



2023-2024 General Assembly

SENATE BILL 527: ABC Omnibus 2023-24, Sec. 10: Allow Local Boards to Sell Products Below the Distiller's Price

Committee:
Introduced by:
Analysis of: Sec. 10 of S.L. 2024-41

Date: August 26, 2024
Prepared by: Chris Saunders
Staff Attorney

OVERVIEW: Section 10 of S.L. 2024-41 allows the ABC Commission to authorize a local board to sell spirituous liquors below the price paid by the local board, including the bailment charge and surcharge, upon request from the local board. The Commission must verify that allowing the price reduction would not cause the local board to operate at an annual net loss or, if the local board was already operating at a loss, would not cause the local board to incur additional annual net revenue losses.

This section also allows a distillery to request to be notified if its products are authorized for pricing below the distiller's price pursuant to this section. In that case, the distillery has the right of first refusal to purchase back its products at the reduced price for two days before the retail price is reduced for consumers.

This section became effective July 8, 2024.

PRIOR LAW: Prior to enactment of this section, local boards were not allowed to sell a spirituous liquor product for less than the distiller's price. A local board was able get permission from the Commission to set the price at the price paid by the board minus the local markup. Under current law, a local board may not dispose of products in its stock except by selling the products.

BILL ANALYSIS: Section 10 of S.L. 2024-41 allows the ABC Commission to authorize a local board to sell spirituous liquors below the price paid by the local board, including the bailment charge and surcharge, upon request from the local board. The Commission must verify that allowing the price reduction would not cause the local board to operate at an annual net loss or, if the local board was already operating at a loss, would not cause the local board to incur additional annual net revenue losses.

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EFFECTIVE DATE: This section became effective July 8, 2024.

Kara McCraw
Director



Legislative Analysis
Division
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