

1-1 By: Thompson (Senate Sponsor - Gallegos) H.B. No. 2723  
1-2 (In the Senate - Received from the House May 14, 2007;  
1-3 May 15, 2007, read first time and referred to Committee on Business  
1-4 and Commerce; May 18, 2007, reported favorably by the following  
1-5 vote: Yeas 6, Nays 0; May 18, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the sampling of malt beverages on the premises of  
1-9 certain manufacturers and retailers.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 12.01, Alcoholic Beverage Code, is  
1-12 amended to read as follows:

1-13 Sec. 12.01. AUTHORIZED ACTIVITIES. (a) The holder of a  
1-14 brewer's permit may:

1-15 (1) manufacture, bottle, package, and label malt  
1-16 liquor;

1-17 (2) import ale and malt liquor acquired from a holder  
1-18 of a nonresident brewer's permit;

1-19 (3) sell the ale and malt liquor only to wholesale  
1-20 permit holders in this state or to qualified persons outside the  
1-21 state; ~~and~~

1-22 (4) dispense ale and malt liquor for consumption on  
1-23 the premises; and

1-24 (5) conduct samplings of ale or malt liquor, including  
1-25 tastings, at a retailer's premises.

1-26 (b) An agent or employee of the holder of a brewer's permit  
1-27 may open, touch, or pour ale or malt liquor, make a presentation, or  
1-28 answer questions at a sampling event.

1-29 SECTION 2. The heading to Section 24.12, Alcoholic Beverage  
1-30 Code, is amended to read as follows:

1-31 Sec. 24.12. WINE AND ALE SAMPLING.

1-32 SECTION 3. Sections 24.12(a), (b), (d), and (e), Alcoholic  
1-33 Beverage Code, are amended to read as follows:

1-34 (a) The holder of a wine only package store permit may  
1-35 conduct free product samplings of wine or ale on the permit holder's  
1-36 premises during regular business hours as provided by this section.

1-37 (b) An agent or employee of the holder of a wine only package  
1-38 store permit may open, touch, or pour wine or ale, make a  
1-39 presentation, or answer questions at a [wine] sampling event.

1-40 (d) Any wine or ale used in a [wine] sampling event under  
1-41 this section must be purchased from or provided by the retailer on  
1-42 whose premises the [wine] sampling event is held.

1-43 (e) When a [wine] sampling event under this section is held  
1-44 on the premises of a wine only package store permit located in an  
1-45 area which is wet for the sale of wine but which is not wet for the  
1-46 sale of higher alcohol content wines that may be sold under an  
1-47 unrestricted wine only package store permit, the only wines that  
1-48 may be sampled are wines which may be legally sold by the wine only  
1-49 package store permittee as restricted under Section 251.81.

1-50 SECTION 4. Section 26.01(b), Alcoholic Beverage Code, is  
1-51 amended to read as follows:

1-52 (b) The holder of a wine and beer retailer's off-premise  
1-53 permit may conduct free product samplings of wine, beer, and malt  
1-54 liquor containing alcohol in excess of one-half of one percent by  
1-55 volume but not more than 17 percent by volume on the permit holder's  
1-56 premises during regular business hours as provided by Section  
1-57 26.08.

1-58 SECTION 5. The heading to Section 26.08, Alcoholic Beverage  
1-59 Code, is amended to read as follows:

1-60 Sec. 26.08. [WINE] SAMPLING EVENT.

1-61 SECTION 6. Sections 26.08(a) and (c), Alcoholic Beverage  
1-62 Code, are amended to read as follows:

1-63 (a) An employee of the holder of a wine and beer retailer's  
1-64 off-premise permit may open, touch, or pour wine, beer, or malt

2-1 liquor, make a presentation, or answer questions at a [wine]  
 2-2 sampling event.

2-3 (c) Any wine, beer, or malt liquor used in a [wine] sampling  
 2-4 event under this section must be purchased from or provided by the  
 2-5 retailer on whose premises the [wine] sampling event is held. This  
 2-6 section does not authorize the holder of a wine and beer retailer's  
 2-7 off-premise permit to withdraw or purchase alcoholic beverages  
 2-8 [wine] from the holder of a wholesaler's permit or a distributor's  
 2-9 license or provide alcoholic beverages [wine] for a sampling on a  
 2-10 retailer's premises that is not purchased from the retailer. The  
 2-11 amount of alcoholic beverages [wine] purchased from the retailer  
 2-12 may not exceed the amount of alcoholic beverages [wine] used in the  
 2-13 sampling event.

2-14 SECTION 7. Sections 37.01(b) and (c), Alcoholic Beverage  
 2-15 Code, are amended to read as follows:

2-16 (b) The holder of a nonresident seller's permit who owns a  
 2-17 winery or brewery outside of the state may conduct [wine] samplings  
 2-18 of the kinds of alcoholic beverages the permit holder is authorized  
 2-19 to produce, including [wine] tastings, at a retailer's premises.  
 2-20 An employee of the winery or brewery may open, touch, or pour the  
 2-21 alcoholic beverages [wine], make a presentation, or answer  
 2-22 questions at a [wine] sampling event.

2-23 (c) Any alcoholic beverages [wine] used in a [wine] sampling  
 2-24 event under this section must be purchased from the retailer on  
 2-25 whose premises the [wine] sampling event is held. This section does  
 2-26 not authorize the holder of a nonresident seller's permit or  
 2-27 manufacturer's agent's permit to withdraw or purchase alcoholic  
 2-28 beverages [wine] from the holder of a wholesaler's permit or  
 2-29 provide alcoholic beverages [wine] for a sampling event on a  
 2-30 retailer's premises that is not purchased from the retailer. The  
 2-31 amount of alcoholic beverages [wine] purchased from the retailer  
 2-32 may not exceed the amount of alcoholic beverages [wine] used in the  
 2-33 sampling event.

2-34 SECTION 8. Section 62.01, Alcoholic Beverage Code, is  
 2-35 amended to read as follows:

2-36 Sec. 62.01. AUTHORIZED ACTIVITIES. (a) The holder of a  
 2-37 manufacturer's license may:

2-38 (1) manufacture or brew beer and distribute and sell  
 2-39 it in this state to the holders of general, local, and branch  
 2-40 distributor's licenses and to qualified persons outside the state;

2-41 (2) dispense beer for consumption on the premises;  
 2-42 [and]

2-43 (3) bottle and can beer and pack it into containers for  
 2-44 resale in this state, regardless of whether the beer is  
 2-45 manufactured or brewed in this state or in another state and  
 2-46 imported into Texas; and

2-47 (4) conduct samplings of beer, including tastings, at  
 2-48 a retailer's premises.

2-49 (b) An agent or employee of the holder of a manufacturer's  
 2-50 license may open, touch, or pour beer, make a presentation, or  
 2-51 answer questions at a sampling event.

2-52 SECTION 9. Chapter 71, Alcoholic Beverage Code, is amended  
 2-53 by adding Section 71.11 to read as follows:

2-54 Sec. 71.11. BEER SAMPLING. (a) The holder of a retail  
 2-55 dealer's off-premise license may conduct free product samplings of  
 2-56 beer on the license holder's premises during regular business hours  
 2-57 as provided by this section.

2-58 (b) An agent or employee of the holder of a retail dealer's  
 2-59 off-premise license may open, touch, or pour beer, make a  
 2-60 presentation, or answer questions at a sampling event.

2-61 (c) For the purposes of this code and any other law or  
 2-62 ordinance:

2-63 (1) a retail dealer's off-premise license does not  
 2-64 authorize the sale of alcoholic beverages for on-premise  
 2-65 consumption; and

2-66 (2) none of the license holder's income may be  
 2-67 considered to be income from the sale of alcoholic beverages for  
 2-68 on-premise consumption.

2-69 (d) Any beer used in a sampling event under this section

3-1 must be purchased from or provided by the retailer on whose premises  
3-2 the sampling event is held.

3-3 SECTION 10. This Act takes effect September 1, 2007.

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