

By: Creighton

S.B. No. 1932

A BILL TO BE ENTITLED

AN ACT

relating to authorizing secondary wine sales; authorizing an administrative penalty.

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

SECTION 1. Title 4, Alcoholic Beverage Code, is amended by adding Chapter 111 to read as follows:

CHAPTER 111. SECONDARY WINE SALES

Sec. 111.001. DEFINITIONS. In this chapter:

(1) "Permitted restaurant" means a restaurant that holds:

(A) a mixed beverage permit, a wine and malt beverage retailer's permit, or a private club registration permit; and

(B) a food and beverage certificate.

(2) "Wine collection seller" means a person who:

(A) is at least 21 years of age;

(B) does not hold a license or permit under this code; and

(C) is:

(i) an administrator, executor, receiver, or other fiduciary who receives and sells wine in execution of the person's fiduciary capacity;

(ii) a creditor who receives or takes possession of wine as security for, or in payment of, debt, in whole

1 or in part;

2 (iii) a public officer or court official
3 who levies on wine under order or process of any court or magistrate
4 to sell the wine in satisfaction of the order or process; or

5 (iv) any other person who does not hold or
6 have an interest in a permit or a license or in the business of a
7 permit or license holder under this code and is not engaged in the
8 business of selling alcoholic beverages.

9 Sec. 111.002. AUTHORIZED ACTIVITIES. A wine collection
10 seller may sell to a permitted restaurant wine that is:

11 (1) lawfully owned or possessed by the wine collection
12 seller;

13 (2) in an original container sealed by the
14 manufacturer; and

15 (3) manufactured not less than 20 years before the
16 date the wine collection seller sells the wine to a permitted
17 restaurant.

18 Sec. 111.003. PURCHASE BY RESTAURANT; SALE TO CONSUMER. A
19 permitted restaurant may purchase wine from a wine collection
20 seller and sell that wine to an ultimate consumer for on-premises
21 consumption in accordance with the permit held by the permitted
22 restaurant.

23 Sec. 111.004. RECORDS. (a) A permitted restaurant that
24 purchases wine under this chapter shall maintain a record of each
25 purchase. A permitted restaurant shall maintain the record until
26 the second anniversary of the date the restaurant sells the wine to
27 an ultimate consumer.

1 (b) The record, at a minimum, must include:

2 (1) the name, address, and phone number of the wine
3 collection seller who sold the wine to the permitted restaurant;

4 (2) a description of the wine;

5 (3) details of the transaction between the wine
6 collection seller and the permitted restaurant, including the brand
7 name and quantity of containers purchased by the permitted
8 restaurant;

9 (4) the date of the purchase; and

10 (5) any documents that support the provenance of the
11 wine.

12 (c) A permitted restaurant shall make a record of a wine
13 purchase made under this chapter available upon request to the
14 ultimate consumer who purchases the wine. The ultimate consumer
15 may request the records either before or after the sale to the
16 consumer. The permitted restaurant may redact from the record the
17 price the restaurant paid for the wine.

18 (d) The commission shall assess an administrative penalty
19 in the amount of \$500 against a permitted restaurant for each
20 violation of this section.

21 Sec. 111.005. TAX. Sales of wine by a wine collection
22 seller to a permitted restaurant under this chapter are exempt from
23 the taxes imposed under Subchapter A, Chapter 201.

24 SECTION 2. As soon as practicable after the effective date
25 of this Act, the Texas Alcoholic Beverage Commission shall adopt
26 rules necessary to implement Chapter 111, Alcoholic Beverage Code,
27 as added by this Act.

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