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Summary of Proposed Topics for Voting by the LAG

Disclaimer: These are the proposed votes from the Liquor Advisory Group, but the General Assembly is the final decision maker for any subsequent statutory changes.

Pursuant to the LAG Charter, the report to the General Assembly is to include "a final assessment of the LAG's level of support for a recommendation, option, or idea will be conducted publicly and recorded in the special report. The recommendations or options considered, level of agreement for each recommendation or option, and a summary of the rationale for both supportive and dissenting views. Interim feedback on specific topics, options or alternatives may be provided throughout the process."

Below is a summary of proposals from LAG Subgroups for consideration and vote by the LAG. The language of each proposal may be amended by the LAG group members during the discussion prior to a vote of the LAG. The proposals and votes will be included in the LAG Report.

Date of Vote: June 1, 2023

Marketplace Structure Subgroup

Proposal 6: Tasting/Salesroom Increase

<u>Current Statutory Language:</u> Wineries and Limited Wineries - 44-3-402(2); 44-3-401(2)(e)(I)(A) Distilleries - 44-3-402(7) Malt Liquor Wholesaler - 44-3-407(1)(b)(I)(A)

Proposal from Subgroup

- Add additional language allowing malt liquor and spirituous liquor manufacturers to apply for up to five sales rooms in addition to their primary location.
- The five locations can be a mix of permanent or temporary locations.

Proposal 7: Non-contiguous locations for beer and spirits manufacturers

Current Statutory Language:

For wineries, noncontiguous locations are mentioned throughout Article 3.

Proposal from Subgroup

• Add additional language allowing malt liquor and spirituous alcohol manufacturers to include up to two noncontiguous locations in their licensed premises, both of which are used for manufacturing purposes, within a radius of ten miles.

Proposal 8: Off-Premises Tastings

Current Statutory Language

44-3-301(10)

Proposal from Subgroup

- Product(s) being tasted must come from the off-premise retail licensee's existing inventory. A manufacturer or supplier may supply the product to be tasted so long as the manufacturer or supplier purchases said products from the retailer at the retailer's regular posted price.
- All containers opened for a tasting must be removed from the licensed premises after the tasting(s) are completed or access to the open product shall be restricted from public access or separated from items available for sale on the sales floor. If a container is opened for a tasting, employees may be tasted on the product(s) for educational purposes, or the product may be used for future tastings. If product purchased by the manufacturer or supplier for a tasting remains after all tastings have been completed, the opened and unused product shall be returned to the manufacturer or supplier who purchased the product used for the tasting.
- Off-premise retailers will be allowed to taste product(s) of the retailer's choosing, subject to restrictions as to serving size of any one sample and overall total amounts of all products that are tasted. The total amount of alcohol products to be sampled as a tasting shall be limited to, regardless of the number of items being tasted, not more than four ounces of malt liquor, four ounces of vinous liquor and not more than two ounces of spiritous liquor per customer per day. (NOTE: these are the same total amounts allowed under the current law.) However, the per sample size of a specified tasted product cannot exceed one ounce for malt liquors, one ounce for vinous liquors and one half of one ounce for spiritous liquors per sample. For example, if one is tasting a specific malt liquor each sample tasted cannot exceed one ounce; if the consumer is tasting 6 different samples of malt liquor the total of those six samples cannot exceed four ounces.
- Proper identification must be provided by the customer to ensure that all individuals tasted are 21 years of age or older. No one who is visibly intoxicated may participate in the tasting.
- Expand the daily time frame in which tastings can be conducted in the State from the current 11:00 AM to 9:00 PM to 10:00 AM to 9 PM (this is only one hour earlier than the current statute). Allow tastings to occur on all days when the off-premise retailer in the State is open. Customers come into stores 365 days a year. The consumer should be allowed to taste products, subject to the restrictions, when they are shopping, regardless of the day.
- Local licensing authorities may, at the local licensing authorities' reasonable discretion, require a retail licensee to apply for or otherwise renew a tasting permit not more than once every year along with the license renewal.

Proposal 2: New Statute to Allow Off-Premises Retailers to Offer Educational Classes (Amended)

Current Statutory Language:

None. The language stricken below is in violation of federal regulations regarding consumer tastings (see 27 CFR 6.95).

Proposal from Subgroup

- Create a new statute under title 44, article 3 that will give off-premises retailers the ability to hold classes in an education setting with the following guardrails:
 - A fee can be charged for the classes. No charge for a drink/by the drink but instead for the educational experience.
 - Prohibit educational class members from participating in any tasting events on the licensed premises as a public safety priority. A licensee shall implement a means of tracking how many samples each patron is provided, which may include the use of a wristband, or other means of accurately tracking individual patron consumption.
 - Class instructors must have successfully completed responsible alcohol beverage vendor training.
 - Additional statutory language will provide the Liquor and Tobacco Enforcement Division with rulemaking authority to establish sample size limits and total volume limits instead of putting limits in statute.
 - A manufacturer and/or wholesaler may pay for alcohol beverages utilized for an educational class if they are in attendance at the educational class. If neither the wholesaler or manufacturer participates in the class, the retailer must pay for the product.
 - Alcohol beverages brought in for the educational class may only be used for that class, and all unopened product leftover must be removed by the wholesaler or manufacturer upon the end of the class. Opened, unfinished product can be used by the retailer only at a future class and must be locked up off the sales floor.