

Committee on Regulated Industries

CS/HB 961 — Beverage Law

by Commerce Committee; and Rep. Gruters and others (CS/SB 1224 by Appropriations Committee; and Senator Bradley)

The bill creates an exception to the alcoholic beverage “tied-house evil” prohibitions to permit a malt beverage distributor to give, without charge, malt beverage branded glassware to a vendor licensed to sell beer or malt beverages for on-premises consumption. The bill prohibits a distributor from giving more than 10 cases that include up to 24 pieces per case of single-service glassware per brand, per licensed premises, per calendar year, and prohibits a vendor from selling the glassware or returning it to the distributor for cash or credit. Each single-service glass container may hold no more than 23 ounces of liquid volume.

Under the bill, manufacturers, importers, distributors, and vendors must maintain records for any glassware sold, gifted, or received. The records must be maintained in an accessible and readable format and may not be in an electronic format requiring proprietary software. Additionally, the bill specifies the information required to be maintained in the record of the sale or gift of glassware, including a description of the glassware, date of the sale or gift, and license numbers. The records must be maintained for three years.

The “tied house evil” prohibition in current law prohibits a licensed member of the alcoholic beverage industry, including a manufacturer, distributor, or importer, from having a financial interest, directly or indirectly, in the establishment or business of a licensed vendor, and prohibits a manufacturer, distributor, or importer from giving gifts, loans or property, or rebates to retail vendors. Under current law, a distributor may sell glassware and other expendable retailer advertising specialties to any vendor, but must sell the items at a price not less than the actual cost to the industry member who initially purchased them, with no limit in total dollar value of the items sold to the vendor.

If approved by the Governor, these provisions take effect October 1, 2018.

Vote: Senate 38-0; House 101-13