# **BILL ANALYSIS**

Senate Research Center 79R14035 AJA-F

H.B. 2526 By: Flores (Whitmire) Business & Commerce 5/14/2005 Engrossed

## **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, many provisions in state law are unnecessary and place burdensome requirements on industry promotional activities that are widely accepted in today's marketplace.

H.B. 2526 modernizes and updates several marketing practices by creating a promotional permit and authorizing certain promotional activities.

# **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

# **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle A, Title 3, Alcoholic Beverage Code, by adding Chapter 54, as follows:

## CHAPTER 54. PROMOTIONAL PERMIT

Sec. 54.001. AUTHORIZED ACTIVITIES. Authorizes the holder of a promotional permit, on behalf of a distiller, brewer, rectifier, manufacturer, winery, or wine bottler with whom the promotional permit holder has entered into a contract for the purposes of this chapter, to engage in activities to promote and enhance the sale of an alcoholic beverage in this state, including activities that take place on the premises of the holder of a permit or license under this code.

Sec. 54.002. FEE. (a) Provides that the annual state fee for a promotional permit is \$300.

(b) Prohibits a local fee from being charged for the application or issuance of a promotional permit.

Sec. 54.003. PROHIBITED ACTIVITIES. Prohibits the holder of a promotional permit from holding an interest, directly or indirectly, in a permit or license issued under this code other than a contract to promote and enhance the sale of alcoholic beverages as authorized by this chapter.

SECTION 2. Effective date: September 1, 2005.