



SENATE BILL 470: ABC Technical and Other Changes.

This Bill Analysis reflects the contents of the bill as it was presented in committee.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	November 17, 2021
Introduced by:	Sens. Johnson, Hise	Prepared by:	Chris Saunders
Analysis of:	PCS to Third Edition S470-CSTQ-37		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) to Senate Bill 470 would make several technical and conforming changes to S.L. 2021-150 (H890); clarify the definition of "supplier;" exempt the ABC Commission from rulemaking with respect to approval of alcoholic beverages to be sold in ABC stores and setting prices of alcoholic beverages; and make a change to delivery service permit training requirements.*

CURRENT LAW AND BILL ANALYSIS:

Section 1 of the PCS clarifies ABC rulemaking authority with respect to online orders at ABC stores and delays the effective date of the online order section in S.L. 2021-150 (H890) to January 1, 2022.

Section 2 would clarify personalized labeling allowed on bottles of spirituous liquor sold at a distillery.

Section 3 would make a technical change to the spirituous liquor vendor permit established in S.L. 2021-150 to reflect that a nonresident spirituous liquor vendor may only sell its products in this State through the State warehouse.

Section 4 would make a definition of "brokerage" apply to all of Chapter 18B of the General Statutes.

Section 5 would make a conforming change to clarify that a spirituous liquor special event permit does not allow the sale of spirituous liquor in closed containers.

Section 6 would make a clarifying change to the locations in which alcoholic beverages sold at distilleries for consumption on the premises may be solid, possessed, or consumed on any part of the licensed premises that is open to the public.

Section 7 would make a technical change to the election changes in S.L. 2021-150 and provide that approval of mixed beverages allow allows the sale of fortified wine in addition to malt beverages and unfortified wine.

Section 8 would make technical changes to the social district provisions enacted in S.L. 2021-150, allow wine shop permittees to participate in a social district, and clarify that indoor areas of non-ABC permittee businesses may be part of a social district if they allow guests to consume alcoholic beverages on their premises while the social district is active.

Section 9 would make a clarifying change and would direct a business that opts to expand its licensed premises for the outdoor possession and consumption of alcoholic beverages to submit a diagram of the expanded premises to the ABC Commission, in addition to the ALE Division and local law enforcement.

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Section 10 would exclude ice cream and ice pops from the definition of "alcohol consumable" until December 1, 2022. This section is effective retroactively to September 10, 2021, the date that S.L. 2021-150 was signed into law.

Section 11 would make a clarifying change to the conditions under which a tour boat may obtain an ABC permit.

Section 12 would direct the Department of Public Safety to adopt rules consistent with the provisions of S.L. 2021-150.

Section 13 would provide that the term "supplier," for purposes of a supplier's financial interest in a wholesaler, means a manufacturer, bottler, importer, or owner of one or more brands of malt beverages, unfortified wine, or fortified wine distributed by its wholesaler. The term would not include a wholesaler that (i) possesses a wine importer permit or a malt beverages importer permit or (ii) is an importer in another state, provided such malt beverages, unfortified wine, or fortified wine are transferred to it through an unaffiliated and independent third party.

Section 14 would exempt the ABC Commission from rulemaking under the Administrative Procedure Act with respect to approval of alcoholic beverages to be sold in ABC stores and setting prices of alcoholic beverages.

Section 15 would allow the ABC Commission to conduct training classes for individuals delivering under a delivery service permit. Under current law, the Commission approves courses conducted by the holder of a delivery service permit. This section would become effective December 1, 2021, and would apply to individuals successfully completing a course conducted or approved by the Commission related to the delivery of alcoholic beverages on or after that date.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.