

By: Kuempel

H.B. No. 4016

A BILL TO BE ENTITLED

AN ACT

1
2 relating to operating agreements between holders of a distiller's
3 and rectifier's permit and certain alcoholic beverage permit
4 holders.

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

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

8 Sec. 14.10. OPERATING AGREEMENTS BETWEEN PERMIT HOLDERS.

9 (a) The holder of a distiller's and rectifier's permit may engage
10 in any activity authorized by that permit on the permitted premises
11 of another distiller's and rectifier's permit holder under an
12 agreement between the permit holders that is approved by the
13 commission and that describes with specificity the nature,
14 duration, and extent of the activities authorized by the agreement.

15 (b) The holder of a distiller's and rectifier's permit may
16 enter into an agreement authorized by Section 37.011 with the
17 holder of a nonresident seller's permit that allows the nonresident
18 seller to use the distiller's permitted premises to manufacture,
19 rectify, purify, and refine distilled spirits and to bottle, label,
20 and package the nonresident seller's finished products.

21 (c) The commission shall adopt rules regulating the shared
22 use of the permitted premises under this section to ensure
23 administrative accountability of each permit holder and a strict
24 separation between the businesses and operations of the permit

1 holders.

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

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

5 (a) The holder of a nonresident seller's permit who owns a
6 distillery outside of the state may enter into an agreement with the
7 holder of a distiller's and rectifier's permit that allows the
8 nonresident seller to manufacture, rectify, purify, and refine
9 distilled spirits and to bottle, label, and package the nonresident
10 seller's finished products on the distiller's and rectifier's
11 permitted premises. The agreement is subject to approval by the
12 commission and must describe with specificity the nature, duration,
13 and extent of the activities authorized by the agreement.

14 (b) The commission shall adopt rules regulating the shared
15 use of the permitted premises under this section to ensure
16 administrative accountability of each permit holder and a strict
17 separation between the businesses and operations of the permit
18 holders.

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