SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 919

AN ACT

To repeal sections 311.090, 311.195, 311.200, 311.205, 311.220, 311.328, and 311.665, RSMo, and to enact in lieu thereof ten new sections relating to intoxicating liquor, with an effective date for a certain section and penalty provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Sections 311.090, 311.195, 311.200, 311.205, 1 311.220, 311.328, and 311.665, RSMo, are repealed and ten new 3 sections enacted in lieu thereof, to be known as sections 311.090, 311.195, 311.198, 311.200, 311.201, 311.205, 311.220, 311.328, 311.665, and 311.915, to read as follows: 5 311.090. 1. Any person who possesses the qualifications 7 required by this chapter, and who meets the requirements of and complies with the provisions of this chapter, and the ordinances, 8 9 rules and regulations of the incorporated city in which such 10 licensee proposes to operate his business, may apply for, and the 11 supervisor of alcohol and tobacco control may issue, a license to 12 sell intoxicating liquor, as defined in this chapter, by the drink at retail for consumption on the premises described in the 13 application; provided, that no license shall be issued for the 14 sale of intoxicating liquor, other than malt liquor [containing 15

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      alcohol not in excess of five percent by weight] as defined in
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      section 311.490, and light wines containing not in excess of
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      fourteen percent of alcohol by weight made exclusively from
      grapes, berries and other fruits and vegetables, by the drink at
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      retail for consumption on the premises where sold to any person
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      other than a charitable, fraternal, religious, service or
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      veterans' organization which has obtained an exemption from the
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      payment of federal income taxes as provided in section 501(c)(3),
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      501(c)(4), 501(c)(5), 501(c)(7), 501(c)(8), 501(c)(10),
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      501(c)(19), or 501(d) of the United States Internal Revenue Code
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      of 1954, as amended, in any incorporated city having a population
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      of less than nineteen thousand five hundred inhabitants, until
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      the sale of such intoxicating liquor, by the drink at retail for
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      consumption on the premises where sold, shall have been
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      authorized by a vote of the majority of the qualified voters of
      the city. Such authority shall be determined by an election to
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      be held in those cities having a population of less than nineteen
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      thousand five hundred inhabitants as determined by the last
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      preceding federal decennial census, under the provisions and
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      methods set out in this chapter. Once such licenses are issued
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      in a city with a population of at least nineteen thousand five
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      hundred inhabitants, any subsequent loss of population shall not
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      require the qualified voters of such a city to approve the sale
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      of such intoxicating liquor prior to the issuance or renewal of
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      such licenses. No license shall be issued for the sale of
      intoxicating liquor, other than malt liquor [containing alcohol
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      not in excess of five percent by weight] as defined in section
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      311.490, and light wines containing not in excess of fourteen
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- 1 percent of alcohol by weight made exclusively from grapes,
- 2 berries and other fruits and vegetables, by the drink at retail
- 3 for consumption on the premises where sold, outside the limits of
- 4 such incorporated cities unless the licensee is a charitable,
- 5 fraternal, religious, service or veterans' organization which has
- 6 obtained an exemption from the payment of federal income taxes as
- 7 provided in section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(7),
- 8 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the United States
- 9 Internal Revenue Code of 1954, as amended.
- 10 2. If any charitable, fraternal, religious, service, or
- 11 veterans' organization has a license to sell intoxicating liquor
- on its premises pursuant to this section and such premises
- includes two or more buildings in close proximity, such permit
- shall be valid for the sale of intoxicating liquor at any such
- 15 building.
- 16 311.195. 1. As used in this section, the term
- 17 "microbrewery" means a business whose primary activity is the
- 18 brewing and selling of beer, with an annual production of ten
- 19 thousand barrels or less.
- 20 2. A microbrewer's license shall authorize the licensee to
- 21 manufacture beer and malt liquor in quantities not to exceed ten
- thousand barrels per annum. In lieu of the charges provided in
- 23 section 311.180, a license fee of five dollars for each one
- 24 hundred barrels or fraction thereof, up to a maximum license fee
- of two hundred fifty dollars, shall be paid to and collected by
- 26 the director of revenue.
- 3. Notwithstanding any other provision of this chapter to
- 28 the contrary, the holder of a microbrewer's license may apply

- for, and the supervisor of alcohol and tobacco control may issue,
- 2 a license to sell all kinds of intoxicating liquor, as defined in
- 3 this chapter, by the drink at retail for consumption on the
- 4 premises of the microbrewery or in close proximity to the
- 5 microbrewery. No holder of a microbrewer's license, or any
- 6 employee, officer, agent, subsidiary, or affiliate thereof, shall
- 7 have more than ten licenses to sell intoxicating liquor by the
- 8 drink at retail for consumption on the premises. [The authority
- 9 for the collection of fees by cities and counties as provided in
- section 311.220, and all other laws and regulations relating to
- 11 the sale of liquor by the drink for consumption on the premises
- where sold, shall apply to the holder of a license issued under
- the provisions of this section in the same manner as they apply
- 14 to establishments licensed under the provisions of section
- 15 311.085, 311.090, 311.095, or 311.097.]
- 4. The holder of a microbrewer's license may also sell beer
- and malt liquor produced on the brewery premises to duly licensed
- 18 wholesalers. However, holders of a microbrewer's license shall
- 19 not, under any circumstances, directly or indirectly, have any
- 20 financial interest in any wholesaler's business, and all such
- 21 sales to wholesalers shall be subject to the restrictions of
- 22 sections 311.181 and 311.182.
- 23 5. A microbrewer who is a holder of a license to sell
- intoxicating liquor by the drink at retail for consumption on the
- 25 premises shall be exempt from the provisions of section 311.280,
- for such intoxicating liquor that is produced on the premises in
- 27 accordance with the provisions of this chapter. For all other
- 28 intoxicating liquor sold by the drink at retail for consumption

on the premises that the microbrewer possesses a license for must be obtained in accordance with section 311.280.

3 311.198. 1. Notwithstanding any other provision of law, rule, or regulation to the contrary, a brewer may lease to the 4 5 retail licensee and the retail licensee may accept portable 6 refrigeration units at a total lease value equal to the cost of 7 the unit to the brewer. Such portable refrigeration units shall remain the property of the brewer. The brewer may also enter 8 9 into lease agreements with wholesalers, who may enter into 10 sublease agreements with retail licensees in which the value contained in the sublease is equal to the unit cost to the 11 brewer. If the lease agreement is with a wholesaler, the 12 13 portable refrigeration units shall become the property of the 14 wholesaler at the end of the lease period, which is to be defined 15 between the brewer and the wholesaler. A wholesaler may not 16 directly or indirectly fund the cost or maintenance of the 17 portable refrigeration units. Brewers shall be responsible for 18 maintaining adequate records of retailer payments to be able to 19 verify fulfillment of lease agreements. No portable 20 refrigeration unit may exceed forty cubic feet in storage space. 21 A brewer may lease, or wholesaler may sublease, not more than one 22 portable refrigeration unit per retail location. Such portable 23 refrigeration unit may bear in a conspicuous manner substantial 24 advertising matter about a product or products of the brewer and 25 shall be visible to consumers inside the retail outlet. 26 Notwithstanding any other provision of law, rule, regulation, or 27 lease to the contrary, the retail licensee is hereby authorized 28 to stock, display, and sell any product in and from the portable

to a leased portable refrigeration unit, and no beer, wine, or intoxicating liquor shall be dispensed directly from a leased portable refrigeration unit. Any brewer or wholesaler that provides portable refrigeration units shall within thirty days thereafter notify the division of alcohol and tobacco control on forms designated by the division of the location, lease terms,

refrigeration units. No dispensing equipment shall be attached

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records and information.

- and total cubic storage space of the units. The division is

 hereby given authority, including rulemaking authority, to
- enforce this section and to ensure compliance by having access to

 and copies of lease, payment, and portable refrigeration unit
- 2. Any lease or sublease executed under this section shall not exceed five years in duration.
- 15 3. Any rule or portion of a rule, as that term is defined 16 in section 536.010 that is created under the authority delegated 17 in this section shall become effective only if it complies with 18 and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are 19 20 nonseverable and if any of the powers vested with the general 21 assembly pursuant to chapter 536, to review, to delay the 22 effective date, or to disapprove and annul a rule are 23 subsequently held unconstitutional, then the grant of rulemaking 24 authority and any rule proposed or adopted after January 1, 2017, 25 shall be invalid and void.
 - 4. This section shall expire on January 1, 2020. Any lease or sublease executed under this section prior to January 1, 2020, shall remain in effect until the expiration of such lease or

sublease.

- 311.200. 1. No license shall be issued for the sale of intoxicating liquor in the original package, not to be consumed upon the premises where sold, except to a person engaged in, and to be used in connection with, the operation of one or more of the following businesses: a drug store, a cigar and tobacco store, a grocery store, a general merchandise store, a confectionery or delicatessen store, nor to any such person who does not have and keep in his store a stock of goods having a value according to invoices of at least one thousand dollars, exclusive of fixtures and intoxicating liquors. Under such license, no intoxicating liquor shall be consumed on the premises where sold nor shall any original package be opened on the premises of the vendor except as otherwise provided in this law. For every license for sale at retail in the original package, the licensee shall pay to the director of revenue the sum of one hundred dollars per year.
 - 2. For a permit authorizing the sale of malt liquor [not in excess of five percent by weight], as defined in section 311.490, by grocers and other merchants and dealers in the original package direct to consumers but not for resale, a fee of fifty dollars per year payable to the director of the department of revenue shall be required. The phrase "original package" shall be construed and held to refer to any package containing one or more standard bottles, cans, or pouches of beer. Notwithstanding the provisions of section 311.290, any person licensed pursuant to this subsection may also sell malt liquor at retail between the hours of 9:00 a.m. and midnight on Sunday.

3. For every license issued for the sale of malt liquor, as

defined in section 311.490, at retail by drink for consumption on

the premises where sold, the licensee shall pay to the director

of revenue the sum of fifty dollars per year. Notwithstanding

the provisions of section 311.290, any person licensed pursuant

to this subsection may also sell malt liquor at retail between

the hours of 9:00 a.m. and midnight on Sunday.

- 4. For every license issued for the sale of malt liquor, as defined in section 311.490, and light wines containing not in excess of fourteen percent of alcohol by weight made exclusively from grapes, berries and other fruits and vegetables, at retail by the drink for consumption on the premises where sold, the licensee shall pay to the director of revenue the sum of fifty dollars per year.
- 5. For every license issued for the sale of all kinds of intoxicating liquor, at retail by the drink for consumption on premises of the licensee, the licensee shall pay to the director of revenue the sum of three hundred dollars per year, which shall include the sale of intoxicating liquor in the original package.
- 6. For every license issued to any railroad company, railway sleeping car company operated in this state, for sale of all kinds of intoxicating liquor, as defined in this chapter, at retail for consumption on its dining cars, buffet cars and observation cars, the sum of one hundred dollars per year. A duplicate of such license shall be posted in every car where such beverage is sold or served, for which the licensee shall pay a fee of one dollar for each duplicate license.
 - 7. All applications for licenses shall be made upon such

- forms and in such manner as the supervisor of alcohol and tobacco
- 2 control shall prescribe. No license shall be issued until the
- 3 sum prescribed by this section for such license shall be paid to
- 4 the director of revenue.
- 5 311.201. 1. Any person who is licensed to sell
- 6 intoxicating liquor in the original package at retail as provided
- 7 in subsection 1 of section 311.200 may sell from thirty-two to
- 8 one hundred twenty-eight fluid ounces of draft beer to customers
- 9 in containers filled by any employee of the retailer on the
- 10 premises for consumption off such premises. Before such beer may
- be sold, an employee of the licensee shall first close the filled
- container with a one-time-use tamper-proof seal. Any employee of
- the licensee shall be at least twenty-one years of age to fill
- containers with draft beer.
- 15 2. No provision of law, rule, or regulation of the
- supervisor of alcohol and tobacco control shall be interpreted to
- 17 allow any wholesaler, distributor, or manufacturer of
- 18 intoxicating liquor to furnish dispensing or cooling equipment,
- or containers that are filled or refilled under subsection 1 of
- 20 this section, to any person who is licensed to sell intoxicating
- 21 liquor in the original package at retail as provided in
- 22 subsection 1 of section 311.200.
- 3. (1) Containers that are filled or refilled under
- 24 subsection 1 of this section shall be affixed with a label or a
- 25 tag that shall contain the following information in type not
- 26 smaller than three millimeters in height and not more than twelve
- 27 characters per inch:
- 28 (a) Brand name of the product dispensed;

1	(b) Name of brewer or bottler;
2	(c) Class of product, such as beer, ale, lager, bock,
3	stout, or other brewed or fermented beverage;
4	(d) Net contents;
5	(e) Name and address of the business that filled or
6	refilled the container;
7	(f) Date of fill or refill;
8	(g) The following statement: "This product may be
9	unfiltered and unpasteurized. Keep refrigerated at all times.".
10	(2) Containers that are filled or refilled under subsection
11	1 of this section shall be affixed with the alcoholic beverage
12	health warning statement as required by the Federal Alcohol
13	Administration Act, 27 CFR Sections 16.20 to 16.22.
14	4. (1) The filling and refilling of containers shall only
15	occur on demand by a customer and containers shall not be
16	prefilled by the retailer or its employee.
17	(2) Containers shall only be filled or refilled by an
18	employee of the retailer.
19	(3) Containers shall be filled or refilled as follows:
20	(a) Containers shall be filled or refilled with a tube as
21	described in subdivision (4) of this subsection and:
22	a. Food grade sanitizer shall be used in accordance with
23	the Environmental Protection Agency registered label use
24	<pre>instructions;</pre>
25	b. A container of liquid food-grade sanitizer shall be
26	maintained for no more than ten malt beverage taps that will be
27	used for filling and refilling containers;
28	c. Each container shall contain no less than five tubes

1	that will be used only for filling and refilling containers;
2	d. The container shall be inspected visually for
3	<pre>contamination;</pre>
4	e. After each filling or refilling of a container, the tube
5	shall be immersed in the container with the liquid food-grade
6	sanitizer; and
7	f. A different tube from the container shall be used for
8	each filling or refilling of a container; or
9	(b) Containers shall be filled or refilled with a
10	<pre>contamination-free process and:</pre>
11	a. The container shall be inspected visually for
12	<pre>contamination;</pre>
13	b. The container shall only be filled or refilled by the
14	<pre>retailer's employee; and</pre>
15	c. The filling or refilling shall be in compliance with the
16	Food and Drug Administration Code 2009, Section 3-304.17(c).
17	(4) Containers shall be filled or refilled from the bottom
18	of the container to the top with a tube that is attached to the
19	malt beverage faucet and extends to the bottom of the container
20	or with a commercial filling machine.
21	(5) When not in use, tubes to fill or refill shall be
22	immersed and stored in a container with liquid food-grade
23	sanitizer.
24	(6) After filling or refilling a container, the container
25	shall be sealed as set forth in subsection 1 of this section.
26	311.205. 1. Any person licensed to sell liquor at retail
27	by the drink for consumption on the premises where sold may use a

[table tap dispensing] $\underline{\text{self-dispensing}}$ system [to allow], which

- is monitored and controlled by the licensee and allows patrons of
 the licensee to [dispense] self-dispense beer [at a table] or

 wine. Before a patron may dispense beer or wine, an employee of
 the licensee must first authorize an amount of beer or wine, not
 to exceed thirty-two ounces of beer or sixteen ounces of wine per
 patron per authorization, to be dispensed by the [table tap
 dispensing] self-dispensing system.
 - 2. No provision of law or rule or regulation of the supervisor shall be interpreted to allow any wholesaler, distributor, or manufacturer of intoxicating liquor to furnish [table tap dispensing] self-dispensing or cooling equipment or provide services for the maintenance, sanitation, or repair of [table tap dispensing] self-dispensing systems.

311.220. 1. In addition to the permit fees and license fees and inspection fees by this law required to be paid into the state treasury, every holder of a permit or license authorized by this law shall pay into the county treasury of the county wherein the premises described and covered by such permit or license are located, or in case such premises are located in the city of St. Louis, to the collector of revenue of said city, a fee in such sum not in excess of the amount by this law required to be paid into the state treasury for such state permit or license, as the county commission, or the corresponding authority in the city of St. Louis, as the case may be, shall by order of record determine, and shall pay into the treasury of the municipal corporation, wherein said premises are located, a license fee in such sum, not exceeding one and one-half times the amount by this law required to be paid into the state treasury for such state

- permit or license, as the lawmaking body of such municipality, including the city of St. Louis may by ordinance determine.
- The board of aldermen, city council or other proper 3 authorities of incorporated cities, may charge for licenses 4 5 issued to manufacturers, distillers, brewers, wholesalers and 6 retailers of all intoxicating liquor, located within their 7 limits, fix the amount to be charged for such license, subject to the limitations of this law, and provide for the collection 8 9 thereof, make and enforce ordinances for the regulation and 10 control of the sale of all intoxicating liquors within their limits, provide for penalties for the violation of such 11 12 ordinances, where not inconsistent with the provisions of this 13 law.
- 14 3. Every licensee shall keep displayed prominently at all 15 times on their licensed premises any city or county license 16 designating their premises as a place licensed by the city or 17 county to sell intoxicating liquors. Nonetheless, no application shall be disapproved by the supervisor of alcohol and tobacco 18 19 control for failure to possess a city or county license when 20 making application for a license. Within ten days from the 21 issuance of said city or county license, the licensee shall file 22 with the supervisor of alcohol and tobacco control a copy of such 23 city or county license.
 - 311.328. 1. A valid and unexpired operator's or chauffeur's license issued under the provisions of section 302.177, or a valid and unexpired operator's or chauffeur's license issued under the laws of any state or territory of the United States to residents of those states or territories, or a

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valid and unexpired identification card or nondriver's license as 1 2 provided for under section 302.181, or a valid and unexpired 3 nondriver's license issued under the laws of any state or territory of the United States to residents of those states or 5 territories, or a valid and unexpired identification card issued 6 by any uniformed service of the United States, or a valid and 7 unexpired passport shall be presented by the holder thereof upon 8 request of any agent of the division of alcohol and tobacco 9 control or any licensee or the servant, agent or employee thereof 10 for the purpose of aiding the licensee or the servant, agent or employee to determine whether or not the person is at least 11 12 twenty-one years of age when such person desires to purchase or 13 consume alcoholic beverages procured from a licensee. Upon such 14 presentation the licensee or the servant, agent or employee 15 thereof shall compare the photograph and physical characteristics 16 noted on the license, identification card or passport with the 17 physical characteristics of the person presenting the license, 18 identification card or passport.

2. Upon proof by the licensee of full compliance with the provisions of this section, no penalty shall be imposed if the supervisor of the division of alcohol and tobacco control or the courts are satisfied that the licensee acted in good faith.

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3. Any person who shall, without authorization from the department of revenue, reproduce, alter, modify, or misrepresent any chauffeur's license, motor vehicle operator's license or identification card shall be deemed guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than one thousand dollars, and confinement for not more than one year, or

1 by both such fine and imprisonment.

311.665. Before any license is [issued or] renewed under the provisions of this chapter, the supervisor of liquor control shall require a statement from the director of revenue that the applicant has paid all sales and use taxes due, including all penalties and interest or does not owe any sales or use tax.

2. Within ten days from the issuance of a sales and use tax statement by the director of revenue, the licensee shall file with the supervisor of alcohol and tobacco control a copy of such sales and use tax statement.

311.915. A special permit shall be issued to an out of state manufacturer of intoxicating liquor who is not licensed in the state of Missouri for participation in festivals, bazaars, or similar events. Registration requirements under section 311.275 shall be waived for such event. The amount of intoxicating liquor shipped in the state under this permit shall not exceed two hundred gallons. Excise taxes shall be paid by the licensed manufacturer that holds a retail license organizing the event in the same manner as if it were produced or purchased by the manufacturer. A permit issued under this section by the division of alcohol and tobacco control shall be valid for no more than seventy-two hours. An applicant shall complete a form provided by the supervisor of alcohol and tobacco control and pay a fee of twenty-five dollars before a special permit shall be issued.

this act shall become effective January 1, 2017.

Section B. The enactment of section 311.198 of section A of