

BILL ANALYSIS

C.S.H.B. 937

By: Homer

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

H.B. 2593, 78(R), removed local restrictions on the dispensing of wine at local Texas wineries in order to encourage the development of the Texas wine industry and promote tourism and economic development. However, after the constitutional amendment was adopted and the provisions of H.B. 2593 were being put into effect, the Texas Alcoholic Beverage Commission noticed that the wording of H.B. 2593 not only provided for samplings at local wineries, but also at retail locations. Such provision puts out-of-state wineries at a disadvantage.

C.S.H.B. 937 would level the field by allowing holders of nonresident seller's permits to have the same ability to hold samplings at retail locations.

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.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 37.01, Alcoholic Beverage Code, as follows:

Sec. 37.01. AUTHORIZED ACTIVITIES. (a) Clarifies existing language by inserting "and" between activities authorized for permit holders.

(b) Authorizes the holder of a nonresident seller's permit to conduct wine samplings at a retailer's premises. Authorizes an employee of the winery to open, touch, or pour wine, make a presentation, or answer questions at a wine sampling.

(c) Requires any wine used in wine sampling be purchased from the retailer on whose premises the wine sampling is held. Provides that this section does not authorize the holder of a nonresident seller's permit or manufacturer's agent's permit to withdraw or purchase wine from a wholesaler or provide wine from any other source other than the retailer on whose premises the wine sampling is held. Prohibits the amount of wine purchased to exceed the amount being used in the sampling.

SECTION 2. Effective date: September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 937 differs from the original by excluding language authorizing the holder of a manufacturer's agent's permit to transport samples of wine for a wine sampling.

The substitute adds new language to require wine sampled under this section be limited to wine purchased from the retailer on whose premises the wine is being sampled; likewise, the substitute corrects existing language by adding a conjunction between two authorized activities.

C.S.H.B. 937 79(R)