

By: Kuempel, Darby, Fierro, Geren

H.B. No. 4016

Substitute the following for H.B. No. 4016:

By: Huberty

C.S.H.B. No. 4016

A BILL TO BE ENTITLED

AN ACT

relating to operating agreements between holders of a distiller's and rectifier's permit and certain alcoholic beverage permit holders.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 14, Alcoholic Beverage Code, is amended by adding Section 14.10 to read as follows:

Sec. 14.10. OPERATING AGREEMENTS BETWEEN PERMIT HOLDERS.

(a) The holder of a distiller's and rectifier's permit may enter into an agreement with another holder of a distiller's and rectifier's permit that allows the distiller's and rectifier's permit holder to engage in the following activities on the permitted premises of the other distiller's and rectifier's permit holder:

(1) manufacture distilled spirits;

(2) rectify, purify, and refine distilled spirits and wines;

(3) mix wines, distilled spirits, or other liquors; and

(4) bottle, label, and package the permit holder's finished products.

(b) The agreement is subject to approval by the commission and must describe with specificity the nature, duration, and extent of the activities authorized by the agreement.

1 (c) The holder of a distiller's and rectifier's permit may
2 enter into an agreement authorized by Section 37.011 with the
3 holder of a nonresident seller's permit.

4 (d) The commission shall adopt rules regulating the shared
5 use of the permitted premises under this section to ensure
6 administrative accountability of each permit holder and a strict
7 separation between the businesses and operations of the permit
8 holders.

9 SECTION 2. Chapter 37, Alcoholic Beverage Code, is amended
10 by adding Section 37.011 to read as follows:

11 Sec. 37.011. OPERATING AGREEMENT WITH IN-STATE DISTILLERY.

12 (a) The holder of a nonresident seller's permit who owns a
13 distillery outside of the state may enter into an agreement with the
14 holder of a distiller's and rectifier's permit that allows the
15 nonresident seller to engage in the following activities on the
16 distiller's and rectifier's permitted premises:

17 (1) manufacture distilled spirits;

18 (2) rectify, purify, and refine distilled spirits and
19 wines;

20 (3) mix wines, distilled spirits, or other liquors;
21 and

22 (4) bottle, label, and package the nonresident
23 seller's finished products.

24 (b) The agreement is subject to approval by the commission
25 and must describe with specificity the nature, duration, and extent
26 of the activities authorized by the agreement.

27 (c) The commission shall adopt rules regulating the shared

1 use of the permitted premises under this section to ensure
2 administrative accountability of each permit holder and a strict
3 separation between the businesses and operations of the permit
4 holders.

5 SECTION 3. This Act takes effect September 1, 2021.