

HB 2599 with HCA 1 to HCA 1 and HCA 1 as amended -- ALCOHOL SALES

SPONSOR: Shaul

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Small Business by a vote of 13 to 3.

The bill allows advertising for discount sales of intoxicating liquor so long as the cost is paid by a retailer and no advertisement states that the retail price is below the retailer's cost. The Department of Public Safety is instructed to consider the requirements of the First and Twenty-First Amendments to the federal constitution when promulgating a rule or regulation that is discretionary and not explicitly required by statute, or when deciding whether to repeal a rule or regulation where that repeal is authorized by statute.

The bill also specifies rules for the lease of refrigeration units by brewers to retail sales establishments.

Furthermore, the bill allows any person who is licensed to sell intoxicating liquor in the original package at retail under Section 311.200, RSMo, may sell between 32 to 128 ounces of draft beer to customers in refillable containers, such as growlers, for consumption off the retail premises. Such containers must be filled by an employee of the retailer on the premises. Specifications for the labeling and sealing of the containers, compliance with federal law, and health and safety regulations for filling and refilling containers are specified in the bill.

This bill is similar to HB 1856 (2016).

HCA #1, as amended: This amendment clarifies that brewers may lease and wholesalers may sublease refrigeration units with retailers, but no more than one portable refrigeration unit may be leased or subleased by a brewer or wholesaler per retail location. Any lease or sublease may not exceed five years, nor may they contain any automatic renewal language. Furthermore, any leased or subleased portable refrigeration units may not dispense alcohol for on-premise consumption.

PROPONENTS: Supporters say that the bill would allow retailers and wholesalers to utilize refrigeration units to cross-market and expose products in new, convenient ways.

Testifying for the bill were Representative Shaul; Missouri Retailers Association & The Missouri Grocers Association; Anheuser-Busch; Missouri Petroleum Marketers & Convenience Store Association.

OPPONENTS: Those who oppose the bill say that the bill weakens the three-tier alcohol regulatory system, and would enable larger brewers to unduly influence the beer market because smaller brewers simply do not have the capital to enter into refrigeration unit leases like larger ones.

Testifying against the bill were Bernie Fechtel, Fechtel Beverage; Rodney Edwards, Grellner Sales & Service, Inc.; Stuart Krating, Earthbound Beer; Boulevard Brewing Company; Jeff Schrag, Mother's Brewing Company/Missouri Small Brewers ; Miller Coors; Brian Durham, Piney River Brewing; and Americans For Prosperity.