

BILL ANALYSIS

C.S.H.B. 428

By: Dutton

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law provides that alcohol may be purchased and consumed in a public place that has an extended hours license between 7:00 a.m. and 2:15 a.m. any day except Sunday, at which time alcohol can only be purchased and consumed between the hours of Noon and 2:15 a.m.

Club rooms in hotels in Texas are governed by the same law. However, many hotels provide mini-bars in their guest rooms. Guests may simply relocate to their rooms for drinks after hours.

C.S.H.B. 428 authorizes the commission to issue all-night mixed beverage permits to allow hotels to sell alcohol during certain late night hours.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, by adding Chapter 29A, as follows:

CHAPTER 29A. ALL-NIGHT HOTEL MIXED BEVERAGE PERMIT

Sec. 29A.01. **ELIGIBILITY FOR PERMIT.** Authorizes the commission or the administrator to issue an all-night hotel mixed beverage permit only to the holder of a mixed beverage permit whose premises are located in a hotel that has 100 or more guest rooms and provides regular food service to hotel guests.

Sec. 29A.02. **AUTHORIZED ACTIVITIES.** (a) Authorizes the holder of an all-night hotel mixed beverage permit to sell mixed beverages only to a registered guest of the hotel on Sunday between the hours of 1 a.m. and 12 noon and on any other day between the hours of midnight and 7 a.m.

(b) Prohibits a hotel guest from paying, in any manner other than as required by this subsection, for mixed beverages served to the hotel guest at a time when the service of alcoholic beverages is restricted to only hotel guests. Requires the permit holder to bill the charge for the mixed beverages to the hotel guest's account, and the guest is required to pay the charge along with other hotel charges, including the charge for using the hotel room, when the hotel guest ends the guest's stay at the hotel. Requires the hotel to make its records available for inspection at the request of the commission.

Sec. 29A.03. **FEE.** Provides that the annual state fee for an all-night hotel mixed beverage permit is \$1,000.

Sec. 29A.04. **APPLICATION OF PROVISIONS REGULATING MIXED BEVERAGE PERMITS.** Provides that all provisions of this code that apply to a mixed beverage permit also apply to an all-night hotel mixed beverage permit.

SECTION 2. Amends Section 105.03 (f), Alcoholic Beverage Code, by authorizing the holder of an all-night hotel mixed beverage permit to sell mixed beverages to a registered guest of the hotel only between the hours of midnight and 7 a.m. on any day except Sunday. Authorizes the

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permit holder to sell mixed beverages to a registered guest of the hotel only between the hours of 1 a.m. and 12 noon on Sunday.

SECTION 3. Amends Section 105.06, Alcoholic Beverage Code, by amending Subsections (b) and (c) and adding Subsection (f), as follows:

(b) Provides that except as provided by Subsection (f), in a standard hours area, a person commits an offense if he consumes or possesses with intent to consume an alcoholic beverage in a public place at any time on Sunday between 1:15 a.m. and 12 noon or on any other day between 12:15 a.m. and 7 a.m.

(c) Provides that except as provided by Subsection (f), in an extended hours area, a person commits an offense if he consumes or possesses with intent to consume an alcoholic beverage in a public place at any time on Sunday between 2:15 a.m. and 12 noon and on any other day between 2:15 a.m. and 7 a.m.

(f) Authorizes a person who is a registered guest of a hotel to consume or possess alcoholic beverages in the hotel bar on Sunday between the hours of 1 a.m. and 12 noon and on any other day between the hours of midnight and 7 a.m. if the hotel bar holds an all-night hotel mixed beverage permit.

SECTION 4. Effective date: September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 428 modifies the original by adding new language authorizing the commission to issue an all-night hotel mixed beverage permit. Authorizes the permit holder to sell mixed beverages only during certain hours. Requires the permit holder to charge the guest's account for mixed beverages purchased. Provides for a permit fee.

C.S.H.B. 428 modifies the original by adding new language authorizing the permit holder to sell mixed beverages only during certain hours.

C.S.H.B. 428 differs from the original by authorizing a hotel guest to consume or possess alcoholic beverages during certain hours in a permit holder's hotel.

C.S.H.B. 428 modifies the bill by removing language from the original that provides for the definition of a "hotel" and authorizing all hotel bars to sell or offer for sale alcoholic beverages. Makes conforming changes.

C.S.H.B. 428 modifies the bill by removing language that would have provided an exception for a section of the original bill that was removed in the substitute.