

By: Cuevas

To: Finance

SENATE BILL NO. 3140

1 AN ACT TO AMEND SECTIONS 27-71-5, 27-71-7, 27-71-9, 27-71-15,
2 27-71-21, 67-1-5, 67-1-9, 67-1-37, 67-1-41, 67-1-43, 67-1-45,
3 67-1-51, 67-1-77 AND 67-1-79, MISSISSIPPI CODE OF 1972, TO
4 AUTHORIZE THE DISTRIBUTION OF ALCOHOLIC BEVERAGES BY PRIVATE
5 ENTITIES; TO PROVIDE THE ANNUAL PRIVILEGE LICENSE TAX FOR AN
6 ALCOHOLIC BEVERAGE DISTRIBUTOR'S PERMIT; TO PROVIDE FOR AN EXCISE
7 TAX ON ALCOHOLIC BEVERAGES SOLD BY THE HOLDER OF AN ALCOHOLIC
8 BEVERAGE DISTRIBUTOR'S PERMIT AND THE COLLECTION OF SUCH TAX; TO
9 REQUIRE THE OPERATOR OF A VEHICLE TRANSPORTING ALCOHOLIC BEVERAGES
10 TO POSSESS AN INVOICE ISSUED BY THE HOLDER OF AN ALCOHOLIC
11 BEVERAGE DISTRIBUTOR'S PERMIT; TO PROVIDE THAT PERSONS ENGAGED IN
12 THE BUSINESS OF DISTRIBUTING ALCOHOLIC BEVERAGES MAY BE REQUIRED
13 TO ENTER INTO A BOND PAYABLE TO THE STATE OF MISSISSIPPI
14 CONDITIONED THAT SUCH DISTRIBUTOR WILL CONDUCT HIS BUSINESS
15 LAWFULLY; TO AUTHORIZE THE STATE TAX COMMISSION TO PROMULGATE
16 RULES AND REGULATIONS GOVERNING THE PURCHASE FOR RESALE,
17 DISTRIBUTION AND SALE OF ALCOHOLIC BEVERAGES; TO PROVIDE THAT THE
18 STATE TAX COMMISSION SHALL NOT BE A WHOLESALE DISTRIBUTOR OF
19 ALCOHOLIC BEVERAGES; TO AUTHORIZE THE STATE TAX COMMISSION TO
20 ISSUE ALCOHOLIC BEVERAGE DISTRIBUTOR'S PERMITS; TO PROVIDE THAT
21 SUCH PERMITS SHALL AUTHORIZE THE HOLDER THEREOF TO PURCHASE
22 ALCOHOLIC BEVERAGES FROM ANY MANUFACTURER OR IMPORTER, TRANSPORT
23 ALCOHOLIC BEVERAGES INTO THE STATE OF MISSISSIPPI, STORE ALCOHOLIC
24 BEVERAGES AT THE PRIVATE BONDED WAREHOUSE OF SUCH PERMITTEE'S
25 CHOICE AND SOLICIT ORDERS FROM AND SELL ALCOHOLIC BEVERAGES TO
26 PERMITTEES WHO ARE AUTHORIZED TO SELL ALCOHOLIC BEVERAGES AT
27 RETAIL; TO PROVIDE THAT RECORDS OF ORDERS MUST BE KEPT FOR THREE
28 YEARS AND SHALL BE SUBJECT TO INSPECTION BY THE ALCOHOLIC BEVERAGE
29 CONTROL DIVISION AT ANY TIME; TO REQUIRE THE HOLDER OF AN
30 ALCOHOLIC BEVERAGE DISTRIBUTOR'S PERMIT TO DELIVER ALCOHOLIC
31 BEVERAGES WITHIN THREE DAYS OF RECEIPT OF THE ORDER; TO MAKE IT
32 UNLAWFUL FOR AN ALCOHOLIC BEVERAGE DISTRIBUTOR TO HAVE A FINANCIAL
33 INTEREST IN ANY PREMISES UPON WHICH ANY ALCOHOLIC BEVERAGE IS SOLD
34 AT RETAIL; TO REPEAL SECTIONS 27-71-11, 21-71-13; 21-71-17,
35 21-71-19, 67-1-47 AND 67-1-49, MISSISSIPPI CODE OF 1972, WHICH
36 AUTHORIZE THE STATE TAX COMMISSION TO REQUEST THE STATE BOND
37 COMMISSION TO PROVIDE SUFFICIENT FUNDS REQUIRED TO MAINTAIN AN
38 ADEQUATE ALCOHOLIC BEVERAGE INVENTORY, REQUIRE THE STATE TAX
39 COMMISSION TO PURCHASE DIRECTLY FROM THE MANUFACTURER, PROVIDE
40 PENALTIES FOR SELLING ALCOHOLIC BEVERAGES NOT IDENTIFIED AS HAVING
41 BEEN PURCHASED BY THE COMMISSION, REQUIRE DISTILLERS AND
42 DISTRIBUTORS DEALING WITH THE STATE TAX COMMISSION TO REGISTER
43 WITH THE SECRETARY OF STATE AND REQUIRE DISTILLERS HAVING
44 CONTRACTS WITH THE STATE TAX COMMISSION TO FILE STATEMENTS OF
45 SALARY EXPENSES; AND FOR RELATED PURPOSES.

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

47 SECTION 1. Section 27-71-5, Mississippi Code of 1972, is

48 amended as follows:

49 27-71-5. (1) Upon each person approved for a permit under
50 the provisions of the Alcoholic Beverage Control Law and
51 amendments thereto, there is levied and imposed for each location
52 for the privilege of engaging and continuing in this state in the
53 business authorized by such permit, an annual privilege license
54 tax in the amount provided in the following schedule:

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

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

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

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

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

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

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

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

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

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

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

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

79 (j) Solicitor's permit, regardless of any other
80 provision of law, solicitor's permits shall be issued

81	only in the discretion of the commission.....	\$ 100.00
82	(k) Filing fee for each application except	
83	for an employee identification card.....	\$ 25.00
84	(l) Temporary permit, Class 1, each.....	\$ 10.00
85	(m) Temporary permit, Class 2, each.....	\$ 50.00
86	On-premises purchases exceeding \$5,000.00 and	
87	for each additional \$5,000.00, or fraction thereof.....	\$ 225.00
88	(n) (i) Caterer's permit.....	\$ 600.00
89	On purchases exceeding \$5,000.00 and for each	
90	additional \$5,000.00, or fraction thereof.....	\$ 250.00
91	(ii) Caterer's permit for holders of	
92	on-premises retailer's permit.....	\$ 150.00
93	On purchases exceeding \$5,000.00 and for each	
94	additional \$5,000.00, or fraction thereof.....	\$ 250.00
95	(o) Research permit.....	\$ 100.00
96	(p) Filing fee for each application for an employee	
97	identification card.....	\$ 5.00
98	(q) <u>Alcoholic beverage distributor's permit...</u>	<u>\$1,800.00</u>

99 In addition to the filing fee imposed by item (k) of this
100 subsection, a fee to be determined by the State Tax Commission may
101 be charged to defray costs incurred to process applications. Such
102 additional fees shall be paid into the State Treasury to the
103 credit of a special fund account, which is hereby created, and
104 expenditures therefrom shall be made only to defray the costs
105 incurred by the State Tax Commission in processing alcoholic
106 beverage applications. Any unencumbered balance remaining in the
107 special fund account on June 30 of any fiscal year shall lapse
108 into the State General Fund.

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

113 Any person who has paid the additional privilege license tax

114 imposed by item (f), (g), (h), (m) or (n) of this subsection, and
115 whose permit is renewed, may add any unused fraction of Five
116 Thousand Dollars (\$5,000.00) purchases to the first Five Thousand
117 Dollars (\$5,000.00) purchases authorized by the renewal permit,
118 and no additional license tax will be required until purchases
119 exceed the sum of the two (2) figures.

120 (2) There is imposed and shall be collected from each
121 permittee, except a common carrier, solicitor, holder of an
122 employee identification card or a temporary permittee, by the
123 commission, an additional license tax equal to the amounts imposed
124 under subsection (1) of this section for the privilege of doing
125 business within any municipality or county in which the licensee
126 is located. If the licensee is located within a municipality, the
127 commission shall pay the amount of additional license tax to the
128 municipality, and if outside a municipality the commission shall
129 pay the additional license tax to the county in which the licensee
130 is located. Payments by the commission to the respective local
131 government subdivisions shall be made once each month for any
132 collections during the preceding month.

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

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

144 (5) If any person shall engage or continue in any business
145 which is taxable hereunder without having paid the tax as provided
146 herein, such person shall be liable for the full amount of such

147 tax plus a penalty thereon equal to the amount thereof, and, in
148 addition, shall be punished by a fine of not more than One
149 Thousand Dollars (\$1,000.00), or by imprisonment in the county
150 jail for a term of not more than six (6) months, or by both such
151 fine and imprisonment, in the discretion of the court.

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

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

161 27-71-7. (1) There is hereby levied and assessed an excise
162 tax upon each case of alcoholic beverages sold by the holder of an
163 alcoholic beverage distributor's permit to be collected from each
164 retail licensee at the time of sale in accordance with the
165 following schedule:

- 166 (a) Distilled spirits.....\$2.50 per gallon
- 167 (b) Sparkling wine and champagne.....\$1.00 per gallon
- 168 (c) Other wines, including native
169 wines.....\$.35 per gallon

170 (2) (a) In addition to the tax levied by subsection (1) of
171 this section, and in addition to any other markup collected, the
172 holder of an alcoholic beverage distributor's permit shall collect
173 a markup of three percent (3%) on all alcoholic beverages, as
174 defined in Section 67-1-5, Mississippi Code of 1972, which are
175 sold by the holder of an alcoholic beverage distributor's permit.

176 The proceeds of the markup shall be collected by the holder of an
177 alcoholic beverage distributor's permit, as appropriate, from each
178 purchaser at the time of purchase.

179 (b) Until June 30, 1987, the revenue derived from this

180 three percent (3%) markup shall be deposited by the division in
181 the State Treasury to the credit of the "Alcoholism Treatment and
182 Rehabilitation Fund," a special fund which is hereby created in
183 the State Treasury, and shall be used by the Division of Alcohol
184 and Drug Abuse of the State Department of Mental Health and public
185 or private centers or organizations solely for funding of
186 treatment and rehabilitation programs for alcoholics and alcohol
187 abusers which are sponsored by the division or public or private
188 centers or organizations in such amounts as the Legislature may
189 appropriate to the division for use by the division or public or
190 private centers or organizations for such programs. Any tax
191 revenue in the fund which is not encumbered at the end of the
192 fiscal year shall lapse to the General Fund. It is the intent of
193 the Legislature that the State Department of Mental Health shall
194 continue to seek funds from other sources and shall use the funds
195 appropriated for the purposes of this section and Section 27-71-29
196 to match all federal funds which may be available for alcoholism
197 treatment and rehabilitation.

198 From and after July 1, 1987, the revenue derived from the
199 three percent (3%) markup and remitted to the State Tax Commission
200 shall be deposited by the State Tax Commission in the State
201 Treasury to the credit of the "Mental Health Programs Fund," a
202 special fund which is hereby created in the State Treasury and
203 shall be used by the State Department of Mental Health for the
204 service programs of the department. Any revenue in the
205 "Alcoholism Treatment and Rehabilitation Fund" which is not
206 encumbered at the end of fiscal year 1987 shall be deposited to
207 the credit of the "Mental Health Programs Fund."

208 (3) The tax and markup provided for in subsections (1) and
209 (2) of this section are collected by the holder of an alcoholic
210 beverage distributor's permit, the proceeds of such tax and markup
211 shall be remitted to the State Tax Commission on or before the
212 fifteenth day of the month following the month in which the tax

213 and markup were collected.

214 SECTION 3. Section 27-71-9, Mississippi Code of 1972, is
215 amended as follows:[WAN1]

216 27-71-9. The commission may promulgate regulations
217 authorizing persons holding on-premises retailer's permits for
218 common carriers, as provided herein, to file periodic reports and
219 pay a tax based upon the value of alcoholic beverages sold while
220 in this state * * * .

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

223 27-71-15. Except as otherwise provided in Section 67-9-1 for
224 the transportation of limited amounts of alcoholic beverages for
225 the use of an alcohol processing permittee, if transportation
226 requires passage through a county which has not authorized the
227 sale of alcoholic beverages, such transportation shall be by a
228 sealed vehicle. Such seal shall remain unbroken until the vehicle
229 shall reach the place of business operated by the permittee. The
230 operator of any vehicle transporting alcoholic beverages shall
231 have in his possession an invoice issued by the holder of an
232 alcoholic beverage distributor's permit at the time of the
233 wholesale sale covering the merchandise transported by the
234 vehicle. The commission is authorized to issue regulations
235 controlling the transportation of alcoholic beverages.

236 When the restrictions imposed by this section and by the
237 regulation of the commission have not been violated, the person
238 transporting alcoholic beverages through a county wherein the sale
239 of alcoholic beverages is prohibited shall not be guilty of
240 unlawful possession and such merchandise shall be immune from
241 seizure.

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

244 27-71-21. Before any person shall engage in the business of
245 manufacturing, distributing or retailing of alcoholic beverages,

246 he may be required to enter into a bond payable to the State of
247 Mississippi, conditioned that he will conduct said business
248 strictly in accordance with the laws of the State of Mississippi,
249 and that he will comply with the rules and regulations prescribed
250 by the commission, and pay all taxes due the State of Mississippi.

251 The amount of a bond required of a distributor or a manufacturer,
252 not including a producer of native wine, shall not exceed One
253 Hundred Thousand Dollars (\$100,000.00), and the amount required of
254 a retailer shall be Five Thousand Dollars (\$5,000.00). Provided,
255 however, any retailer whose check for purchase of merchandise or
256 payment of taxes shall be dishonored may be required by the
257 commission to post additional bond not to exceed Five Thousand
258 Dollars (\$5,000.00). Such bond shall be made in a surety company
259 authorized to do business in the State of Mississippi and shall be
260 approved by the commission. The commission shall be authorized to
261 institute suit in the proper court for any violation of the
262 condition of said bonds. The amount of the bond required of a
263 producer of native wine shall be Five Thousand Dollars
264 (\$5,000.00).

265 As an alternative to entering into a bond as required by this
266 section, any person who shall engage in the business of
267 manufacturing, distributing or retailing alcoholic beverages may,
268 subject to the same conditions of conduct required for bonds,
269 deposit with the State Treasurer the equivalent amount of the bond
270 required for that particular person in cash or securities. The
271 only securities allowable for this purpose are those which may
272 legally be purchased by a bank or for trust funds, having a market
273 value not less than that of the required bond. The commission
274 shall file notice with the Treasurer for any violation of the
275 conditions of the cash or security deposit.

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

278 67-1-5. For the purposes of this chapter and unless

279 otherwise required by the context:

280 (a) * * * "Alcoholic beverage" means any alcoholic
281 liquid, including wines of more than five percent (5%) of alcohol
282 by weight, capable of being consumed as a beverage by a human
283 being, but shall not include wine containing five percent (5%) or
284 less of alcohol by weight and shall not include beer containing
285 not more than five percent (5%) of alcohol by weight, as provided
286 for in Section 67-3-5, Mississippi Code of 1972, but shall include
287 native wines. The words "alcoholic beverage" shall not include
288 ethyl alcohol manufactured or distilled solely for fuel purposes.

289 (b) * * * "Alcohol" means the product of distillation
290 of any fermented liquid, whatever the origin thereof, and includes
291 synthetic ethyl alcohol, but does not include denatured alcohol or
292 wood alcohol.

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

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

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

304 (f) * * * "Manufacturer" means any person engaged in
305 manufacturing, distilling, rectifying, blending or bottling any
306 alcoholic beverage.

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

311 (h) * * * "Retailer" means any person who sells,

312 distributes, or offers for sale or distribution, any alcoholic
313 beverage for use or consumption by the purchaser and not for
314 resale.

315 (i) * * * "Commission" means the State Tax Commission
316 of the State of Mississippi, which shall create a division in its
317 organization to be known as the Alcoholic Beverage Control
318 Division. Any reference to the commission hereafter means the
319 powers and duties of the State Tax Commission with reference to
320 supervision of the Alcoholic Beverage Control Division.

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

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

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

341 (m) * * * "Restaurant" means a place which is regularly
342 and in a bona fide manner used and kept open for the serving of
343 meals to guests for compensation, which has suitable seating
344 facilities for guests, and which has suitable kitchen facilities

345 connected therewith for cooking an assortment of foods and meals
346 commonly ordered at various hours of the day; the service of such
347 food as sandwiches and salads only shall not be deemed in
348 compliance with this requirement. No place shall qualify as a
349 restaurant under this chapter unless twenty-five percent (25%) or
350 more of the revenue derived from such place shall be from the
351 preparation, cooking and serving of meals and not from the sale of
352 beverages, or unless the value of food given to and consumed by
353 customers is equal to twenty-five percent (25%) or more of total
354 revenue.

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

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

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

361 (iii) Maintained by its members through the
362 payment of annual dues;

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

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

371 (vi) No member, officer, agent or employee of
372 which is paid, or directly or indirectly receives, in the form of
373 a salary or other compensation any profit from the distribution or
374 sale of alcoholic beverages to the club or to members or guests of
375 the club beyond such salary or compensation as may be fixed and
376 voted at a proper meeting by the board of directors or other
377 governing body out of the general revenues of the club.

378 The commission may, in its discretion, waive the five-year
379 provision of this paragraph. In order to qualify under this
380 paragraph, a club must file with the commission, at the time of
381 its application for a license under this chapter, two (2) copies
382 of a list of the names and residences of its members and similarly
383 file, within ten (10) days after the election of any additional
384 member, his name and address. Each club applying for a license
385 shall also file with the commission at the time of the application
386 a copy of its articles of association, charter of incorporation,
387 bylaws or other instruments governing the business and affairs
388 thereof.

389 (o) * * * "Qualified resort area" means any area or
390 locality outside of the limits of incorporated municipalities in
391 this state commonly known and accepted as a place which regularly
392 and customarily attracts tourists, vacationists and other
393 transients because of its historical, scenic or recreational
394 facilities or attractions, or because of other attributes which
395 regularly and customarily appeal to and attract tourists,
396 vacationists and other transients in substantial numbers; however,
397 no area or locality shall so qualify as a resort area until it has
398 been duly and properly approved as such by the commission.

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

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

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

414 (iii) The term includes the clubhouses associated
415 with the state park golf courses at the Lefleur's Bluff State
416 Park, the John Kyle State Park, the Percy Quin State Park and the
417 Hugh White State Park. The status of these clubhouses as
418 qualified resort areas does not require any declaration of same by
419 the commission.

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

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

436 (r) * * * "Bed and breakfast inn" means an
437 establishment within a municipality where in consideration of
438 payment, breakfast and lodging are habitually furnished to
439 travelers and wherein are located not less than eight (8) and not
440 more than nineteen (19) adequately furnished and completely
441 separate sleeping rooms with adequate facilities, that persons
442 usually apply for and receive as overnight accommodations;
443 however, such restriction on the minimum number of sleeping rooms

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

450 (s) "Alcoholic beverage distributor" means a person
451 engaged in purchasing, transporting and storing alcoholic
452 beverages within the State of Mississippi and selling at wholesale
453 alcoholic beverages to permittees who are authorized to sell
454 alcoholic beverages at retail.

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

457 67-1-9. (1) It shall be unlawful for any person to
458 manufacture, distill, brew, sell, possess, import into this state,
459 export from the state, transport, distribute, warehouse, store,
460 solicit, take order for, bottle, rectify, blend, treat, mix or
461 process any alcoholic beverage except as authorized in this
462 chapter. However, nothing contained herein shall prevent
463 importers, wineries and distillers of alcoholic beverages from
464 storing such alcoholic beverages in private bonded warehouses
465 located within the State of Mississippi * * *, and nothing
466 contained herein shall prohibit the holder of an alcoholic
467 beverage distributor's permit from storing alcoholic beverages in
468 private bonded warehouses located in the State of Mississippi for
469 resale to authorized permittees. The commission is hereby
470 authorized to promulgate rules and regulations for the
471 establishment of such private bonded warehouses and for the
472 control of alcoholic beverages stored in such warehouses.
473 Additionally, nothing herein contained shall prevent any duly
474 licensed practicing physician or dentist from possessing or using
475 alcoholic liquor in the strict practice of his profession, or
476 prevent any hospital or other institution caring for sick and

477 diseased persons, from possessing and using alcoholic liquor for
478 the treatment of bona fide patients of such hospital or other
479 institution. Any drugstore employing a licensed pharmacist may
480 possess and use alcoholic liquors in the combination of
481 prescriptions of duly licensed physicians. The possession and
482 dispensation of wine by an authorized representative of any church
483 for the purpose of conducting any bona fide rite or religious
484 ceremony conducted by such church shall not be prohibited by this
485 chapter.

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

488 (a) By a fine of not less than One Hundred Dollars
489 (\$100.00), nor more than Five Hundred Dollars (\$500.00), or by
490 imprisonment in the county jail not less than one (1) week nor
491 more than three (3) months, or both, for the first conviction
492 under this section.

493 (b) By a fine of not less than One Hundred Dollars
494 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by
495 imprisonment in the county jail not less than sixty (60) days, nor
496 more than six (6) months, or both fine and imprisonment, for the
497 second conviction for violating this section.

498 (c) By a fine of not less than One Hundred Dollars
499 (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) or by
500 imprisonment in the State Penitentiary not less than one (1) year,
501 nor more than five (5) years, or both fine and imprisonment, for
502 conviction the third time under this section for the violation
503 thereof after having been twice convicted of its violation.

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

506 67-1-37. The State Tax Commission, under its duties and
507 powers with respect to the Alcoholic Beverage Control Division
508 therein, shall have the following powers, functions and duties:

509 (a) To issue or refuse to issue any permit provided for

510 by this chapter, or to extend the permit or remit in whole or any
511 part of the permit monies when the permit cannot be used due to a
512 natural disaster or Act of God.

513 (b) To revoke, suspend or cancel, for violation of or
514 noncompliance with the provisions of this chapter, or the law
515 governing the production and sale of native wines, or any lawful
516 rules and regulations of the commission issued hereunder, or for
517 other sufficient cause, any permit issued by it under the
518 provisions of this chapter; however, no such permit shall be
519 revoked, suspended or cancelled except after a hearing of which
520 the permit holder shall have been given reasonable notice and an
521 opportunity to be heard. The commission shall be authorized to
522 suspend the permit of any permit holder for being out of
523 compliance with an order for support, as defined in Section
524 93-11-153. The procedure for suspension of a permit for being out
525 of compliance with an order for support, and the procedure for the
526 reissuance or reinstatement of a permit suspended for that
527 purpose, and the payment of any fees for the reissuance or
528 reinstatement of a permit suspended for that purpose, shall be
529 governed by Section 93-11-157 or 93-11-163, as the case may be.
530 If there is any conflict between any provision of Section
531 93-11-157 or 93-11-163 and any provision of this chapter, the
532 provisions of Section 93-11-157 or 93-11-163, as the case may be,
533 shall control.

534 (c) To prescribe forms of permits and applications for
535 permits and of all reports which it deems necessary in
536 administering this chapter.

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

541 (e) To issue rules regulating the advertising of
542 alcoholic beverages in the state in any class of media and

543 permitting advertising of the retail price of alcoholic beverages.

544 (f) To issue reasonable rules and regulations, not
545 inconsistent with the federal laws or regulations, requiring
546 informative labeling of all alcoholic beverages offered for sale
547 within this state and providing for the standards of fill and
548 shapes of retail containers of alcoholic beverages; however, such
549 containers shall not contain less than fifty (50) milliliters by
550 liquid measure.

551 (g) Subject to the provisions of * * * Section
552 67-1-51(3), to issue rules and regulations governing the issuance
553 of retail permits for premises located near or around schools,
554 colleges, universities, churches and other public institutions,
555 and specifying the distances therefrom within which no such permit
556 shall be issued. The alcoholic beverage control division shall
557 not allow the sale or consumption of alcoholic beverages in or on
558 the campus of any public school or college, and no alcoholic
559 beverage shall be for sale or consumed at any public athletic
560 event at any grammar or high school or any college.

561 (h) To adopt and promulgate, repeal and amend, such
562 rules, regulations, standards, requirements and orders, not
563 inconsistent with this chapter or any law of this state or of the
564 United States, as it deems necessary to control the manufacture,
565 importation, transportation, distribution and sale of alcoholic
566 liquor, whether intended for beverage or nonbeverage use in a
567 manner not inconsistent with the provisions of this chapter or any
568 other statute, including the native wine laws.

569 (i) To call upon other administrative departments of
570 the state, county and municipal governments, county and city
571 police departments and upon prosecuting officers for such
572 information and assistance as it may deem necessary in the
573 performance of its duties.

574 (j) To prepare and submit to the Governor during the
575 month of January of each year a detailed report of its official

576 acts during the preceding fiscal year ending June 30, including
577 such recommendations as it may see fit to make, and to transmit a
578 like report to each member of the Legislature of this state upon
579 the convening thereof at its next regular session.

580 (k) To inspect, or cause to be inspected, any premises
581 where alcoholic liquors intended for sale are manufactured,
582 stored, distributed or sold, and to examine or cause to be
583 examined all books and records pertaining to the business
584 conducted therein.

585 (l) In the conduct of any hearing authorized to be held
586 by the commission, to hear testimony and take proof material for
587 its information in the discharge of its duties under this chapter;
588 to issue subpoenas, which shall be effective in any part of this
589 state, requiring the attendance of witnesses and the production of
590 books and records; to administer or cause to be administered
591 oaths; and to examine or cause to be examined any witness under
592 oath. Any court of record, or any judge thereof, may by order
593 duly entered require the attendance of witnesses and the
594 production of relevant books subpoenaed by the commission, and
595 such court or judge may compel obedience to its or his order by
596 proceedings for contempt.

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

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

605 (o) To assign employees to posts of duty at locations
606 where they will be most beneficial for the control of alcoholic
607 beverages, to remove, to dismiss, to suspend without pay, to act
608 as a trial board in hearings based upon charges against employees.

609 After twelve (12) months' service, no employee shall be removed,
610 dismissed, demoted or suspended without just cause and only after
611 being furnished with reasons for such removal, dismissal, demotion
612 or suspension, and upon request given a hearing in his own
613 defense.

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

617 (q) To adopt and promulgate rules and regulations for
618 suspension or revocation of identification cards of employees of
619 permittees for violations of the alcoholic beverage control laws,
620 rules or regulations.

621 (r) To adopt and promulgate rules and regulations
622 governing the purchase for resale, distribution and sale of
623 alcoholic beverages.

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

626 67-1-41.

627 * * *

628 (1) No person for the purpose of sale shall manufacture,
629 distill, brew, sell, possess, export, transport, distribute,
630 warehouse, store, solicit, take orders for, bottle, rectify,
631 blend, treat, mix or process any alcoholic beverage except in
632 accordance with authority granted under this chapter, or as
633 otherwise provided by law for native wines.

634 (2) No alcoholic beverage intended for sale or resale shall
635 be imported, shipped or brought into this state for delivery to
636 any person other than as provided in this chapter, or as otherwise
637 provided by law for native wines.

638 (3) The commission may promulgate rules and regulations
639 which authorize on-premises retailers to purchase limited amounts
640 of alcoholic beverages from package retailers and for package
641 retailers to purchase limited amounts of alcoholic beverages from

642 other package retailers. The commission shall develop and provide
643 forms to be completed by the on-premises retailers and the package
644 retailers verifying the transaction. The completed forms shall be
645 forwarded to the commission within a period of time prescribed by
646 the commission.

647 * * *

648 (4) The commission shall maintain all forms to be completed
649 by applicants necessary for licensure by the commission at all
650 district offices of the commission.

651 (5) The commission may promulgate rules which authorize the
652 manufacturer of an alcoholic beverage or wine to import, transport
653 and furnish or give a sample of alcoholic beverages or wines to
654 the holders of package retailer's permits, on-premises retailer's
655 permits, native wine retailer's permits and temporary retailer's
656 permits who have not previously purchased the brand of that
657 manufacturer from the commission. For each holder of the
658 designated permits, the manufacturer may furnish not more than
659 five hundred (500) milliliters of any brand of alcoholic beverage
660 and not more than three (3) liters of any brand of wine.

661 (6) The commission may promulgate rules disallowing open
662 product sampling of alcoholic beverages or wines by the holders of
663 package retailer's permits and permitting open product sampling of
664 alcoholic beverages by the holders of on-premises retailer's
665 permits. Permitted sample products shall be plainly identified
666 "sample" and the actual sampling must occur in the presence of the
667 manufacturer's representatives during the legal operating hours of
668 on-premises retailers.

669 (7) The commission may promulgate rules and regulations that
670 authorize the holder of a research permit to import and purchase
671 limited amounts of alcoholic beverages from importers, wineries,
672 distillers and distributors of alcoholic beverages * * *. The
673 commission shall develop and provide forms to be completed by the
674 research permittee verifying each transaction. The completed

675 forms shall be forwarded to the commission within a period of time
676 prescribed by the commission. The records and inventory of
677 alcoholic beverages shall be open to inspection at any time by the
678 Director of the Alcoholic Beverage Control Division or any duly
679 authorized agent.

680 SECTION 10. Section 67-1-43, Mississippi Code of 1972, is
681 amended as follows:[WAN2]

682 67-1-43. Any authorized retail distributor who shall
683 purchase or receive intoxicating liquor from any source except
684 from the holder of an alcoholic beverage distributor's permit,
685 unless authorized by rules and regulations of the commission
686 promulgated under subsection (4) of Section 67-1-41, shall be
687 guilty of a misdemeanor and upon conviction thereof shall be
688 punished by a fine of not less than Five Hundred Dollars
689 (\$500.00), nor more than Two Thousand Dollars (\$2,000.00), to
690 which may be added imprisonment in the county jail for not more
691 than six (6) months. Any authorization of such person to sell
692 intoxicating beverages may be revoked as provided by law.

693 This section shall not apply to any authorized retail
694 distributor who shall purchase native wines directly from the
695 producer.

696 SECTION 11. Section 67-1-45, Mississippi Code of 1972, is
697 amended as follows:

698 67-1-45. No manufacturer, rectifier, * * * distiller or
699 distributor of intoxicating liquor shall sell or attempt to sell
700 any such intoxicating liquor, except malt liquor, within the State
701 of Mississippi, except as authorized in this chapter. A producer
702 of native wine may sell native wines to an * * * authorized retail
703 distributor or directly to consumers.

704 Any violation of this section by any manufacturer, rectifier,
705 or distiller shall be punished by a fine of not less than Five
706 Hundred Dollars (\$500.00), and not more than Two Thousand Dollars
707 (\$2,000.00), to which may be added imprisonment in the county jail

708 not to exceed six (6) months.

709 SECTION 12. Section 67-1-51, Mississippi Code of 1972, is
710 amended as follows:

711 67-1-51. (1) Permits which may be issued by the commission
712 shall be as follows:

713 (a) **Manufacturer's permit.** A manufacturer's permit
714 shall permit the manufacture, importation in bulk, bottling and
715 storage of alcoholic liquor and its distribution and sale to
716 manufacturers holding permits under this chapter in this state and
717 to persons outside the state who are authorized by law to purchase
718 the same * * *.

719 **Manufacturer's permits shall be of the following classes:**

720 Class 1. Distiller's and/or rectifier's permit, which shall
721 authorize the holder thereof to operate a distillery for the
722 production of distilled spirits by distillation or redistillation
723 and/or to operate a rectifying plant for the purifying, refining,
724 mixing, blending, flavoring or reducing in proof of distilled
725 spirits and alcohol.

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

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

732 (b) **Package retailer's permit.** Except as otherwise
733 provided in this paragraph, a package retailer's permit shall
734 authorize the holder thereof to operate a store exclusively for
735 the sale at retail in original sealed and unopened packages of
736 alcoholic beverages, including native wines, not to be consumed on
737 the premises where sold. Alcoholic beverages shall not be sold by
738 any retailer in any package or container containing less than
739 fifty (50) milliliters by liquid measure. In addition to the sale
740 at retail of packages of alcoholic beverages, the holder of a

741 package retailer's permit is authorized to sell at retail
742 corkscrews, wine glasses, soft drinks, ice, juices, mixers and
743 other beverages commonly used to mix with alcoholic beverages.
744 Nonalcoholic beverages sold by the holder of a package retailer's
745 permit shall not be consumed on the premises where sold.

746 (c) **On-premises retailer's permit.** An on-premises
747 retailer's permit shall authorize the sale of alcoholic beverages,
748 including native wines, for consumption on the licensed premises
749 only. Such a permit shall issue only to qualified hotels,
750 restaurants and clubs, and to common carriers with adequate
751 facilities for serving passengers. In resort areas, whether
752 inside or outside of a municipality, the commission may, in its
753 discretion, issue on-premises retailer's permits to such
754 establishments as it deems proper. An on-premises retailer's
755 permit when issued to a common carrier shall authorize the sale
756 and serving of alcoholic beverages aboard any licensed vehicle
757 while moving through any county of the state; however, the sale of
758 such alcoholic beverages shall not be permitted while such vehicle
759 is stopped in a county that has not legalized such sales.

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

773 (e) **Native wine retailer's permit.** A native wine

774 retailer's permit shall be issued only to a holder of a Class 3
775 manufacturer's permit, and shall authorize the holder thereof to
776 make retail sales of native wines to consumers for on-premises
777 consumption or to consumers in originally sealed and unopened
778 containers at an establishment located on the premises of or in
779 the immediate vicinity of a native winery.

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

784 **Temporary retailer's permits shall be of the following**
785 **classes:**

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

806 Class 2. A temporary permit, not to exceed seventy (70)

807 days, may be issued to prospective permittees seeking to transfer
808 a permit authorized in either paragraph (b) or (c) of this
809 section. A Class 2 permit may be issued only to applicants
810 demonstrating to the commission, by affidavit, that they meet the
811 qualifications of Sections 67-1-5(1), (m), (n), (o), (p) or (q),
812 67-1-37, 67-1-51(2) and (3), 67-1-55, 67-1-57 and 67-1-59. The
813 commission, following a preliminary review of the affidavit and
814 the requirements of the applicable statutes and regulations, may
815 issue the permit.

816 * * *

817 If the proposed applicant of a Class 1 or Class 2 temporary
818 permit falsifies information contained in the application or
819 affidavit, the applicant shall never again be eligible for a
820 retail alcohol beverage permit and shall be subject to prosecution
821 for perjury.

822 (g) **Caterer's permit.** A caterer's permit shall permit
823 the purchase of alcoholic beverages by a person engaging in
824 business as a caterer and the resale of alcoholic beverages by
825 such person in conjunction with such catering business. No person
826 shall qualify as a caterer unless forty percent (40%) or more of
827 the revenue derived from such catering business shall be from the
828 serving of prepared food and not from the sale of alcoholic
829 beverages and unless such person has obtained a permit for such
830 business from the Department of Health. A caterer's permit shall
831 not authorize the sale of alcoholic beverages on the premises of
832 the person engaging in business as a caterer; however, the holder
833 of an on-premises retailer's permit may hold a caterer's permit.
834 All sales of alcoholic beverages by holders of a caterer's permit
835 shall be made at the location being catered by the caterer, and
836 such sales may be made only for consumption at the catered
837 location. Such sales shall be made pursuant to any other
838 conditions and restrictions which apply to sales made by
839 on-premises retail permittees. The holder of a caterer's permit

840 or his employees shall remain at the catered location as long as
841 alcoholic beverages are being sold pursuant to the permit issued
842 under this paragraph (g), and the permittee and employees at such
843 location shall each have personal identification cards issued by
844 the Alcoholic Beverage Control Division of the commission. No
845 unsold alcoholic beverages may be left at the catered location by
846 the permittee upon the conclusion of his business at that
847 location. Appropriate law enforcement officers and Alcoholic
848 Beverage Control Division personnel may enter a catered location
849 on private property in order to enforce laws governing the sale or
850 serving of alcoholic beverages.

851 (h) **Research Permit.** A research permit shall authorize
852 the holder thereof to operate a research facility for the
853 professional research of alcoholic beverages. Such permit shall
854 authorize the holder of the permit to import and purchase limited
855 amounts of alcoholic beverages from * * * importers, wineries,
856 distillers and distributors of alcoholic beverages for
857 professional research.

858 (i) **Alcohol processing permit.** An alcohol processing
859 permit shall authorize the holder thereof to purchase, transport
860 and possess alcoholic beverages for the exclusive use in cooking,
861 processing or manufacturing products which contain alcoholic
862 beverages as an integral ingredient. An alcohol processing permit
863 shall not authorize the sale of alcoholic beverages on the
864 premises of the person engaging in the business of cooking,
865 processing or manufacturing products which contain alcoholic
866 beverages. The amounts of alcoholic beverages allowed under an
867 alcohol processing permit shall be set by the commission.

868 (j) **Alcoholic beverage distributor's permit.** An
869 alcoholic beverage distributor's permit shall authorize the holder
870 thereof to purchase for resale, to store and to distribute to
871 authorized permittees, alcoholic beverages. Such permit shall
872 entitle the holder thereof to purchase alcoholic beverages from

873 any manufacturer or importer for the purpose of resale in this
874 state to permittees that are authorized to sell alcoholic
875 beverages at retail. The holder of an alcoholic beverage
876 distributor's permit may transport alcoholic beverages into the
877 State of Mississippi and store such alcoholic beverages in a
878 private bonded warehouse of such permittee's choice for sale to
879 permittees who are authorized to sell alcoholic beverages at
880 retail. The holder of an alcoholic beverage distributor's permit
881 may solicit orders for alcoholic beverages from any permittee that
882 is authorized to sell alcoholic beverages at retail. Records of
883 such orders shall be kept and maintained for a period of three (3)
884 years after the order is taken and shall be subject to inspection
885 by the division at any time without prior notice.

886 (2) Retail permittees may hold more than one (1) retail
887 permit, at the discretion of the commission.

888 (3) Except as otherwise provided in this subsection, no
889 authority shall be granted to any person to manufacture, sell or
890 store for sale any intoxicating liquor as specified in this
891 chapter within four hundred (400) feet of any church, school,
892 kindergarten or funeral home. However, within an area zoned
893 commercial or business, such minimum distance shall be not less
894 than one hundred (100) feet.

895 A church or funeral home may waive the distance restrictions
896 imposed in this subsection in favor of allowing issuance by the
897 commission of a permit, pursuant to subsection (1) of this
898 section, to authorize activity relating to the manufacturing, sale
899 or storage of alcoholic beverages which would otherwise be
900 prohibited under the minimum distance criterion. Such waiver
901 shall be in written form from the owner, the governing body, or
902 the appropriate officer of the church or funeral home having the
903 authority to execute such a waiver, and the waiver shall be filed
904 with and verified by the commission before becoming effective.

905 The distance restrictions imposed in this subsection shall

906 not apply to the sale or storage of alcoholic beverages at a bed
907 and breakfast inn listed in the National Register of Historic
908 Places.

909 SECTION 13. Section 67-1-77, Mississippi Code of 1972, is
910 amended as follows:

911 67-1-77. (1) It shall be unlawful for the holder of a
912 manufacturer's or wholesaler's permit, or anyone connected with
913 the business of such holder, or for any other distiller, wine
914 manufacturer, distributor, brewer, rectifier, blender, or bottler,
915 to have any financial interest in any premises upon which any
916 alcoholic beverage is sold at retail by any permittee, or in the
917 business conducted by such permittee; provided, however, the
918 holder of a manufacturer's or wholesaler's permit may contract for
919 the service of a representative in the area of governmental
920 affairs on a part-time basis with a holder of an on-premises
921 permit.

922 (2) It shall also be unlawful for any such person, or anyone
923 connected with his, its, or their business to lend any money or
924 make any gift or offer any gratuity, to any retail permittee,
925 except as authorized by regulations of the commission, to the
926 holder of any retail permit issued under the provisions of this
927 chapter. Except as above provided, no retail permittee shall
928 accept, receive, or make use of any money or gift furnished by any
929 such person, or become indebted to such person except for the
930 purchase of alcoholic beverages.

931 (3) The commission shall not prohibit the furnishing of
932 advertising specialties, printed materials, or other things having
933 nominal value to a retail permittee. This section shall not be
934 construed to prohibit the possession by any person of advertising
935 specialties, printed materials, or other things having nominal
936 value furnished by a retail permittee.

937 (4) Any person violating the provisions of this section
938 shall, upon conviction, be punished by a fine of not more than

939 Five Thousand Dollars (\$5,000.00) or by imprisonment for not more
940 than two (2) years, or by both such fine and imprisonment, in the
941 discretion of the court.

942 SECTION 14. Section 67-1-79, Mississippi Code of 1972, is
943 amended as follows:[WAN3]

944 67-1-79. * * * Each delivery of any alcoholic beverage to a
945 retail permittee shall be accompanied by an invoice of sale or
946 delivery slip which shall bear as its date the date of delivery of
947 such alcoholic beverage.

948 SECTION 15. Sections 27-71-11, 21-71-13, 21-71-17, 21-71-19,
949 67-1-47 and 67-1-49, Mississippi Code of 1972, which authorize the
950 State Tax Commission to request the State Bond Commission to
951 provide sufficient funds required to maintain an adequate
952 alcoholic beverage inventory, require the State Tax Commission to
953 purchase directly from the manufacturer, provide penalties for
954 selling alcoholic beverages not identified as having been
955 purchased by the commission, require distillers and distributors
956 dealing with the State Tax Commission to register with the
957 Secretary of State and require distillers having contracts with
958 the State Tax Commission to file statements of salary expenses,
959 are repealed

960 SECTION 16. This act shall take effect and be in force from
961 and after July 1, 2000.