The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Yoursheka D. George.

DIGEST 2019 Regular Session

SB 140 Original

Carter

<u>Proposed law</u> authorizes the delivery of alcoholic beverages to consumers by businesses with a Class B Retail Liquor Permit (package houses) or a permit that allows the sale of alcoholic beverages for off-premise consumption. Applies to alcohol beverages of high and low alcohol content.

<u>Proposed law</u> provides that for purposes of <u>proposed law</u>, the term "liquor retailer" only includes:

- (1) Liquor retailers who possesses a Class B Retail Liquor Permit, do business in a place consisting of no less than 500 square feet of public habitable area, and sell alcoholic beverages in factory sealed containers for transportation and consumption off the premises, and where no person is allowed to tamper with or otherwise disrupt the manufacturer's seal on the alcoholic products while on the licensed premises.
- (2) Liquor retailers who possess a permit that allows the sale of alcoholic beverages for off-premise consumption.

<u>Proposed law</u> provides that, notwithstanding any law to the contrary, upon approval by the commissioner, a liquor retailer may deliver, either on its licensed premises or at a residential or commercial address designated by the consumer, alcohol products lawfully sold to and purchased by the consumer. Provides that in the delivery of the products, all of the following apply:

- (1) The liquor retailer possesses a Class B Retail Liquor Permit or the liquor retailer possesses a permit that allows the retailer to sell alcoholic beverages for off-premise consumption.
- (2) The liquor retailer or its employee processes all payments initiated by a consumer that is transacting the purchase with the liquor retailer.
- (3) The liquor retailer or its employee assembles, packages, and fulfills each order at the permitted premises where the order is processed using inventory located at that premises that was purchased from a permitted wholesale dealer.
- (4) The deliveries to consumers are made only by the liquor retailer or its employee and only to consumers at a residential or commercial address in this state.
- (5) The alcoholic beverages delivered are for personal consumption, not intended for resale, and are in a manufactured sealed container. The delivery of an "open alcoholic beverage container" is prohibited.
- (6) The delivery is in a geographic area where the sale of alcoholic beverages is lawful and in

the parish where the liquor retailer's permitted establishment is located. Deliveries are prohibited in any geographic area where the sale of alcohol is prohibited by the local governing authority.

- (7) The delivery is not to an address on a campus of any state college, university, or technical college or institution, or an independent college or university, or any elementary or secondary school.
- (8) The delivery takes place during the hours that the authorized liquor retailer's permitted establishment is open to the public.
- (9) At the time of delivery, the liquor retailer or its employee verifies that the recipient of the alcoholic beverages is not visibly intoxicated.
- (10) At the time of delivery, the liquor retailer or employee verifies the identity and age of the person accepting delivery of the order by validating a state issued photo identification of the person or through use of a real-time age verification system authorized by the commissioner to the office of alcohol and tobacco control. Also, a signature of the person receiving the delivery acknowledging receipt of the delivery and verifying their age is obtained.
- (11) The liquor retailer keeps a record of all deliveries of alcoholic beverages and retains the records for a time period of two years from the date of the delivery.

Proposed law provides that the liquor retailer's delivery records shall include:

- (1) The liquor retailer's name, address, and permit number.
- (2) The name of the person who placed the order and the date, time, and method of the order.
- (3) The name of the employee making the delivery and the date, time, and address of the delivery.
- (4) The type, brand, and quantity of each alcoholic beverage delivered.
- (5) The name, date of birth, and signature of the person that received the delivery.

<u>Proposed law</u> requires that the liquor retailer make the records available to the commissioner of the office of alcohol and tobacco control upon request for the purpose of investigating and enforcing the provisions of the law.

<u>Proposed law</u> provides that notwithstanding any law, rule, or regulation to the contrary, a liquor retailer may use electronic means to market the alcohol products it is licensed to sell and to receive and process purchase orders placed by a consumer of legal drinking age. Provides that orders processed may be delivered to the consumer on the licensed premises or at a residential or commercial address designated by the consumer in accordance with <u>proposed law</u>.

<u>Proposed law</u> provides that a liquor retailer may market, receive, and process orders for alcohol products using electronic means owned, operated, and maintained by a third party marketer if:

- (1) The permitee maintains ultimate control and responsibility over the sales transaction and transfer of physical possession of the alcoholic beverages.
- (2) The permittee retains the sole discretion to determine whether to accept and complete an order or reject it, and the permittee or its employee reviews and accepts or rejects each order.
- (3) The permittee retains the independence to determine which alcoholic beverages are made available through electronic means and which alcoholic beverages are made available for delivery to the consumer, and what will be the price of each product.
- (4) The purchase transaction takes place between the consumer and the permittee and the permittee appears as the retailer.
- (5) Any credit or debit card information provided by a consumer to the third party for the purpose of transacting a purchase with a permittee is automatically directed to the permittee such that the permittee appears as the retailer at the time of purchase and on the receipt.
- (6) The permittee, or its employee, processes the order at the premises that accepts the order with all payments initiated by a consumer that is transacting a purchase with the permittee.
- (7) The alcoholic beverages are in the possession of the permittee prior to the permittee's processing of payment of such products.
- (8) The permittee, or its employee, assembles, packages, and fulfills each order at the premises that accepted the order.
- (9) Deliveries to consumers are made by the permittee, or by its employee.
- (10) At the time of delivery, the permittee, or its employee, verifies the identity and age of the person accepting delivery of the order by validating a state issued photo identification of the person or through use of a real-time age verification system authorized by the commissioner. Additionally, a signature of the person receiving the delivery acknowledging receipt of the delivery and verifying their age shall be obtained.

<u>Proposed law</u> provides that the relationship between the permittee and third party marketer shall be that of an independent contractor and neither party shall be deemed the employee, agent, or joint venturer of the other party under any circumstances or for any purposes.

<u>Proposed law</u> authorizes the commissioner of the office of alcohol and tobacco control to promulgate rules in accordance with the APA related to the requirements and qualifications for the delivery of alcohol products by liquor retailers as provided by proposed law.

<u>Proposed law</u> provides that if any provision of <u>proposed law</u> or its application to any person or circumstance is determined by a court to be invalid or unconstitutional, the remaining provisions shall be construed in accordance with the intent of the legislature to further limit rather than expand commerce in alcoholic beverages and to enhance strict regulatory control over taxation, distribution, and sale of alcoholic beverages through the three-tier regulatory system imposed by the Alcoholic Beverage Control Law upon all beverage alcohol.

Authorizes and directs the Louisiana State Law Institute to arrange in alphabetical order and renumber the definitions in the law.

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

(Adds R.S. 26:2(27), (28), and (29), 153, 241(25), (26), and (27) and 307)