

BILL ANALYSIS

C.S.H.B. 3123

By: Miles

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Alcoholic Beverage Code restricts upper tier members from giving things of value to a lower tier member. This is and should remain the case as it pertains to commercial transactions. The current law as enforced by the Texas Alcoholic Beverage Commission includes charitable events that would have all the proceeds going directly to a charity.

CSHB 3123 will allow holders of alcoholic beverage licenses and permits at different levels to simultaneously or jointly sponsor a civic, religious, or charitable event, including providing or lending money, services or other things of value directly to a civic, religious, or charitable entity in conjunction with the event, provided that any license or permit to sell or serve alcoholic beverage at the event is held by a retailer who is independent of the sponsors and none of the retail sponsors of the event receive any direct benefit or service because of joint sponsorship by a wholesaler or manufacturer of alcoholic beverages.

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

CSHB 3123 allows permit and license holders engaged in the alcoholic beverage industry at different levels to simultaneously or jointly sponsoring a civic, religious or charitable event, including providing or lending money, services, or other things of value directly to a civic, religious, or charitable entity in conjunction with the event, provided that any license or permit to sell or serve alcoholic beverages at the event is held by a retailer who is independent of the sponsors, and none of the retail sponsors of the event, if any, receive any direct benefit or service because of joint sponsorship by a wholesaler or manufacturer of alcoholic beverages.

CSHB 3123 amends the commission's existing rulemaking authority to authorize the commission, by rule, to set definite limitations consistent with the general provisions of this code that relax the restrictions of this code with respect to the sponsoring of a civic, religious, or charitable event or the making of a gift to civic, religious, or charitable organizations by permit and license holders engaged in the alcoholic beverage industry at different levels.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original bill allowed permit and license holders engaged in the alcoholic beverage industry at different levels to jointly sponsor a civic, religious, or charitable event, including providing money, products, services, or other things of value to a member of another level of the alcoholic beverage industry in conjunction with the event. All proceeds from the sale or service of alcoholic beverages at the event benefit the civic, religious, or charitable organization.

The substitute allows permit and license holders engaged in the alcoholic beverage industry at different levels to simultaneously or jointly sponsor a civic, religious or charitable event, including providing or lending money, services, or other things of value directly to a civic, religious, or charitable entity in conjunction with the event, provided that any license or permit to

sell or serve alcoholic beverages at the event is held by a retailer who is independent of the sponsors, and none of the retail sponsors of the event receive any direct benefit or service because of joint sponsorship by a wholesaler or manufacturer of alcoholic beverages.