

## **BILL ANALYSIS**

Senate Research Center

S.B. 1471  
By: Whitmire  
Business & Commerce  
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Enrolled

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

Currently, Texas is the only state that requires any minimum number of states to be part of an alcohol beverage sweepstakes before it may be offered to persons within the state. There is no known evidence of consumer confusion, retailer inducement, or resulting over-purchase or over-consumption by purchasers that supports the requirement that sweepstakes have a specific number of states participating.

S.B. 1471 is in accordance with the Texas Alcoholic Beverage Commission (TABC) Sunset reform measure currently under consideration by the House of Representatives and Senate. As the Sunset Advisory Commission stated in its report on TABC, overregulation of certain business practices serves no consumer interest, and "imposes unnecessary costs on the industry and creates excessive burdens on TABC." The Sunset Advisory Commission staff report specifically mentions the thirty-state sweepstakes law as a particularly restrictive requirement in the context of their comment that strict regulation of the alcohol beverage industry may be outside the scope of public safety.

S.B. 1471 eliminates the thirty-state requirement. The measure preserves the current requirements that a purchase or entry fee may not be required of any person to enter in a sweepstakes authorized under this section and that a person affiliated with the alcoholic beverage industry may not receive a prize from a sweepstakes promotion.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 3 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 102.07(d) and (e), Alcoholic Beverage Code, as follows:

(d) Authorizes a permittee covered under Subsection (a) to offer prizes, premiums, or gifts to a consumer. Makes conforming changes.

(e) Authorizes a permittee covered under Subsection (a) to conduct a sweepstakes promotion. Makes conforming changes.

SECTION 2. Amends Section 108.061, Alcoholic Beverage Code, as follows:

Sec. 108.061. New heading: SWEEPSTAKES PROMOTIONS AUTHORIZED.  
Makes conforming changes.

SECTION 3. Effective date: September 1, 2005.