

2020 Second Extraordinary Session

SENATE BILL NO. 18

BY SENATOR CATHEY

FEES/LICENSES/PERMITS. Provides an exemption to certain permit fees collected by the Office of Alcohol and Tobacco Control. (gov sig) (Item #35)

1 AN ACT

2 To enact R.S. 26:71(A)(8) and 271(A)(7), relative to the Alcoholic Beverage Control Law;
3 to provide for certain permit fee payments; to provide for certain malt beverages or
4 beverages of low alcoholic content permit fee payments; to provide for permit fee
5 credits and refunds under certain exceptions related to COVID-19; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 26:71(A)(8) and 271(A)(7) are hereby enacted to read as follows:

9 §71. Permits required; fees; exception

10 A. Except as provided in Subsections B and C of this Section, before
11 engaging in the business of manufacturing, supplying, or dealing in alcoholic
12 beverages, all persons shall obtain from the commissioner, according to established
13 rules and regulations, a permit to conduct each separate business and shall pay the
14 commissioner a fee not to exceed the amounts provided for in the following schedule
15 and in accordance with regulations promulgated pursuant to the provisions of the
16 Administrative Procedure Act for each year the permit is valid:

17 * * *

(8) COVID-19 exceptions:

(a) A permit holder that timely paid its permit fee due to the commissioner during the 2020 calendar year pursuant to Subparagraph (1)(a), Item (3)(a)(i), and Subparagraph (3)(d) of this Subsection, shall have its permit fees due during the 2021 calendar year reduced on a pro rata basis for the number of days in calendar year 2020 that the permit holder was required to temporarily close operations pursuant to Proclamation Number 30 JBE 2020, or any subsequent proclamation declaring the existence of a statewide COVID-19 public health emergency.

(b) A permit holder that timely paid its permit fee due to the commissioner during the 2020 calendar year pursuant to Subparagraph (1)(a), Item (3)(a)(i), and Subparagraph (3)(d) of this Subsection, subsequently surrendered its permit to the commissioner during the 2020 calendar year, and was in good standing with the commissioner at the time of the surrender, shall be issued a refund in the amount paid, but reduced on a pro rata basis for the number of days in calendar year 2020 that the permit holder was required to temporarily close operations pursuant to Proclamation Number 30 JBE 2020, or any subsequent proclamation declaring the existence of a statewide COVID-19 public health emergency, no later than December 31, 2020.

* * *

§271. Permits required; fees

A. Before engaging in the business of dealing in malt beverages or beverages of low alcoholic content, all manufacturers, wholesale and retail dealers, and microbrewers shall obtain from the commissioner, according to established rules and regulations, a permit to conduct each separate manufacturing, wholesale, retail, or microbrewery business and shall pay for each permit a fee not to exceed the amounts provided for in the following schedule and in accordance with regulations promulgated pursuant to the provisions of the Administrative Procedure Act for each year the permit is valid:

1 (1) * * *

2 **(7) COVID-19 exceptions:**

3 **(a) A permit holder that timely paid its permit fee due to the**
4 **commissioner during the 2020 calendar year pursuant to Subparagraph (2)(a),**
5 **Paragraph (5), and Subparagraph (6)(a) of this Subsection, shall have its permit**
6 **fees due during the 2021 calendar year reduced on a pro rata basis for the**
7 **number of days in calendar year 2020 that the permit holder was required to**
8 **temporarily close operations pursuant to Proclamation Number 30 JBE 2020,**
9 **or any subsequent proclamation declaring the existence of a statewide**
10 **COVID-19 public health emergency.**

11 **(b) A permit holder that timely paid its permit fee due to the**
12 **commissioner during the 2020 calendar year pursuant to Subparagraph (2)(a),**
13 **Paragraph (5), and Subparagraph (6)(a) of this Subsection, subsequently**
14 **surrendered its permit to the commissioner during the 2020 calendar year, and**
15 **was in good standing with the commissioner at the time of the surrender, shall**
16 **be issued a refund in the amount paid, but reduced on a pro rata basis for the**
17 **number of days in calendar year 2020 that the permit holder was required to**
18 **temporarily close operations pursuant to Proclamation Number 30 JBE 2020,**
19 **or any subsequent proclamation declaring the existence of a statewide**
20 **COVID-19 public health emergency, no later than December 31, 2020.**

21 * * *

22 Section 2. This Act shall become effective upon signature by the governor or, if not
23 signed by the governor, upon expiration of the time for bills to become law without signature
24 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
25 vetoed by the governor and subsequently approved by the legislature, this Act shall become
26 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Alan Miller.

DIGEST

SB 18 Reengrossed

2020 Second Extraordinary Session

Cathey

Present law provides that a Class A-General retail (bar) permit is issued only to a retail outlet where beverage alcohol is sold for consumption on the premises by paying customers, and:

- (1) Equipped with a permanent wet bar equipped with a nonmovable sink and a backbar or similar equipment for public display and to inform the public of brands and flavors offered for sale.
- (2) Staffed by a bartender whose primary duty is to open and/or prepare beverage alcohol products for consumption on the premises by paying customers, or prepared with an appropriate lid or cover on the container for take out service.
- (3) Issued only to an establishment where no person under the age of 18 years is allowed on the premises.

Present law defines a "microbrewery" as a retail establishment wherein beer and other malt beverages are brewed in small quantities, not to exceed 12,500 barrels per year, and where such beverages are sold at retail for consumption on or off the licensed premises.

Present law defines an "in-state manufacturer" or "brewer" as any person who engages in the making, blending, rectifying, brewing, or other processing of alcoholic beverages in Louisiana for shipments to licensed wholesale dealers within the state.

Present law defines a "microdistillery" as a retail outlet that engages in the distilling, making, blending, rectifying, or processing of any alcoholic beverage in Louisiana in quantities of not more than 12,000 gallons per year for retail sale for consumption on or off the licensed premises.

Present law provides that before operating as a bar, a brewery tap room, or a microdistillery providing retail consumption of alcohol, all persons are required to obtain from the commissioner of the office of alcohol and tobacco control (ATC), a proper permit to conduct each separate business and pay the commissioner, as applicable:

- (1) A fee of \$200 per bar location in any city and \$100 per bar location in a town, village, or unincorporated place for each year the permit is valid.
- (2) A fee of \$1,000 for in-state manufacturers (breweries) and microdistilleries.

Present law further requires a fee of \$100 for each \$100,000 of gross retail liquor sales (after the first \$100,000 of gross retail liquor sales), up to \$600.

Proposed law provides that notwithstanding present law, a permit holder that timely paid its permit fees due to the commissioner during the 2020 calendar year, shall have its permit fees due during the 2021 calendar year reduced on a pro rata basis for the number of days in calendar year 2020 that the permit holder was required to close operations due to COVID-19 emergency proclamations.

Proposed law provides that notwithstanding present law, a permit holder that timely paid its permit fees due to the commissioner during the 2020 calendar year, subsequently surrendered its permit to the commissioner during the 2020 calendar year, and was in good standing with the commissioner at the time of the surrender, shall be issued a refund in the amount paid, but reduced on a pro rata basis for the number of days in calendar year 2020

that the permit holder was required to close operations due to COVID-19 emergency proclamations, no later than December 31, 2020.

Present law defines "beverages of low alcoholic content" as alcoholic beverages containing not more than six percent alcohol by volume.

Present law requires that a permit holder dealing in malt beverages or beverages of low alcoholic content obtain from the commissioner a permit to conduct each separate business and pay a permit fee for each location in the amount of \$70 for bars, and \$1,000 for microbreweries and in-state manufactures (breweries).

Proposed law provides that notwithstanding present law, a permit holder that timely paid its malt beverages or beverages of low alcoholic content permit fees due to the commissioner during the 2020 calendar year, shall have its permit fees due during the 2021 calendar year reduced on a pro rata basis for the number of days in calendar year 2020 that the permit holder was required to close operations due to COVID-19 emergency proclamations.

Proposed law provides that notwithstanding present law, a permit holder that timely paid its malt beverages or beverages of low alcoholic content permit fees due to the commissioner during the 2020 calendar year, subsequently surrendered its permit to the commissioner during the 2020 calendar year, and was in good standing with the commissioner at the time of the surrender, shall be issued a refund in the amount paid, but reduced on a pro rata basis for the number of days in calendar year 2020 that the permit holder was required to close operations due to COVID-19 emergency proclamations, no later than December 31, 2020.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 26:71(A)(8) and 271(A)(7))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill

1. Adds breweries, microbreweries, and microdistilleries that offer on-site retail consumption, to be eligible for future reduced permit fees, or partial refunds from ATC.
2. Provides that the waiver or refund is subject to a pro rata reduction based on the number of days in calendar year 2020 that the permit holder was required to close operations due to COVID-19 emergency proclamations.