

BILL ANALYSIS

H.B. 2016
By: Isett
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Unfair pricing schemes by certain sellers and distributors of alcoholic beverages has the effect of injuring or eliminating competition. These practices directly burden and obstruct commerce and may lead to many undesirable consequences. For this reason, Texas should enact laws to prohibit such activity among merchants of alcoholic beverages.

H.B. 2016 would put a halt to unfair and deceptive trade practices among manufacturers of alcoholic beverages in Texas.

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

The bill amends Chapter 102 of the Alcoholic Beverage Code by adding Section 102.011. Section 102.011 requires manufacturers of alcoholic beverages to file a price nondiscrimination agreement with the commission that requires the manufacturer to sell alcoholic beverages to each wholesaler at the same price. Requires the manufacturer to provide written notice of a price change to each wholesaler not later than 45 days prior to the effective date of the price change. Requires the administrator to apply certain penalties provided against a manufacturer who violates the agreement. Authorizes a manufacturer to ration beverages and apportion the available supply among all wholesalers in times of shortage and in accordance with a plan approved by the commission.

EFFECTIVE DATE

September 1, 2005.