

By: Whitmire

S.B. No. 1627

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the packaging and contents of certain alcoholic
3 beverages.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 5.38, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 5.38. QUALITY AND PURITY OF BEVERAGES. (a) The
8 commission shall require by rule that any alcoholic beverage sold
9 in this state conform in all respects to its advertised quality.

10 (b) The commission shall promulgate and enforce rules
11 governing the labeling and advertising of all alcoholic beverages
12 sold in the state, and shall adopt and enforce a standard of
13 quality, purity, and identity of all alcoholic beverages [~~—The~~
14 ~~commission shall promulgate and enforce necessary rules~~] to
15 safeguard the public health and to insure sanitary conditions in
16 the manufacturing, refining, blending, mixing, purifying,
17 bottling, rebottling, and sale of alcoholic beverages.

18 (c) The regulations of the Alcohol and Tobacco Tax and Trade
19 Bureau of the United States Department of the Treasury with respect
20 to the standard of liquor in unbroken original containers are
21 adopted for liquor sold in this state.

22 (d) The commission shall accept a federal certificate of
23 label approval and exemptions from federal certificates of label
24 approval issued by the Alcohol and Tobacco Tax and Trade Bureau of

1 the United States Department of the Treasury as constituting full
2 compliance with any applicable standard adopted under this section
3 regarding quantity, purity, identity, and sanitation of liquor in
4 unbroken original containers. The commission may not require any
5 additional testing or review of products or formulas as a condition
6 of label or product approval.

7 SECTION 2. Section 5.39, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 5.39. REGULATION OF LIQUOR CONTAINERS. The
10 regulations of the Alcohol and Tobacco Tax and Trade Bureau of the
11 United States Department of the Treasury with respect to the
12 standards of fill of liquor in unbroken original containers are
13 adopted for [~~commission shall adopt rules to standardize the size~~
14 ~~of containers in which~~] liquor [~~may be~~] sold in the state [~~and~~
15 ~~relating to representations required or allowed to be displayed on~~
16 ~~or in the containers. To accommodate the alcoholic beverage~~
17 ~~industry's conversion to the metric system, the commission shall~~
18 ~~adopt rules permitting the importation and sale of liquor in~~
19 ~~metric-sized containers as well as in containers sized according to~~
20 ~~the United States standard gallon system].~~

21 SECTION 3. Section 37.07, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 37.07. PROHIBITED ACTIVITIES. No holder of a
24 nonresident seller's permit, nor any officer, director, agent, or
25 employee of the holder, nor any affiliate of the holder, regardless
26 of whether the affiliation is corporate or by management,
27 direction, or control, may do any of the following:

1 (1) hold or have an interest in the permit, business,
2 assets, or corporate stock of a person authorized to import liquor
3 into this state for the purpose of resale unless the interest was
4 acquired on or before January 1, 1941, or unless the permittee is a
5 Texas corporation holding a manufacturer's license and a brewer's
6 permit issued before April 1, 1971;

7 (2) fail to make or file a report with the commission
8 as required by a rule of the commission;

9 (3) sell liquor for resale inside this state that
10 fails to meet the standards of quality, purity, and identity
11 prescribed by Section 5.38 [~~the commission~~];

12 (4) advertise any liquor contrary to the laws of this
13 state or to the rules of the commission, or sell liquor for resale
14 in this state in violation of advertising [~~or labeling~~] rules of the
15 commission;

16 (5) sell liquor for resale inside this state or cause
17 it to be brought into the state in a size of container prohibited by
18 Section 5.39 [~~this code or by rule of the commission~~];

19 (6) solicit or take orders for liquor from a person not
20 authorized to import liquor into this state for the purpose of
21 resale;

22 (7) induce, persuade, or influence, or attempt to
23 induce, persuade, or influence, a person to violate this code or a
24 rule of the commission, or conspire with a person to violate this
25 code or a rule of the commission; or

26 (8) exercise a privilege granted by a nonresident
27 seller's permit while an order or suspension against the permit is

1 in effect.

2 SECTION 4. Section 37.11, Alcoholic Beverage Code, is
3 amended by adding Subsections (f) and (g) to read as follows:

4 (f) A holder of a nonresident seller's permit shall file
5 with the commission a list of the permit holder's labels for
6 products to be sold in the state and the permit holder's federal
7 certificate of label approval from the Alcohol and Tobacco Tax and
8 Trade Bureau of the United States Department of the Treasury or a
9 federal certificate of exemption from that agency, as applicable,
10 for those products.

11 (g) Subsections (a)-(e) do not apply to a distilled spirits
12 product if a federal certificate of label approval or a federal
13 certificate of exemption is filed for the product under Subsection
14 (f).

15 SECTION 5. This Act takes effect September 1, 2005.