

By: Miles

H.B. No. 3700

A BILL TO BE ENTITLED

AN ACT

relating to investment by the holder of a manufacturer's license in certain businesses that hold a general distributor's license.

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

SECTION 1. Subchapter A, Chapter 102, Alcoholic Beverage Code, is amended by adding Section 102.181 to read as follows:

Sec. 102.181. MANUFACTURER: INTEREST IN DISTRIBUTORSHIP.

(a) In this section:

(1) "Minority-owned business" means a business entity at least 51 percent of which is owned by members of a minority group or, in the case of a corporation, at least 51 percent of the shares of which are owned by members of a minority group, and that is managed and controlled by members of a minority group in its daily operations.

(2) "Minority group" includes:

(A) women;

(B) African Americans;

(C) American Indians;

(D) Asian Americans; and

(E) Mexican Americans and other Americans of Hispanic origin.

(b) Notwithstanding any other provision of this code, the holder of a manufacturer's license may have a financial interest described by this section in a business that holds a general

1 distributor's license.

2 (c) The holder of a manufacturer's license may loan money to
3 a minority-owned business to start a beer distributorship business.

4 The terms and conditions of the loan may not:

5 (1) require the holder of the general distributor's
6 license to buy or sell any particular brand of beer; or

7 (2) prohibit the holder of the general distributor's
8 license from buying or selling any particular brand of beer.

9 (d) The holder of a manufacturer's license may not be
10 involved in any aspect of the operation of the distributorship
11 business.

12 (e) The holder of the general distributor's license must pay
13 off the loan not later than the 10th anniversary of the date the
14 loan is made.

15 SECTION 2. This Act takes effect September 1, 2007.