| 1 | AN ACT |
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| 2 | relating to the sampling of malt beverages on the premises of |
| 3 | certain manufacturers and retailers. |
| 4 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: |
| 5 | SECTION 1. Section 12.01, Alcoholic Beverage Code, is |
| 6 | amended to read as follows: |
| 7 | Sec. 12.01. AUTHORIZED ACTIVITIES. <u>(a)</u> The holder of a |
| 8 | brewer's permit may: |
| 9 | (1) manufacture, bottle, package, and label malt |
| 10 | liquor; |
| 11 | (2) import ale and malt liquor acquired from a holder |
| 12 | of a nonresident brewer's permit; |
| 13 | (3) sell the ale and malt liquor only to wholesale |
| 14 | permit holders in this state or to qualified persons outside the |
| 15 | state; [and] |
| 16 | (4) dispense ale and malt liquor for consumption on |
| 17 | the premises; and |
| 18 | (5) conduct samplings of ale or malt liquor, including |
| 19 | tastings, at a retailer's premises. |
| 20 | (b) An agent or employee of the holder of a brewer's permit |
| 21 | may open, touch, or pour ale or malt liquor, make a presentation, or |
| 22 | answer questions at a sampling event. |
| 23 | SECTION 2. The heading to Section 24.12, Alcoholic Beverage |
| 24 | Code, is amended to read as follows: |

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Sec. 24.12. WINE <u>AND ALE</u> SAMPLING.

2 SECTION 3. Sections 24.12(a), (b), (d), and (e), Alcoholic
3 Beverage Code, are amended to read as follows:

4 (a) The holder of a wine only package store permit may
5 conduct free product samplings of wine <u>or ale</u> on the permit holder's
6 premises during regular business hours as provided by this section.

7 (b) An agent or employee of the holder of a wine only package
8 store permit may open, touch, or pour wine <u>or ale</u>, make a
9 presentation, or answer questions at a [wine] sampling <u>event</u>.

10 (d) Any wine <u>or ale</u> used in a [wine] sampling <u>event</u> under 11 this section must be purchased from or provided by the retailer on 12 whose premises the [wine] sampling <u>event</u> is held.

(e) When a [wine] sampling event under this section is held on the premises of a wine only package store permit located in an area which is wet for the sale of wine but which is not wet for the sale of higher alcohol content wines that may be sold under an unrestricted wine only package store permit, the only wines that may be sampled are wines which may be legally sold by the wine only package store permittee as restricted under Section 251.81.

20 SECTION 4. Section 26.01(b), Alcoholic Beverage Code, is 21 amended to read as follows:

(b) The holder of a wine and beer retailer's off-premise permit may conduct free product samplings of wine, beer, and malt liquor containing alcohol in excess of one-half of one percent by volume but not more than 17 percent by volume on the permit holder's premises during regular business hours as provided by Section 26.08.

1 SECTION 5. The heading to Section 26.08, Alcoholic Beverage 2 Code, is amended to read as follows:

Sec. 26.08. [WINE] SAMPLING EVENT. 3

4 SECTION 6. Sections 26.08(a) and (c), Alcoholic Beverage 5 Code, are amended to read as follows:

6 (a) An employee of the holder of a wine and beer retailer's off-premise permit may open, touch, or pour wine, beer, or malt 7 8 liquor, make a presentation, or answer questions at a [wine] sampling event. 9

Any wine, beer, or malt liquor used in a [wine] sampling 10 (c) event under this section must be purchased from or provided by the 11 retailer on whose premises the [wine] sampling event is held. This 12 section does not authorize the holder of a wine and beer retailer's 13 14 off-premise permit to withdraw or purchase alcoholic beverages [wine] from the holder of a wholesaler's permit or <u>a distributor's</u> 15 license or provide alcoholic beverages [wine] for a sampling on a 16 17 retailer's premises that is not purchased from the retailer. The amount of alcoholic beverages [wine] purchased from the retailer 18 may not exceed the amount of alcoholic beverages [wine] used in the 19 sampling event. 20

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SECTION 7. Sections 37.01(b) and (c), Alcoholic Beverage Code, are amended to read as follows: 22

The holder of a nonresident seller's permit who owns a 23 (b) 24 winery or brewery outside of the state may conduct [wine] samplings 25 of the kinds of alcoholic beverages the permit holder is authorized to produce, including [wine] tastings, at a retailer's premises. 26 An employee of the winery or brewery may open, touch, or pour the 27

1 <u>alcoholic beverages</u> [wine], make a presentation, or answer 2 questions at a [wine] sampling <u>event</u>.

3 (c) Any alcoholic beverages [wine] used in a [wine] sampling 4 event under this section must be purchased from the retailer on 5 whose premises the [wine] sampling event is held. This section does 6 not authorize the holder of a nonresident seller's permit or manufacturer's agent's permit to withdraw or purchase alcoholic 7 8 beverages [wine] from the holder of a wholesaler's permit or 9 provide alcoholic beverages [wine] for a sampling event on a retailer's premises that is not purchased from the retailer. The 10 amount of <u>alcoholic beverages</u> [wine] purchased from the retailer 11 may not exceed the amount of alcoholic beverages [wine] used in the 12 13 sampling event.

SECTION 8. Section 62.01, Alcoholic Beverage Code, is amended to read as follows:

Sec. 62.01. AUTHORIZED ACTIVITIES. (a) The holder of a manufacturer's license may:

(1) manufacture or brew beer and distribute and sell
it in this state to the holders of general, local, and branch
distributor's licenses and to qualified persons outside the state;

21 (2) dispense beer for consumption on the premises;
22 [and]

(3) bottle and can beer and pack it into containers for
resale in this state, regardless of whether the beer is
manufactured or brewed in this state or in another state and
imported into Texas; and

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(4) conduct samplings of beer, including tastings, at

| 1 | <u>a retailer's premises</u> . |
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| 2 | (b) An agent or employee of the holder of a manufacturer's |
| 3 | license may open, touch, or pour beer, make a presentation, or |
| 4 | answer questions at a sampling event. |
| 5 | SECTION 9. Chapter 71, Alcoholic Beverage Code, is amended |
| 6 | by adding Section 71.11 to read as follows: |
| 7 | Sec. 71.11. BEER SAMPLING. (a) The holder of a retail |
| 8 | dealer's off-premise license may conduct free product samplings of |
| 9 | beer on the license holder's premises during regular business hours |
| 10 | as provided by this section. |
| 11 | (b) An agent or employee of the holder of a retail dealer's |
| 12 | off-premise license may open, touch, or pour beer, make a |
| 13 | presentation, or answer questions at a sampling event. |
| 14 | (c) For the purposes of this code and any other law or |
| 15 | ordinance: |
| 16 | (1) a retail dealer's off-premise license does not |
| 17 | authorize the sale of alcoholic beverages for on-premise |
| 18 | consumption; and |
| 19 | (2) none of the license holder's income may be |
| 20 | considered to be income from the sale of alcoholic beverages for |
| 21 | on-premise consumption. |
| 22 | (d) Any beer used in a sampling event under this section |
| 23 | must be purchased from or provided by the retailer on whose premises |
| 24 | the sampling event is held. |
| 25 | SECTION 10. This Act takes effect September 1, 2007. |

President of the Senate

Speaker of the House

I certify that H.B. No. 2723 was passed by the House on May 11, 2007, by the following vote: Yeas 129, Nays 5, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2723 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED:

Date

Governor