

Legislative Analysis



PROVIDING LIQUOR CODE LICENSEES WITH ADVERTISING ITEMS

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Senate Bill 505 (Substitute S-3)

Sponsor: Sen. Joe Hune

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 12-2-13

A SUMMARY OF SENATE BILL 505 AS PASSED BY THE SENATE 11-7-13

The bill would amend the Liquor Control Code to allow manufacturers, sellers, and distributors of alcohol to provide another licensee with advertising items that promoted brands and prices of alcohol, under certain circumstances.

This would be an exception to the prohibition in Section 609 of the code that prevents a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits from aiding or assisting any other vendor by gift, loan of money, or property of any description, or other valuable thing, or by giving premiums or rebates. It also prohibits a vendor from accepting those items. The bill would provide exceptions to this, as described below.

The bill would allow a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, wine, or mixed spirit drink, or vendor of spirits to provide another licensee with advertising items that promoted the brands and prices of alcohol produced, sold, or distributed by the entity providing those items. Providing the advertising items would have to be done in a manner consistent with the Liquor Control Commission's rules, regulations, and orders. Except as provided in the paragraph below, the advertising items could not have any use or value beyond the actual advertising of brands and prices.

Under the bill, the entities listed above could provide goods and services to another licensee that had been approved by the LCC under rules or orders adopted before January 1, 2013, but not including those orders that were approved for specific sponsorships or festivals. A rule, regulation, or order adopted after the bill's effective date that was not consistent with Section 609, or that was in conflict with it, would be void and unenforceable.

A retailer could not use or possess, at its licensed premises, advertising items that had a use or value beyond the actual advertising of brands and prices of alcohol, except for those allowed as described above. A retailer could possess and use "brand logoed glassware," however, but only if purchased from a glassware retailer. Such a retailer

would have to submit a purchase order for brand logoed glassware to the commission for approval.

The term "glassware retailer" would mean a person that offers brand logoed glassware for sale to retailers and that is not licensed as, or directly or indirectly affiliated with, a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, wine, or mixed spirit drink, or vendor of spirits.

The bill is tie-barred to Senate Bills 504, 506- 507, 650-651, and House Bills 4709-4711, and 4277, all of which make amendment to the Liquor Control Code.

FISCAL IMPACT:

The bill would not have a substantial fiscal impact on the state or on local units of government.

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