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DELAWARE STATE SENATE
150th GENERAL ASSEMBLY

SENATE BILL NO. 57

AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO ALCOHOL LIQUORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 304, Title 4 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 304. Duties and powers of the Commissioner.

4 (a) The Commissioner, in accordance with the Delaware Administrative Procedures Act, shall:

5 (1) Adopt and promulgate rules and regulations not inconsistent with this title or of any other law of the State,
6 and all such rules and regulations shall have the force and effect of law; provided, however, that no such rule or
7 regulation shall extend, modify or conflict with any law of this State or the reasonable implications thereof; and
8 provided further, however, that such rules and regulations, as established by the Commissioner, shall focus primarily
9 on public safety and the best interests of the consumer and shall not unduly restrict competition within the alcoholic
10 beverage industry;

11 (2) Establish by rules and regulations an effective control of the business of manufacture, sale, dispensation,
12 distribution and importation of alcoholic liquors within and into the State, including the time, place and manner in
13 which alcoholic liquors shall be sold and dispensed, not inconsistent with this title or with any other law of this State.

14 However, such rules and regulations, as established by the Commissioner, shall not control or regulate:

15 a. Recreational equipment located on the business premises of any business selling alcoholic beverages;

16 b. Credit transactions between licensed wholesalers and licensed retailers, to the extent permitted by
17 federal law;

18 c. ~~Purchases of 1 case not to exceed 20 gallons of alcoholic beverages per day by the holder of a retail~~
19 ~~license from another holder of a retail license; [Repealed.]~~

20 Section 2. Amend § 511, Title 4 of the Delaware Code by making deletions as shown by strike through and
21 insertions as shown by underline as follows:

22 § 511 General licensing requirements.

(a)(1) Upon proper application, the Commissioner may grant licenses to persons described in §§ 512-521 of this title to purchase and resell or dispense alcoholic liquor in the manner and to the extent provided in those sections. The person to whom such license is granted may purchase, resell or dispense alcoholic liquor in accordance with ~~his~~ the person's license if the license fee has been paid and the license is still in force.

(2)a. Except as provided in paragraph (a)(2)b. of this section, a person licensed under §§ 512 and 516 of this title may purchase product only from an importer licensed by the Commissioner.

b. A person licensed under §§ 512 and 516 of this title may purchase up to 20 gallons of product per day from a licensee licensed by the Commissioner for off-premises sales.

Section 3. Amend § 512, Title 4 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 512. Licenses for taprooms, hotels, restaurants, motorsports speedways, concert halls, beer gardens, or clubs; food concessionaires at horse racetracks or multi-purpose sports facilities; dinner theater performances; bowling alleys; movie theaters; caterers; removal of partially consumed bottles from premises; beverages for personal consumption at racetracks; air passenger carriers; names of licensed establishments.

(g)(1) A caterer may apply to the Commissioner for a license to purchase alcoholic liquors ~~from a manufacturer or~~ from an importer and to receive, keep and sell such alcoholic liquors either by the glass or by the bottle, for consumption on any portion of the premises approved by the Commissioner for that purpose.

(2) An off-site caterer may apply to the Commissioner for a license to purchase alcoholic liquors from an importer and to receive, keep, transport and sell such alcoholic liquors either by the glass or by the bottle for consumption on any portion of off-site premises approved by the Commissioner for that purpose. Transporting of alcoholic liquors by an off-site caterer must be done in accordance with the Commissioner's rules.

Section 4. Amend § 516, Title 4 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 516. Consumption off premises of hotel, restaurant, club, store or taproom.

(a) Any person in charge of a hotel, restaurant, club or store (other than a grocery, delicatessen or cigar store), whether owner, lessee or manager, and recognized as such by the Commissioner, may apply to the Commissioner for a license to purchase from an importer and to keep and sell and deliver on the premises only spirits, wine or beer by the ~~bottle~~ or half bottle only bottle, half bottle, keg, half keg, quarter keg, or sixtel, but not for consumption on the premises where sold, or in any dependency thereof. All ~~bottles- vessels~~ bottles- vessels so sold shall be delivered to the purchaser and shall be removed from the premises where sold with the seals of such ~~bottles- vessels~~ bottles- vessels unbroken, with the exception of those licenses that are

53 approved by the Commissioner for a growler filler permit which allows a licensee to purchase beer by the keg or partial keg
54 and fill containers at time of purchase which will then be capped to leave the licensed premises for consumption off of the
55 premises. For purposes of issuing a new license under this section, all establishments licensed for the sale of alcoholic
56 liquors, but not for consumption on the premises where sold, shall be considered as being of the same type; provided,
57 however, this shall not apply to the transfer of ownership or the renewal of an existing license.

SYNOPSIS

This Act makes clear that a retail licensee may only purchase authorized product from an importer, also known as wholesaler, except that a retail licensee may purchase up to 20 gallons a day from a premises licensed to sell for off-premises consumption. This Act also clarifies that off-premises licensees may sell untapped kegs for off-premises consumption.

Author: Senator Paradee