier is subject to possible license suspension and revocation at the department's discretion.

(d) A winery that ships wine under this section shall
be deemed to have consented to the jurisdiction of the courts of
this state, of the department, of any other state agency regarding

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572 the enforcement of this section, and of any related law, rules or 573 regulations.

(e) Any person who makes, participates in, transports, imports or receives a shipment in violation of this section is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of One Thousand Dollars (\$1,000.00) or imprisonment in the county jail for not more than six (6) months, or both. Each shipment shall constitute a separate offense.

580 If any provision of this article, or its application to (13)581 any person or circumstance, is determined by a court to be invalid or unconstitutional, the remaining provisions shall be construed 582 583 in accordance with the intent of the Legislature to further limit 584 rather than expand commerce in alcoholic beverages to protect the 585 health, safety, and welfare of the state's residents, and to 586 enhance strict regulatory control over taxation, distribution and 587 sale of alcoholic beverages through the three-tier regulatory 588 system imposed by this article upon all alcoholic beverages to 589 curb relationships and practices calculated to stimulate sales and 590 impair the state's policy favoring trade stability and the 591 promotion of temperance.

592 **SECTION 15.** Section 67-1-45, Mississippi Code of 1972, is 593 amended as follows:

594 67-1-45. No manufacturer, rectifier or distiller of 595 alcoholic beverages shall sell or attempt to sell any such 596 alcoholic beverages, except malt liquor, within the State of

H. B. No. 1137 ~ OFFICIAL ~ 23/HR43/R1446 PAGE 24 (BS\EW) 597 Mississippi, except to the department, or as provided in Section 598 67-1-41, or pursuant to Section 67-1-51. A producer of native 599 wine or native spirit may sell native wines or native spirits, 600 respectively, to the department or to consumers at the location of 601 the native winery or native distillery or its immediate vicinity. 602 <u>The holder of a direct wine shipper's permit may sell wines</u>

603 <u>directly to residents in this state as authorized by Sections 1</u> 604 through 9 of this act.

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

610 SECTION 16. Section 67-1-51, Mississippi Code of 1972, is 611 amended as follows:

612 67-1-51. (1) Permits which may be issued by the department613 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 article in this state and
to persons outside the state who are authorized by law to purchase
the same, and to sell as provided by this article.

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

H. B. No. 1137 **~ OFFICIAL ~** 23/HR43/R1446 PAGE 25 (BS\EW) Class 1. Distiller's and/or rectifier's permit, which shall authorize the holder thereof to operate a distillery for the production of distilled spirits by distillation or redistillation and/or to operate a rectifying plant for the purifying, refining, mixing, blending, flavoring or reducing in proof of distilled spirits and alcohol.

627 Class 2. Wine manufacturer's permit, which shall authorize 628 the holder thereof to manufacture, import in bulk, bottle and 629 store wine or vinous liquor.

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

Class 4. Native spirit producer's permit, which shall
authorize the holder thereof to produce, bottle, store and sell
native spirits.

636 (b) Package retailer's permit. Except as otherwise 637 provided in this paragraph and Section 67-1-52, a package retailer's permit shall authorize the holder thereof to operate a 638 639 store exclusively for the sale at retail in original sealed and 640 unopened packages of alcoholic beverages, including native wines 641 and native spirits, not to be consumed on the premises where sold. 642 Alcoholic beverages shall not be sold by any retailer in any package or container containing less than fifty (50) milliliters 643 644 by liquid measure. A package retailer's permit, with prior approval from the department, shall authorize the holder thereof 645

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657 **On-premises retailer's permit.** Except as otherwise (C) 658 provided in subsection (5) of this section, an on-premises 659 retailer's permit shall authorize the sale of alcoholic beverages, 660 including native wines and native spirits, for consumption on the 661 licensed premises only; however, a patron of the permit holder may 662 remove one (1) bottle of wine from the licensed premises if: (i) 663 the patron consumed a portion of the bottle of wine in the course 664 of consuming a meal purchased on the licensed premises; (ii) the 665 permit holder securely reseals the bottle; (iii) the bottle is 666 placed in a bag that is secured in a manner so that it will be 667 visibly apparent if the bag is opened; and (iv) a dated receipt 668 for the wine and the meal is available. Additionally, as part of 669 a carryout order, a permit holder may sell one (1) bottle of wine to be removed from the licensed premises for every two (2) entrees 670

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671 ordered. Such a permit shall be issued only to qualified hotels, 672 restaurants and clubs, small craft breweries, microbreweries, and 673 to common carriers with adequate facilities for serving 674 passengers. In resort areas, whether inside or outside of a 675 municipality, the department, in its discretion, may issue 676 on-premises retailer's permits to such establishments as it deems 677 proper. An on-premises retailer's permit when issued to a common 678 carrier shall authorize the sale and serving of alcoholic 679 beverages aboard any licensed vehicle while moving through any county of the state; however, the sale of such alcoholic beverages 680 681 shall not be permitted while such vehicle is stopped in a county 682 that has not legalized such sales. If an on-premises retailer's 683 permit is applied for by a common carrier operating solely in the 684 water, such common carrier must, along with all other 685 qualifications for a permit, (i) be certified to carry at least 686 one hundred fifty (150) passengers and/or provide overnight 687 accommodations for at least fifty (50) passengers and (ii) operate 688 primarily in the waters within the State of Mississippi which lie 689 adjacent to the State of Mississippi south of the three (3) most 690 southern counties in the State of Mississippi and/or on the 691 Mississippi River or navigable waters within any county bordering 692 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

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696 employer orders for alcoholic beverages, and to otherwise promote 697 his employer's products in a legitimate manner. Such a permit 698 shall authorize the representation of and employment by one (1) 699 principal only. However, the permittee may also, in the 700 discretion of the department, be issued additional permits to 701 represent other principals. No such permittee shall buy or sell 702 alcoholic beverages for his own account, and no such beverage 703 shall be brought into this state in pursuance of the exercise of 704 such permit otherwise than through a permit issued to a wholesaler 705 or manufacturer in the state.

706 (e) Native wine retailer's permit. Except as otherwise 707 provided in subsection (5) of this section, a native wine 708 retailer's permit shall be issued only to a holder of a Class 3 709 manufacturer's permit, and shall authorize the holder thereof to 710 make retail sales of native wines to consumers for on-premises 711 consumption or to consumers in originally sealed and unopened 712 containers at an establishment located on the premises of or in 713 the immediate vicinity of a native winery. When selling to 714 consumers for on-premises consumption, a holder of a native wine 715 retailer's permit may add to the native wine alcoholic beverages 716 not produced on the premises, so long as the total volume of 717 foreign beverage components does not exceed twenty percent (20%) 718 of the mixed beverage. Hours of sale shall be the same as those 719 authorized for on-premises permittees in the city or county in 720 which the native wine retailer is located.

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(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 and native spirits, during legal hours on the premises described in the temporary permit only.

726 Temporary retailer's permits shall be of the following 727 classes:

728 Class 1. A temporary one-day permit may be issued to bona 729 fide nonprofit civic or charitable organizations authorizing the 730 sale of alcoholic beverages, including native wine and native 731 spirit, for consumption on the premises described in the temporary 732 permit only. Class 1 permits may be issued only to applicants demonstrating to the department, by a statement signed under 733 734 penalty of perjury submitted ten (10) days prior to the proposed 735 date or such other time as the department may determine, that they meet the qualifications of Sections 67-1-11, 67-1-37, 67-1-51(2) 736 737 and (3), 67-1-55, 67-1-57 (excluding paragraph (e)) and 67-1-59. 738 Class 1 permittees shall obtain all alcoholic beverages from 739 package retailers located in the county in which the temporary 740 permit is issued. Alcoholic beverages remaining in stock upon 741 expiration of the temporary permit may be returned by the 742 permittee to the package retailer for a refund of the purchase 743 price upon consent of the package retailer or may be kept by the 744 permittee exclusively for personal use and consumption, subject to all laws pertaining to the illegal sale and possession of 745

H. B. No. 1137 23/HR43/R1446 PAGE 30 (BS\EW) 746 alcoholic beverages. The department, following review of the 747 statement provided by the applicant and the requirements of the 748 applicable statutes and regulations, may issue the permit.

749 Class 2. A temporary permit, not to exceed seventy (70) 750 days, may be issued to prospective permittees seeking to transfer 751 a permit authorized in paragraph (c) of this subsection. A Class 752 2 permit may be issued only to applicants demonstrating to the 753 department, by a statement signed under the penalty of perjury, 754 that they meet the qualifications of Sections 67-1-5(1), (m), (n), 755 (o), (p) or (q), 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 756 67-1-59. The department, following a preliminary review of the 757 statement provided by the applicant and the requirements of the 758 applicable statutes and regulations, may issue the permit.

759 Class 2 temporary permittees must purchase their alcoholic 760 beverages directly from the department or, with approval of the 761 department, purchase the remaining stock of the previous 762 permittee. If the proposed applicant of a Class 1 or Class 2 763 temporary permit falsifies information contained in the 764 application or statement, the applicant shall never again be 765 eligible for a retail alcohol beverage permit and shall be subject 766 to prosecution for perjury.

Class 3. A temporary one-day permit may be issued to a retail establishment authorizing the complimentary distribution of wine, including native wine, to patrons of the retail establishment at an open house or promotional event, for

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795 the holder to engage in the business of a retailer of light wine 796 or beer.

797 Caterer's permit. A caterer's permit shall permit (q) 798 the purchase of alcoholic beverages by a person engaging in 799 business as a caterer and the resale of alcoholic beverages by 800 such person in conjunction with such catering business. No person 801 shall qualify as a caterer unless forty percent (40%) or more of 802 the revenue derived from such catering business shall be from the 803 serving of prepared food and not from the sale of alcoholic 804 beverages and unless such person has obtained a permit for such 805 business from the Department of Health. A caterer's permit shall 806 not authorize the sale of alcoholic beverages on the premises of 807 the person engaging in business as a caterer; however, the holder 808 of an on-premises retailer's permit may hold a caterer's permit. 809 When the holder of an on-premises retailer's permit or an 810 affiliated entity of the holder also holds a caterer's permit, the 811 caterer's permit shall not authorize the service of alcoholic 812 beverages on a consistent, recurring basis at a separate, fixed 813 location owned or operated by the caterer, on-premises retailer or 814 affiliated entity and an on-premises retailer's permit shall be 815 required for the separate location. All sales of alcoholic 816 beverages by holders of a caterer's permit shall be made at the location being catered by the caterer, and, except as otherwise 817 818 provided in subsection (5) of this section, such sales may be made only for consumption at the catered location. The location being 819

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820 catered may be anywhere within a county or judicial district that 821 has voted to come out from under the dry laws or in which the sale 822 and distribution of alcoholic beverages is otherwise authorized by 823 Such sales shall be made pursuant to any other conditions law. 824 and restrictions which apply to sales made by on-premises retail 825 permittees. The holder of a caterer's permit or his employees 826 shall remain at the catered location as long as alcoholic 827 beverages are being sold pursuant to the permit issued under this 828 paragraph (g), and the permittee shall have at the location the 829 identification card issued by the Alcoholic Beverage Control 830 Division of the department. No unsold alcoholic beverages may be 831 left at the catered location by the permittee upon the conclusion 832 of his business at that location. Appropriate law enforcement 833 officers and Alcoholic Beverage Control Division personnel may 834 enter a catered location on private property in order to enforce 835 laws governing the sale or serving of alcoholic 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.

843 (i) Alcohol processing permit. An alcohol processing 844 permit shall authorize the holder thereof to purchase, transport

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845 and possess alcoholic beverages for the exclusive use in cooking, 846 processing or manufacturing products which contain alcoholic beverages as an integral ingredient. An alcohol processing permit 847 shall not authorize the sale of alcoholic beverages on the 848 849 premises of the person engaging in the business of cooking, 850 processing or manufacturing products which contain alcoholic 851 beverages. The amounts of alcoholic beverages allowed under an 852 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 permit. The alcoholic beverages sold from the cart must be 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.

(1) Merchant permit. Except as otherwise provided in 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 a cooking school, and shall authorize the holder to serve complimentary by the glass wine only, including native wine, at

H. B. No. 1137 **~ OFFICIAL ~** 23/hR43/R1446 PAGE 35 (BS\EW) 870 the holder's spa facility, art studio or gallery, or cooking 871 school. A merchant permit holder shall obtain all wine from the 872 holder of a package retailer's permit.

873 (m) Temporary alcoholic beverages charitable auction 874 permit. A temporary permit, not to exceed five (5) days, may be 875 issued to a qualifying charitable nonprofit organization that is 876 exempt from taxation under Section 501(c)(3) or (4) of the 877 Internal Revenue Code of 1986. The permit shall authorize the 878 holder to sell alcoholic beverages for the limited purpose of raising funds for the organization during a live or silent auction 879 880 that is conducted by the organization and that meets the following requirements: (i) the auction is conducted in an area of the 881 882 state where the sale of alcoholic beverages is authorized; (ii) if 883 the auction is conducted on the premises of an on-premises 884 retailer's permit holder, then the alcoholic beverages to be 885 auctioned must be stored separately from the alcoholic beverages 886 sold, stored or served on the premises, must be removed from the 887 premises immediately following the auction, and may not be 888 consumed on the premises; (iii) the permit holder may not conduct 889 more than two (2) auctions during a calendar year; (iv) the permit 890 holder may not pay a commission or promotional fee to any person 891 to arrange or conduct the auction.

(n) Event venue retailer's permit. An event venue
retailer's permit shall authorize the holder thereof to purchase
and resell alcoholic beverages, including native wines and native

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912 Temporary theatre permit. A temporary theatre (\circ) 913 permit, not to exceed five (5) days, may be issued to a charitable 914 nonprofit organization that is exempt from taxation under Section 915 501(c)(3) or (4) of the Internal Revenue Code and owns or operates 916 a theatre facility that features plays and other theatrical 917 performances and productions. Except as otherwise provided in 918 subsection (5) of this section, the permit shall authorize the holder to sell alcoholic beverages, including native wines and 919

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H. B. No. 1137 23/HR43/R1446 PAGE 37 (BS\EW) 920 native spirits, to patrons of the theatre during performances and 921 productions at the theatre facility for consumption during such 922 performances and productions on the premises of the facility 923 described in the permit. A temporary theatre permit holder shall 924 obtain all alcoholic beverages from package retailers located in 925 the county in which the permit is issued. Alcoholic beverages remaining in stock upon expiration of the temporary theatre permit 926 927 may be returned by the permittee to the package retailer for a 928 refund of the purchase price upon consent of the package retailer or may be kept by the permittee exclusively for personal use and 929 930 consumption, subject to all laws pertaining to the illegal sale 931 and possession of alcoholic beverages.

932 Charter ship operator's permit. Subject to the (p) 933 provisions of this paragraph (p), a charter ship operator's permit 934 shall authorize the holder thereof and its employees to serve, 935 monitor, store and otherwise control the serving and availability 936 of alcoholic beverages to customers of the permit holder during 937 private charters under contract provided by the permit holder. A 938 charter ship operator's permit shall authorize such action by the 939 permit holder and its employees only as to alcoholic beverages 940 brought onto the permit holder's ship by customers of the permit 941 holder as part of such a private charter. All such alcoholic 942 beverages must be removed from the charter ship at the conclusion 943 of each private charter. A charter ship operator's permit shall not authorize the permit holder to sell, charge for or otherwise 944

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945 supply alcoholic beverages to customers, except as authorized in 946 this paragraph (p). For the purposes of this paragraph (p), 947 "charter ship operator" means a common carrier that (i) is certified to carry at least one hundred fifty (150) passengers 948 949 and/or provide overnight accommodations for at least fifty (50) 950 passengers, (ii) operates only in the waters within the State of 951 Mississippi, which lie adjacent to the State of Mississippi south 952 of the three (3) most southern counties in the State of 953 Mississippi, and (iii) provides charters under contract for tours 954 and trips in such waters.

955 Distillery retailer's permit. The holder of a (q) 956 Class 1 manufacturer's permit may obtain a distillery retailer's 957 permit. A distillery retailer's permit shall authorize the holder 958 thereof to sell at retail alcoholic beverages to consumers for 959 on-premises consumption, or to consumers by the sealed and 960 unopened bottle from a retail location at the distillery for 961 off-premises consumption. The holder may only sell product 962 manufactured by the manufacturer at the distillery described in 963 the permit. However, when selling to consumers for on-premises 964 consumption, a holder of a distillery retailer's permit may add 965 other beverages, alcoholic or not, so long as the total volume of 966 other beverage components containing alcohol does not exceed 967 twenty percent (20%). Hours of sale shall be the same as those 968 authorized for on-premises permittees in the city or county in which the distillery retailer is located. 969

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991 (r) **Festival wine permit**. Any wine manufacturer or 992 native wine producer permitted by Mississippi or any other state 993 is eligible to obtain a Festival Wine Permit. This permit 994 authorizes the entity to transport product manufactured by it to

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998 "Festival" means any event at which three (3) or more vendors are 999 present at a location for the sale or distribution of goods. The 1000 holder of a Festival Wine Permit is not required to purchase the 1001 alcoholic beverages authorized to be sold by this paragraph from 1002 the department's liquor distribution warehouse. However, if the 1003 holder does not purchase the alcoholic beverages from the 1004 department's liquor distribution warehouse, the holder of this 1005 permit shall pay to the department all taxes, fees and surcharges 1006 on the alcoholic beverages sold at such festivals that are imposed 1007 upon the sale of alcoholic beverages shipped by the Alcoholic 1008 Beverage Control Division of the Department of Revenue. 1009 Additionally, the entity shall file all applicable reports and 1010 returns as prescribed by the department. This permit is issued 1011 per festival and provides authority to sell for two (2) consecutive days during the hours authorized for on-premises 1012 1013 permittees' sales in that county or city. The holder of the 1014 permit shall be required to maintain all requirements set by Local 1015 Option Law for the service and sale of alcoholic beverages. This 1016 permit may be issued to entities participating in festivals at which a Class 1 temporary permit is in effect. 1017

1018 This paragraph (r) shall stand repealed from and after July 1019 1, 2023.

1020 Charter vessel operator's permit. Subject to the (s) 1021 provisions of this paragraph (s), a charter vessel operator's permit shall authorize the holder thereof and its employees to 1022 1023 sell and serve alcoholic beverages to passengers of the permit 1024 holder during public tours, historical tours, ecological tours and 1025 sunset cruises provided by the permit holder. The permit shall 1026 authorize the holder to only sell alcoholic beverages, including 1027 native wines, to passengers of the charter vessel operator during 1028 public tours, historical tours, ecological tours and sunset 1029 cruises provided by the permit holder aboard the charter vessel 1030 operator for consumption during such tours and cruises on the 1031 premises of the charter vessel operator described in the permit. 1032 For the purposes of this paragraph (s), "charter vessel operator" 1033 means a common carrier that (i) is certified to carry at least 1034 forty-nine (49) passengers, (ii) operates only in the waters 1035 within the State of Mississippi, which lie south of Interstate 10 1036 in the three (3) most southern counties in the State of 1037 Mississippi, and lie adjacent to the State of Mississippi south of 1038 the three (3) most southern counties in the State of Mississippi, 1039 extending not further than one (1) mile south of such counties, 1040 and (iii) provides vessel services for tours and cruises in such 1041 waters as provided in this paragraph (s).

1042 (t) Native spirit retailer's permit. Except as
1043 otherwise provided in subsection (5) of this section, a native
1044 spirit retailer's permit shall be issued only to a holder of a

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1045 Class 4 manufacturer's permit, and shall authorize the holder 1046 thereof to make retail sales of native spirits to consumers for on-premises consumption or to consumers in originally sealed and 1047 1048 unopened containers at an establishment located on the premises of 1049 or in the immediate vicinity of a native distillery. When selling 1050 to consumers for on-premises consumption, a holder of a native spirit retailer's permit may add to the native spirit alcoholic 1051 1052 beverages not produced on the premises, so long as the total 1053 volume of foreign beverage components does not exceed twenty 1054 percent (20%) of the mixed beverage. Hours of sale shall be the 1055 same as those authorized for on-premises permittees in the city or 1056 county in which the native spirit retailer is located.

1057 Delivery service permit. Any individual, limited (u) 1058 liability company, corporation or partnership registered to do 1059 business in this state is eligible to obtain a delivery service 1060 permit. Subject to the provisions of Section 67-1-51.1, this 1061 permit authorizes the permittee, or its employee or an independent 1062 contractor acting on its behalf, to deliver alcoholic beverages, 1063 beer, light wine and light spirit product from a licensed retailer 1064 to a person in this state who is at least twenty-one (21) years of 1065 age for the individual's use and not for resale. This permit does 1066 not authorize the delivery of alcoholic beverages, beer, light 1067 wine or light spirit product to the premises of a location with a 1068 permit for the manufacture, distribution or retail sale of alcoholic beverages, beer, light wine or light spirit product. 1069

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H. B. No. 1137 23/HR43/R1446 PAGE 43 (BS\EW) 1070 The holder of a package retailer's permit or an on-premises 1071 retailer's permit under Section 67-1-51 or of a beer, light wine 1072 and light spirit product permit under Section 67-3-19 is 1073 authorized to apply for a delivery service permit as a privilege 1074 separate from its existing retail permit.

1075 (V) Food truck permit. A food truck permit shall authorize the holder of an on-premises retailer's permit to use a 1076 1077 food truck to sell alcoholic beverages off its premises to guests 1078 who must consume the beverages in open containers. For the purposes of this paragraph (v), "food truck" means a fully encased 1079 1080 food service establishment on a motor vehicle or on a trailer that 1081 a motor vehicle pulls to transport, and from which a vendor, 1082 standing within the frame of the establishment, prepares, cooks, sells and serves food for immediate human consumption. 1083 The term "food truck" does not include a food cart that is not motorized. 1084 1085 Food trucks shall maintain such distance requirements from 1086 schools, churches, kindergartens and funeral homes as are required for on-premises retailer's permittees under this article, and all 1087 1088 sales must be made within a valid leisure and recreation district 1089 established under Section 67-1-101. Food trucks cannot sell or 1090 serve alcoholic beverages unless also offering food prepared and cooked within the food truck, and permittees must maintain a 1091 1092 twenty-five percent (25%) food sale revenue requirement based on 1093 the food sold from the food truck alone. The hours allowed for sale shall be the same as those for on-premises retailer's 1094

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1095 permittees in the location. This permit will not be required for 1096 the holder of a caterer's permit issued under this article to 1097 cater an event as allowed by law. Permittees must provide notice 1098 of not less than forty-eight (48) hours to the department of each 1099 location at which alcoholic beverages will be sold.

(w) Direct wine shipper's permit. A direct wine shipper's permit shall authorize the holder to sell and ship wine directly to residents in this state in accordance with the provisions of Sections 1 through 9 of this act, without being required to transact the sale and shipment of those wines through the Alcoholic Beverage Control Division of the department.

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

1109 (3) (a) Except as otherwise provided in this subsection, no 1110 authority shall be granted to any person to manufacture, sell or store for sale any intoxicating liquor as specified in this 1111 article within four hundred (400) feet of any church, school, 1112 1113 kindergarten or funeral home. However, within an area zoned 1114 commercial or business, such minimum distance shall be not less 1115 than one hundred (100) feet.

(b) A church or funeral home may waive the distance restrictions imposed in this subsection in favor of allowing issuance by the department of a permit, pursuant to subsection (1) of this section, to authorize activity relating to the

H. B. No. 1137 **~ OFFICIAL ~** 23/HR43/R1446 PAGE 45 (BS\EW) 1120 manufacturing, sale or storage of alcoholic beverages which would 1121 otherwise be prohibited under the minimum distance criterion. 1122 Such waiver shall be in written form from the owner, the governing 1123 body, or the appropriate officer of the church or funeral home 1124 having the authority to execute such a waiver, and the waiver 1125 shall be filed with and verified by the department before becoming 1126 effective.

1127 (C) The distance restrictions imposed in this 1128 subsection shall not apply to the sale or storage of alcoholic 1129 beverages at a bed and breakfast inn listed in the National 1130 Register of Historic Places or to the sale or storage of alcoholic beverages in a historic district that is listed in the National 1131 1132 Register of Historic Places, is a qualified resort area and is 1133 located in a municipality having a population greater than one hundred thousand (100,000) according to the latest federal 1134 1135 decennial census.

(d) The distance restrictions imposed in this subsection shall not apply to the sale or storage of alcoholic beverages at a qualified resort area as defined in Section 67-1-5(0)(iii)32.

(e) The distance restrictions imposed in this subsection shall not apply to the sale or storage of alcoholic beverages at a licensed premises in a building formerly owned by a municipality and formerly leased by the municipality to a

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(f) The distance restrictions imposed in this subsection shall not apply to the sale or storage of alcoholic beverages at a licensed premises in a building consisting of at least five thousand (5,000) square feet and located approximately six hundred (600) feet from the intersection of Mississippi Highway 15 and Mississippi Highway 4.

(g) The distance restrictions imposed in this subsection shall not apply to the sale or storage of alcoholic beverages at a licensed premises in a building located at or near the intersection of Ward and Tate Streets and adjacent properties in the City of Senatobia, Mississippi.

1157 The distance restrictions imposed in this (h) 1158 subsection shall not apply to the sale or storage of alcoholic 1159 beverages at a theatre facility that features plays and other 1160 theatrical performances and productions and (i) is capable of seating more than seven hundred fifty (750) people, (ii) is owned 1161 1162 by a municipality which has a population greater than ten thousand 1163 (10,000) according to the latest federal decennial census, (iii) 1164 was constructed prior to 1930, (iv) is on the National Register of 1165 Historic Places, and (v) is located in a historic district.

(4) No person, either individually or as a member of a firm, partnership, limited liability company or association, or as a stockholder, officer or director in a corporation, shall own or

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1169 control any interest in more than one (1) package retailer's 1170 permit, nor shall such person's spouse, if living in the same 1171 household of such person, any relative of such person, if living 1172 in the same household of such person, or any other person living 1173 in the same household with such person own any interest in any 1174 other package retailer's permit.

In addition to any other authority granted under 1175 (5)(a) 1176 this section, the holder of a permit issued under subsection 1177 (1)(c), (e), (f), (g), (l), (n) and/or (o) of this section may 1178 sell or otherwise provide alcoholic beverages and/or wine to a 1179 patron of the permit holder in the manner authorized in the permit 1180 and the patron may remove an open glass, cup or other container of 1181 the alcoholic beverage and/or wine from the licensed premises and 1182 may possess and consume the alcoholic beverage or wine outside of 1183 the licensed premises if: (i) the licensed premises is located 1184 within a leisure and recreation district created under Section 1185 67-1-101 and (ii) the patron remains within the boundaries of the 1186 leisure and recreation district while in possession of the 1187 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 article.

1192 SECTION 17. Section 67-1-53, Mississippi Code of 1972, is 1193 amended as follows:

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1194 67-1-53. (1)Application for permits shall be in such form 1195 and shall contain such information as shall be required by the regulations of the * * * department; however, no regulation of 1196 1197 the *** * *** department shall require personal financial information 1198 from any officer of a corporation applying for an on-premises 1199 retailer's permit to sell alcoholic beverages unless such officer 1200 owns ten percent (10%) or more of the stock of such corporation. 1201 Every applicant for each type of permit authorized by (2)1202 Section 67-1-51 shall give notice of such application by publication for two (2) consecutive issues in a newspaper of 1203 1204 general circulation published in the city or town in which 1205 applicant's place of business is located. However, in instances 1206 where no newspaper is published in the city or town, then the 1207 notice shall be published in a newspaper of general circulation 1208 published in the county where the applicant's business is located. 1209 If no newspaper is published in the county, the notice shall be 1210 published in a qualified newspaper which is published in the closest neighboring county and circulated in the county of 1211 1212 applicant's residence. The notice shall be printed in ten-point 1213 black face type and shall set forth the type of permit to be 1214 applied for, the exact location of the place of business, the name 1215 of the owner or owners thereof, and if operating under an assumed 1216 name, the trade name together with the names of all owners, and if 1217 a corporation, the names and titles of all officers. The cost of 1218 such notice shall be borne by the applicant. The provisions of

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H. B. No. 1137 23/HR43/R1446 PAGE 49 (BS\EW) 1219 this subsection (2) shall not apply to applicants for a direct

1220 wine shipper's permit under Sections 1 through 9 of this act.

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

1224 **SECTION 18.** Section 67-1-55, Mississippi Code of 1972, is 1225 amended as follows:

1226 67-1-55. No permit of any type shall be issued by the * * * 1227 department until the applicant has first filed with the * * * 1228 department a sworn statement disclosing all persons who are 1229 financially involved in the operation of the business for which 1230 the permit is sought. If an applicant is an individual, he will 1231 swear that he owns one hundred percent (100%) of the business for 1232 which he is seeking a permit. If the applicant is a partnership, 1233 all partners and their addresses shall be disclosed and the extent 1234 of their interest in the partnership shall be disclosed. If the 1235 applicant is a corporation, the total stock in the corporation 1236 shall be disclosed and each shareholder and his address and the 1237 amount of stock in the corporation owned by him shall be 1238 disclosed. If the applicant is a limited liability company, each 1239 member and their addresses shall be disclosed and the extent of 1240 their interest in the limited liability company shall be 1241 disclosed. If the applicant is a trust, the trustee and all 1242 beneficiaries and their addresses shall be disclosed. If the

H. B. No. 1137 23/HR43/R1446 PAGE 50 (BS\EW) 1243 applicant is a combination of any of the above, all information 1244 required to be disclosed above shall be required.

1245 All the disclosures shall be in writing and kept on file at 1246 the *** *** department and shall be available to the public.

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

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

1257 <u>The provisions of this section shall not apply to applicants</u> 1258 <u>for a direct wine shipper's permit under Sections 1 through 9 of</u> 1259 <u>this act.</u>

1260 **SECTION 19.** Section 67-1-57, Mississippi Code of 1972, is 1261 amended as follows:

1262 67-1-57. Before a permit is issued the department shall 1263 satisfy itself:

(a) That the applicant, if an individual, or if a
partnership, each of the members of the partnership, or if a
corporation, each of its principal officers and directors, or if a
limited liability company, each member of the limited liability

H. B. No. 1137 23/HR43/R1446 PAGE 51 (BS\EW) 1268 company, is of good moral character and, in addition, enjoys a 1269 reputation of being a peaceable, law-abiding citizen of the 1270 community in which he resides, and is generally fit for the trust 1271 to be reposed in him, is not less than twenty-one (21) years of 1272 age, and has not been convicted of a felony in any state or 1273 federal court.

1274 That, except in the case of an application for a (b) 1275 solicitor's permit, the applicant is the true and actual owner of 1276 the business for which the permit is desired, and that he intends 1277 to carry on the business authorized for himself and not as the 1278 agent of any other person, and that he intends to superintend in 1279 person the management of the business or that he will designate a 1280 manager to manage the business for him. Except for managers 1281 employed by the holder of a direct wine shipper's permit, all 1282 managers must be approved by the department prior to completing 1283 any managerial tasks on behalf of the permittee and must possess 1284 all of the qualifications required of a permittee; however, a 1285 felony conviction, other than a crime of violence, does not 1286 automatically disqualify a person from being approved as a manager 1287 if the person was released from incarceration at least three (3) 1288 years prior to application for approval as a manager. A felony 1289 conviction, other than a crime of violence, may be considered by 1290 the department in determining whether all other qualifications are 1291 met.

H. B. No. 1137 23/HR43/R1446 PAGE 52 (BS\EW) 1292 That the applicant for a package retailer's permit, (C) 1293 if an individual, is a resident of the State of Mississippi. Ιf the applicant is a partnership, each member of the partnership 1294 1295 must be a resident of the state. If the applicant is a limited 1296 liability company, each member of the limited liability company 1297 must be a resident of the state. If the applicant is a 1298 corporation, the designated manager of the corporation must be a 1299 resident of the state.

(d) That the place for which the permit is to be issued
is an appropriate one considering the character of the premises
and the surrounding neighborhood.

(e) That the place for which the permit is to be issued is within the corporate limits of an incorporated municipality or qualified resort area or club which comes within the provisions of this article.

(f) That the applicant is not indebted to the state for any taxes, fees or payment of penalties imposed by any law of the State of Mississippi or by any rule or regulation of the * * * department.

(g) That the applicant is not in the habit of using alcoholic beverages to excess and is not physically or mentally incapacitated, and that the applicant has the ability to read and write the English language.

1315 (h) That the * * * <u>department</u> does not believe and has 1316 no reason to believe that the applicant will sell or knowingly

H. B. No. 1137 23/HR43/R1446 PAGE 53 (BS\EW) 1317 permit any agent, servant or employee to unlawfully sell liquor in 1318 a dry area or in any other manner contrary to law.

(i) That the applicant is not residentially domiciled
with any person whose permit or license has been cancelled for
cause within the twelve (12) months next preceding the date of the
present application for a permit.

(j) That the * * * <u>department</u> has not, in the exercise of its discretion which is reserved and preserved to it, refused to grant permits under the restrictions of this section, as well as under any other pertinent provision of this article.

1327 (k) That there are not sufficient legal reasons to deny a permit on the ground that the premises for which the permit is 1328 1329 sought has previously been operated, used or frequented for any purpose or in any manner that is lewd, immoral or offensive to 1330 1331 public decency. In the granting or withholding of any permit to 1332 sell alcoholic beverages at retail, the * * * department in 1333 forming its conclusions may give consideration to any recommendations made in writing by the district or county attorney 1334 1335 or county, circuit or chancery judge of the county, or the sheriff 1336 of the county, or the mayor or chief of police of an incorporated 1337 city or town wherein the applicant proposes to conduct his 1338 business and to any recommendations made by representatives of the *** * *** department. 1339

1340 (1) That the applicant and the applicant's key
1341 employees, as determined by the * * * department, do not have a

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disqualifying criminal record. In order to obtain a criminal 1342 record history check, the applicant shall submit to the commission 1343 a set of fingerprints from any local law enforcement agency for 1344 1345 each person for whom the records check is required. The * * * 1346 department shall forward the fingerprints to the Mississippi 1347 Department of Public Safety. If no disqualifying record is identified at the state level, the Department of Public Safety 1348 1349 shall forward the fingerprints to the Federal Bureau of 1350 Investigation for a national criminal history record check. Costs 1351 for processing the set or sets of fingerprints shall be borne by 1352 the applicant. The department may waive the fingerprint 1353 requirement in the case of an applicant for a direct wine 1354 shipper's permit. The * * * department shall not deny employment to an employee of the applicant prior to the identification of a 1355 1356 disqualifying record or other disqualifying information.

1357 SECTION 20. Section 67-1-73, Mississippi Code of 1972, is 1358 amended as follows:

1359 67-1-73. (1) Except as otherwise provided in subsection (3) 1360 of this section, every manufacturer, including native wine or 1361 native spirit producers, within or without the state, and every 1362 other shipper of alcoholic beverages who sells any alcoholic 1363 beverage, including native wine or native spirit, within the state, shall, at the time of making such sale, file with the 1364 department a copy of the invoice of such sale showing in detail 1365 1366 the kind of alcoholic beverage sold, the quantities of each, the

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1370 (2) Except as otherwise provided in subsection (3) of this 1371 section, every person transporting alcoholic beverages, including 1372 native wine or native spirit, within this state to a point within this state, whether such transportation originates within or 1373 1374 without this state, shall, within five (5) days after delivery of 1375 such shipment, furnish the department a copy of the bill of lading 1376 or receipt, showing the name or consignor or consignee, date, 1377 place received, destination, and quantity of alcoholic beverages delivered. Upon failure to comply with the provisions of this 1378 1379 section, such person shall be deemed quilty of a misdemeanor and, upon conviction thereof, shall be fined in the sum of Fifty 1380 Dollars (\$50.00) for each offense. 1381

1382 (3) Information regarding the sales, shipment, delivery and
1383 transportation of wine in this state by the holder of a direct
1384 wine shipper's permit under Sections 1 through 9 of this act shall
1385 be in such form and content as prescribed by the department.
1386 SECTION 21. Section 97-31-47, Mississippi Code of 1972, is

1387 amended as follows:

1388 97-31-47. It shall be unlawful for any transportation 1389 company, or any agent, employee, or officer of such company, or 1390 any other person, or corporation to transport into or deliver in 1391 this state in any manner or by any means any spirituous, vinous,

H. B. No. 1137 **~ OFFICIAL ~** 23/HR43/R1446 PAGE 56 (BS\EW) malt, or other intoxicating liquors or drinks, or for any such person, company, or corporation to transport any spirituous, malt, vinous, or intoxicating liquors or drinks from one place within this state to another place within the state, or from one (1) point within this state to any point without the state, except in cases where this chapter * * *, Section 67-9-1, or Sections 1 through 9 of this act authorizes the transportation.

1399 SECTION 22. Section 97-31-49, Mississippi Code of 1972, is 1400 amended as follows:

1401 97-31-49. Except as otherwise provided in Sections 1 through 1402 9 of this act, it shall be unlawful for any person, firm or 1403 corporation in this state, in person, by letter, circular, or 1404 other printed or written matter, or in any other manner, to 1405 solicit or take order in this state for any liquors, bitters or 1406 drinks prohibited by the laws of this state to be sold, bartered, 1407 or otherwise disposed of. The inhibition of this section shall apply to such liquors, bitters and drinks, whether the parties 1408 intend that the same shall be shipped into this state from outside 1409 1410 of the state, or from one (1) point in this state to another point 1411 in this state. If such order be in writing, parol evidence 1412 thereof is admissible without producing or accounting for the absence of the original; and the taking or soliciting of such 1413 1414 orders is within the inhibition of this section, although the orders are subject to approval by some other person, and no part 1415

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1416 of the price is paid, nor any part of the goods is delivered when 1417 the order is taken.

1418 **SECTION 23.** This act shall take effect and be in force from

1419 and after July 1, 2023.

H. B. No. 1137 23/HR43/R1446 PAGE 58 (BS\EW) ST: Alcoholic beverage; allow direct sales and shipment of certain wines to residents in this state.