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

DIGEST

SB 417 Engrossed

2022 Regular Session

Cathey

<u>Present law</u> prohibits the issuance of an alcoholic beverage permit to any person who is an interposed person for the owner or proprietor of a business. <u>Present law</u> authorizes the commissioner of the office of alcohol and tobacco control (ATC commissioner) to require a full disclosure, in writing and under oath, of the details of the operation of any person it suspects of being interposed for another.

<u>Present law</u> authorizes the ATC commissioner to summarily rule before the commissioner for examination, any person suspected of being an interposed person.

<u>Present law</u> provides that an "interposed person" is a person who is subsidized, financed, or employed by a liquor manufacturer to operate a business without disclosing the ownership of the liquor manufacturer.

<u>Proposed law</u> retains <u>present law</u> and provides that the full disclosure of the details of the operation of any person the commissioner suspects of being interposed for another, include a full disclosure of all contractual agreements entered into between a retailer and a third-party delivery company or third-party platform.

<u>Present law</u> provides for certain requirements that a third-party delivery company or third-party platform meet prior to entering into an alcoholic beverage delivery agreement with a retailer.

<u>Present law</u> requires that an alcoholic beverage delivery agreement (agreement) between a retail dealer and a third party contain certain provisions.

<u>Proposed law</u> requires a sample contract of the agreement be filed with the commissioner prior to execution and requires any updates or amendments to the sample contract be submitted to the commissioner.

Present law requires the agreement to contain certain provisions.

<u>Proposed law</u> provides the sample contract contain certain provisions and adds the following provisions be included in the sample contract:

- (1) The price at which alcoholic beverages are sold on the third party's internet or mobile application or similar technology be the same price as the alcoholic beverages offered for sale at the retailer's premises.
- (2) The amount of any fee paid by the retailer to the third party for its services authorized by present law.

(3) Any delivery fee charged by a third party pursuant to <u>present law</u> be displayed prominently on the third party's internet or mobile application platform or similar technology and be itemized separately on the purchase receipt.

<u>Present law</u> provides that a retail dealer enter into an agreement with a third-party delivery agreement or a third-party platform only when the third-party meets certain requirements.

Proposed law retains present law regarding the requirements and adds the following requirements:

- (1) Prohibits the third-party delivery company or third-party platform, through a contract with the retailer or otherwise, directly or indirectly from sharing in the revenue from the sale of alcoholic beverages.
- (2) Requires the third-party delivery company or third-party platform to provide a copy of all contracts with a retailer to the ATC commissioner within 10 days of execution of the contract.

Effective August 1, 2022.

(Amends R.S. 26:83, 308(C)(intro para), and 308(C)(12)(b) and (E); adds R.S. 26:308 (C)(13) and (14) and (D)(6) and (7))

Summary of Amendments Adopted by Senate

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

- 1. Makes technical changes.
- 2. Adds provisions required to be included in the alcoholic beverage delivery agreement.
- 3. Requires that a sample contract of the alcoholic beverage delivery agreement between a retail dealer and a third party be filed with the ATC commissioner and requires certain provisions be in the sample contract.