

AN ACT

relating to permits and licenses issued by the Texas Alcoholic Beverage Commission.

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

SECTION 1. Subsection (b), Section 5.50, Alcoholic Beverage Code, is amended to read as follows:

(b) The commission may not increase or decrease a fee set by this code, but if a statute is enacted creating a certificate, permit, or license and there is no fee established, the commission by rule may set a fee. The commission by rule shall assess ~~and collect annual~~ surcharges on ~~from~~ all applicants for an original or renewal ~~holders of a~~ certificate, permit, or license issued by the commission in addition to any fee set by this code and collect the surcharges at the time of application. In assessing a surcharge, the commission may not overly penalize any segment of the alcoholic beverage industry or impose an undue hardship on small businesses.

SECTION 2. Subsection (c), Section 6.02, Alcoholic Beverage Code, is amended to read as follows:

(c) The commission may not abate or refund a license or permit fee because of a change in the expiration date made under this section but may authorize a license or permit period of less than one year for the period during which the expiration date is changed. The commission may not authorize a license or permit

1 period of greater than two years [~~one year~~].

2 SECTION 3. Section 11.09, Alcoholic Beverage Code, is
3 amended by amending Subsections (a) and (b) and adding Subsections
4 (d) and (e) to read as follows:

5 (a) A permit issued under this code expires on the second
6 anniversary of [~~one year after~~] the date it is issued, except as
7 [~~otherwise~~] provided by Subsections (d) and (e) or another
8 provision of this code. Notwithstanding Section 5.50(b), the
9 commission shall double the amount of fees and surcharges otherwise
10 applicable under this code for a permit with a two-year term.

11 (b) A secondary permit which requires the holder of the
12 permit to first obtain another permit, including a late hours
13 permit or temporary permit, expires on the same date the basic or
14 primary permit expires. The commission may not prorate or refund
15 any part of the fee for the secondary permit if the application of
16 this section results in the expiration of the permit in less than
17 two years [~~one year~~].

18 (d) The commission by rule may require that the expiration
19 date for an individual permit holder's permit is the first
20 anniversary of the date on which the permit is issued due to the
21 permit holder's violation history.

22 (e) The commission may issue a permit with an expiration
23 date less than two years after the date the permit is issued in
24 order to maintain a reasonable annual distribution of renewal
25 application review work and permit fees. If the commission issues a
26 permit with an expiration date less than two years after the date
27 the permit is issued, the commission shall prorate the permit fee on

1 a monthly basis so that the permit holder pays only that portion of
2 the permit fee that is allocable to the number of months during
3 which the permit is valid.

4 SECTION 4. Subsection (d), Section 28.04, Alcoholic
5 Beverage Code, is amended to read as follows:

6 (d) This section does not apply to a change in corporate
7 control:

8 (1) brought about by the death of a shareholder if the
9 shareholder's ~~[his]~~ surviving spouse or descendants are the
10 shareholder's ~~[his]~~ successors in interest; or

11 (2) brought about when legal or beneficial ownership
12 of over 50 percent of the stock of the corporation has been
13 transferred:

14 (A) to a person who possesses the qualifications
15 required of other applicants for permits and is currently an
16 officer of the corporation and has been an officer of the
17 corporation ever since the date the original permit was issued; or

18 (B) if the permittee ~~[pays a fee of \$500 and]~~
19 notifies the commission, on completed forms and attachments
20 prescribed by the commission, of the proposed transfer ~~[at least 10~~
21 ~~days]~~ prior to the date the transfer is to become effective and the
22 commission does not find that circumstances exist that would be
23 grounds for the denial of a renewal of the permit under Section
24 11.46 ~~[of this code]~~ and provided the ownership of the corporation
25 immediately after the transfer satisfies the requirements of this
26 code.

27 SECTION 5. Section 61.03, Alcoholic Beverage Code, is

1 amended by amending Subsections (a) and (b) and adding Subsections
2 (d) and (e) to read as follows:

3 (a) Except as provided by Subsections (d) and (e) or another
4 provision of this code, any [~~Subsection (b), a license may not be~~
5 ~~issued for a term longer than one year. Any~~] license except a
6 branch, importer's, importer's carrier's, or temporary license
7 expires on the second anniversary of [~~one year after~~] the date on
8 which it is issued. Notwithstanding Section 5.50(b), the
9 commission shall require double the amount of fees and surcharges
10 otherwise applicable under this code for a license with a two-year
11 term.

12 (b) A secondary license which requires the holder of the
13 license to first obtain another license, including a late hours
14 license or temporary license, expires on the same date the basic or
15 primary license expires. The commission may not prorate or refund
16 any part of the fee for the secondary license if the application of
17 this section results in the expiration of the license in less than
18 two years [~~one year~~].

19 (d) The commission by rule may require that the expiration
20 date for an individual license holder's license is the first
21 anniversary of the date on which the license is issued due to the
22 license holder's violation history.

23 (e) The commission may issue a license with an expiration
24 date less than two years after the date the license is issued in
25 order to maintain a reasonable annual distribution of renewal
26 application review work and license fees. If the commission issues
27 a license with an expiration date less than two years after the date

1 the license is issued, the commission shall prorate the license fee
2 on a monthly basis so that the license holder pays only that portion
3 of the license fee that is allocable to the number of months during
4 which the license is valid.

5 SECTION 6. Section 11.40, Alcoholic Beverage Code, is
6 repealed.

7 SECTION 7. The change in law made by this Act to Section
8 28.04, Alcoholic Beverage Code, applies to renewal of a mixed
9 beverage permit that expires on or after the effective date of this
10 Act, regardless of when legal or beneficial ownership of the
11 corporation holding the permit changed.

12 SECTION 8. Except as otherwise provided by this Act, the
13 changes in law made by this Act apply only to a license or permit
14 issued or renewed on or after the effective date of this Act. A
15 license or permit issued or renewed before the effective date of
16 this Act expires on its own terms and is governed by the law in
17 effect when the license or permit was issued or renewed, and the
18 former law is continued in effect for that purpose.

19 SECTION 9. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1217 passed the Senate on May 1, 2007, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 26, 2007, by the following vote: Yeas 29, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 1217 passed the House, with amendments, on May 17, 2007, by the following vote: Yeas 142, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor