

By: Herrero

H.B. No. 4931

A BILL TO BE ENTITLED

AN ACT

relating to requiring liability insurance for certain mixed beverage permit holders.

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

SECTION 1. Chapter 28, Alcoholic Beverage Code, is amended by adding Section 28.20 to read as follows:

Sec. 28.20. LIABILITY INSURANCE. (a) This section does not apply to the holder of a food and beverage certificate.

(b) A person may not hold a mixed beverage permit unless the person maintains a liability insurance policy:

(1) issued by an insurance company authorized to write liability insurance in this state or an eligible surplus lines insurer; and

(2) that will pay, on behalf of the permit holder or a person who sells or serves alcoholic beverages under the authority of the permit holder's permit, amounts the permit holder or person becomes obligated to pay as damages arising out of the sale or service of alcoholic beverages.

(c) The commission shall adopt rules relating to:

(1) minimum amounts of insurance coverage required under this section that are at least:

(A) \$500,000 for each person to whom damages covered by the policy are owed; and

(B) \$1 million for each single occurrence giving

1 rise to damages covered by the policy;

2 (2) the method for filing proof of insurance and  
3 obtaining the commission's approval under this section; and

4 (3) verification by the commission of a permit  
5 holder's continued maintenance of the required insurance coverage.

6 SECTION 2. (a) The changes in law made by this Act apply to  
7 a person who applies for a mixed beverage permit on or after January  
8 1, 2024, and to a person who, on January 1, 2024, holds a mixed  
9 beverage permit regardless of when the permit was issued.

10 (b) The Texas Alcoholic Beverage Commission shall adopt all  
11 rules necessary to implement the changes made by this Act not later  
12 than December 31, 2023.

13 SECTION 3. This Act takes effect September 1, 2023.