

## **BILL ANALYSIS**

C.S.H.B. 3196

By: Denny

Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, the Texas Motor Speedway (speedway) in Denton County holds a mixed beverage permit under Chapter 28 (Mixed Beverage Permit), Alcoholic Beverage Code, that enables the sale of all types of alcoholic beverages, including beer, wine, liquor and mixed drinks, in permitted club areas. Alcohol is prohibited from being brought in to or out of those club areas. While the speedway cannot currently sell any alcoholic beverages on its premises outside the club areas, ticketed patrons may bring in and consume their own alcoholic beverages of all types throughout the track premises outside these club areas.

The speedway seeks limited authority to sell beer and wine on its premises outside its current mixed beverage permitted club areas only during major race events to ensure the ability to be economically competitive with other major National Association for Stock Car Auto Racing (NASCAR) racing venues nationwide, which allow patrons to both purchase and bring onto the premises their own alcoholic beverages.

C.S.H.B. 3196 authorizes the speedway to apply to the Texas Alcoholic Beverage Commission for temporary alcoholic beverage permits for the sale of beer and wine throughout the speedway premises only during the facility's major annual race events. The speedway currently hosts two annual NASCAR races and one annual Indy car series race. C.S.H.B. 3196 places limitations on the sale of beverages under such temporary permits in response to agreement between the speedway and local community leaders, and establishes limits regarding the number of annual permits for which the speedway may apply.

### **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. Amends Section 27.03, Alcoholic Beverage Code, as follows:

Sec. 27.03. DURATION OF PERMIT. (a) Authorizes a temporary wine and beer retailer's permit to be issued for a period of not more than four days, except as provided by Subsection (b).

(b) Authorizes a temporary wine and beer retailer's permit issued under Section 27.07 to be issued for a period of five days. Authorizes the commission, on notice to the commission, to extend the permit for one additional day to accommodate the postponement of scheduled racing events due to an act of nature.

SECTION 2. Amends Section 27.05 (b), Alcoholic Beverage Code, requires permits to be issued only for the sale of authorized alcoholic beverages at picnics, celebrations, or similar events, or events described by Section 27.07.

SECTION 3. Amends Subchapter A, Chapter 27, Alcoholic Beverage Code, by adding Section 27.07, as follows:

Sec. 27.07. USE OF PERMIT IN CERTAIN RACING FACILITIES. (a) Authorizes the commission to issue a temporary wine and beer retailer's permit to the holder of a mixed beverage permit covering premises located in a facility with a seating capacity of more than

C.S.H.B. 3196 79(R)

150, 000 that is open to the public for use in areas of the facility not otherwise covered by a license or permit during a motor vehicle racing event sponsored by a professional motor racing association.

(b) Prohibits the commission from issuing more than four temporary wine and beer retailer's permits under this section in a calendar year to mixed beverage permit holder.

(c) Prohibits a holder of a temporary wine and beer retailer's permit under this section from engaging in certain activities on the areas covered by the permit; including, prohibiting the permit holder from selling alcohol after 75 percent of the feature race, rather than the last race of the day, is complete on the day that race is held and one hour before the schedule completion of the last spectator event on a day other than the featured race day.

SECTION 4. Effective date: Immediately, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

### **EFFECTIVE DATE**

Immediately, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 3196 modifies the original by adding language authorizing a temporary wine and beer retailer's permit to be issued for more than four days. Provides for an exemption.

The substitute changes the original by adding new language requiring permits to be issued for events described by a new section added by the Act.

The substitute alters the original by authorizing the issuing of permits for events sponsored by professional motor racing association, rather than national professional stock automobile or open wheel racing associations.

C.S.H.B. 3196 modifies the original by changing language to prohibit the commission from issuing more than four temporary permits, rather than more than three temporary permits.

The substitute modifies the original by prohibiting the permit holder from selling alcohol after 75 percent of the feature race, rather than the last race of the day, is complete on the day that race is held and one hour before the schedule completion of the last spectator event on a day other than the featured race day.

C.S.H.B. 3196 modifies the original by altering the effective date from September 1, 2005 to immediately, contingent on the Act receiving the necessary vote.