

## **BILL ANALYSIS**

C.S.H.B. 3124

By: Miles

Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, the Alcoholic Beverage Code allows a holder of a distributor's license, wholesaler's permit, or a class B wholesaler's permit to withdraw the equivalent of 15 cases of 24 12-ounce containers, as long as the date has not expired, that the manufacturer has determined the product to be inappropriate for sale to a consumer.

CSHB 3124 increases the number of cases to the equivalent of 25 cases of 24 12-ounce containers. This allows for a more efficient inventory control by large distributors and wholesalers.

### **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 3124 increases the number of cases from the equivalent of 15 cases to the equivalent of 25 cases of 24 12-ounce containers that a distributor or wholesaler can withdraw from a retail premise before it is deemed by the manufacturer to be inappropriate for sale to a consumer.

### **EFFECTIVE DATE**

September 1, 2007.

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

The original bill allowed for an increase in the number of cases that a wholesaler or distributor can withdraw from a retail premise to 50 cases while the substitute reduces the number to 25 cases.