

## **BILL ANALYSIS**

Senate Research Center

S.B. 1471  
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Business & Commerce  
4/13/2005  
As Filed

### **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.

As proposed, S.B. 1471 reduces the thirty-state requirement to a minimum of five states. 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 if the offer is part of a multistate promotion, rather than national in scope, and legally offered and conducted in at least five, rather than thirty or more, states. Requires the cost of the promotion to be paid in total by the originating permittee. Makes conforming changes.

(e) Authorizes a permittee covered under Subsection (a) to offer sweepstakes to a consumer if the offer is part of a multistate promotion, rather than national in scope, and legally offered and conducted in at least five, rather than thirty or more, states. Requires the cost of the promotion to be paid in total by the originating permittee. Makes conforming changes.

SECTION 2. Amends Section 108.061, Alcoholic Beverage Code, to make conforming changes.

SECTION 3. Requires the Texas Alcoholic Beverage Commission to adopt rules implementing the changes in law made by this Act to Sections 102.07 (Prohibited Dealings with Retailer or Consumer) and 108.061 (Nationally Conducted Sweepstakes Promotions Authorized), Alcoholic Beverage Code, as soon as practicable after the effective date of this Act.

SECTION 4. Effective date: September 1, 2005.