

Regular Session, 2014

HOUSE BILL NO. 346

BY REPRESENTATIVE ARNOLD

1 AN ACT

2 To amend and reenact R.S. 26:76(A)(2), 276(A)(2), and 912(A), relative to permits issued  
3 by the office of alcohol and tobacco control; to prohibit the transfer, assignment, or  
4 inheritance of tobacco permits by a limited liability company or other legal entities  
5 due to change of ownership or termination of business operations; to require that the  
6 permit be returned or surrendered under certain circumstances; to provide for  
7 notification requirements; to provide for time delays; and to provide for related  
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 26:76(A)(2), 276(A)(2), and 912(A) are hereby amended and  
11 reenacted to read as follows:

12 §76. Personal nature of permits; return of permits; necessity of display; penalties

13 A. The following shall apply to permits issued under this Chapter:

14 \* \* \*

15 (2) The permit is not transferrable, assignable, or heritable. The permit must  
16 be returned to the office of alcohol and tobacco control or surrendered to an agent  
17 of the commissioner within five days of closure, when the ownership of the business  
18 is transferred or the business is terminated. When the ownership of the business is  
19 transferred, the new owner shall be allowed to continue to operate using the  
20 transferor's permit until a new permit is issued or denied, if the new owner notifies  
21 the office of alcohol and tobacco control of the transfer within five days of the

1           transfer and applies for a new alcoholic beverage permit within fifteen days of the  
 2           transfer of ownership. If the permit holder is a corporation or limited liability  
 3           company, the permit holder shall notify the office of alcohol and tobacco control of  
 4           any changes in the officers, directors, managers, shareholders, members, or persons  
 5           previously qualified to conduct or manage the business within fifteen days of the  
 6           date of such changes. The notification shall include the suitability documents and  
 7           information for each new individual required to possess the qualifications of the  
 8           applicants. However, in the event of the dissolution of a partnership by death, the  
 9           surviving partner or partners may operate under the partnership permit. The office  
 10           of alcohol and tobacco control shall be notified of any changes to the licensed  
 11           business premises which increase or decrease the previously approved licensed  
 12           business premises prior to any such changes.

\* \* \*

§276. Personal nature of permits; return of permits; necessity of display; penalties

A. The following shall apply to permits issued under this Chapter:

\* \* \*

17           (2) The permit is not transferrable, assignable, or heritable. The permit must  
 18           be returned to the office of alcohol and tobacco control or surrendered to an agent  
 19           of the commissioner within five days of closure, when the ownership of the business  
 20           is transferred or the business is terminated. When the ownership of the business is  
 21           transferred, the new owner shall be allowed to continue to operate using the  
 22           transferor's permit until a new permit is issued or denied, if the new owner notifies  
 23           the office of alcohol and tobacco control of the transfer within five days of the  
 24           transfer and applies for a new alcoholic beverage permit within fifteen days of the  
 25           transfer of ownership. If the permit holder is a corporation or limited liability  
 26           company, the permit holder shall notify the office of alcohol and tobacco control of  
 27           any changes in the officers, directors, managers, shareholders, members, or persons  
 28           previously qualified to conduct or manage the business within fifteen days of the  
 29           date of such changes. The notification shall include the suitability documents and  
 30           information for each new individual required to possess the qualifications of the

1           applicants. However, in the event of the dissolution of a partnership by death, the  
 2           surviving partner or partners may operate under the partnership permit. The office  
 3           of alcohol and tobacco control shall be notified of any changes to the licensed  
 4           business premises which increase or decrease the previously approved licensed  
 5           business premises prior to any such changes.

\*       \*       \*

7           §912. Permits; necessity of display; penalties

8                     A. A permit issued under this Chapter is a personal privilege and cannot be  
 9           transferred, ~~If over fifty-one percent of a corporation is sold or transferred during~~  
 10          ~~the period for which a permit was issued, a new permit must be applied for, and the~~  
 11          ~~new owner must comply with the provisions set forth in this Chapter. If the holder~~  
 12          ~~of the permit is an association, partnership, or limited partnership, change of the~~  
 13          ~~controlling interest shall constitute a change of ownership under this Chapter.,~~  
 14          assigned, or inherited. The permit must be returned to the office of alcohol and  
 15          tobacco control or surrendered to an agent of the commissioner within five days of  
 16          permanently ceasing business operations or when there is a change in ownership. If  
 17          the permit holder is a corporation or limited liability company, the permit holder  
 18          shall notify the office of alcohol and tobacco control of any changes in the officers,  
 19          directors, managers, shareholders, or members within fifteen days of the date of such  
 20          changes. The notification shall include the suitability documents and information  
 21          for each new individual required to possess the qualifications of the applicants.  
 22          If the business is physically relocated during ~~such~~ the permit period, the ~~registration~~  
 23          ~~certificate holder or permittee~~ permit holder must notify the commissioner in writing  
 24          ~~so that proper change may be noted thereon prior to relocating.~~

\*       \*       \*

26                   Section 2. This Act shall become effective upon signature by the governor or, if not  
 27          signed by the governor, upon expiration of the time for bills to become law without signature  
 28          by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_