

BILL ANALYSIS

C.S.H.B. 941

By: Chisum

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, Texas-based manufacturers and breweries can produce, store, and export beer, ale, and malt liquor under these same conditions, and this substitute extends that ability to distributors and wholesalers. No state tax liability is incurred for manufacturers and breweries under current law, and this substitute insures that a wholesaler or distributor who holds the product for export incurs no state tax liability.

The purpose of the substitute is to allow the holder of any class of beer distributor's license or any class of liquor wholesaler's permit the authority to receive and store brands and packages of beer, ale, or malt liquor which are intended for export to another state where the distributor or wholesaler has been assigned a territory for those brands even though labels or packages may not be lawful for sale in Texas.

RULEMAKING AUTHORITY

It is the opinion of the author that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends Chapter 19, Alcoholic Beverage Code by adding Section 19.05 which defines "ale and malt liquor for export" in this section; authorizes the holder of a wholesaler's permit to receive, store, transport, deliver to a common carrier, ale or malt liquor intended for export outside the state for sale in a territory assigned to the wholesaler, even though labels, alcohol content, packages or containers are not lawful for sale in this state. No state tax liability is incurred on ale and malt liquor for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to ale or malt liquor for export.

Amends Chapter 20, Alcoholic Beverage Code by adding Section 20.03 which defines "ale and malt liquor for export" in this section; authorizes the holder of general class B wholesaler's permit to receive, store, transport, deliver to a common carrier, ale or malt liquor intended for export outside the state for sale in a territory assigned to the wholesaler, even though labels, alcohol content, packages or containers are not lawful for sale in this state. No state tax liability is incurred on ale and malt liquor for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to ale or malt liquor for export.

Amends Chapter 21, Alcoholic Beverage Code by adding Section 21.03 which defines "ale and malt liquor for export" in this section; authorizes the holder of local class B wholesaler's permit to receive, store, transport, deliver to a common carrier, ale and malt liquor intended for export outside the state for sale in a territory assigned to the wholesaler, even though labels, alcohol content, packages or containers are not lawful for sale in this state. No state tax liability is incurred on ale and malt liquor for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to ale or malt liquor for export.

Amends Chapter 64, Alcoholic Beverage Code by adding Section 64.09 which defines "beer for export" in this section; authorizes the holder of a general distributor's license to receive, store, transport, deliver to a common carrier, beer intended for export outside the state for sale in a territory assigned to the distributor, even though labels, alcohol content, packages or containers are not lawful for sale in this state.

No state tax liability is incurred on beer for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to beer for export.

Amends Chapter 65, Alcoholic Beverage Code by adding Section 65.08 which defines “beer for export” in this section; authorizes the holder of a local distributor’s license to receive, store, transport, deliver to a common carrier, beer intended for export outside the state for sale in a territory assigned to the distributor, even though labels, alcohol content, packages or containers are not lawful for sale in this state. No state tax liability is incurred on beer for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to beer for export.

Amends Chapter 66, Alcoholic Beverage Code by adding Section 66.11 which defines “beer for export” in this section; authorizes the holder of a branch distributor’s license to receive, store, transport, deliver to a common carrier, beer intended for export outside the state for sale in a territory assigned to the distributor, even though labels, alcohol content, packages or containers are not lawful for sale in this state. No state tax liability is incurred on beer for export. Provides that Sec. 101.67, Alcoholic Beverage Code does not apply to beer for export.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

SECTION 1. Section 19.05 adds “brewer or” to Subsection (b). This language was inadvertently omitted in the original files version.

The Substitute adds Subsection (d) to SECTIONS 1, 2 and 3 to clarify that Section 101.67, Alcoholic Beverage Code, does not apply to ale or malt liquor held for export.

The Substitute adds Subsection (d) to SECTIONS 4, 5 and 6 to clarify that Section 101.67, Alcoholic Beverage Code, does not apply to beer held for export.