

BILL ANALYSIS

Senate Research Center

H.B. 1974
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently there are nine distilleries in Texas using native products such as corn, wheat, peaches, and grapes to make distilled spirits. Under current law, a person who enters one of these distilleries is not allowed to sample the product. Texas wineries are authorized to offer samplings of their products; therefore, many distilleries believe it would be beneficial to their growing businesses to be able to serve visitors samples of their products.

H.B. 1974 allows a distillery to serve a one-half-ounce sample of its product on the premises of the distillery. The bill provides that the holder of a permit during distilled spirits sampling is not the holder of a permit authorizing the sale of alcoholic beverages for on-premises consumption and is not considered to have received any revenue from the on-premises sale of alcoholic beverages.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 14.01, Alcoholic Beverage Code, by amending Subsection (a) and adding Subsection (c), as follows:

- (a) Authorizes the holder of a distiller's and rectifier's permit to bottle, label, and package the permit holder's finished products and dispense free distilled spirits for consumption on the permitted premises. Makes nonsubstantive changes.
- (c) Authorizes the holder of a distiller's and rectifier's permit to dispense distilled spirits for consumption on the permitted premises under Section 14.04.

SECTION 2. Amends Chapter 14, Alcoholic Beverage Code, by adding Section 14.04, as follows:

- Sec. 14.04. DISTILLED SPIRITS SAMPLING. (a) Authorizes the holder of a distiller's and rectifier's permit to conduct distilled spirits samplings on the permitted premises.
- (b) Prohibits a sampling event authorized by this section from being advertised except by on-site communication or by direct mail.
 - (c) Prohibits a person other than the holder of a permit or the holder's agent or employee from dispensing or participating in the dispensing of distilled spirits under this section.
 - (d) Prohibits a person authorized to dispense distilled spirits under this section from serving a person more than one sample of each brand of distilled spirits being served at a sampling event, or serving a sample to a minor or to an obviously intoxicated person.
 - (e) Prohibits sample portions served at a distilled spirits sampling event from exceeding one-half ounce.

(f) Prohibits a person who receives a sample from removing the sample from the permitted premises.

(g) Provides that for the purposes of this code and any other law of this state or a political subdivision of this state, the holder of a permit, during the sampling of distilled spirits under this section, is not the holder of a permit authorizing the sale of alcoholic beverages for on-premises consumption; and is not considered to have received any revenue from the on-premises sale of alcoholic beverages.

SECTION 3. Effective date: upon passage or September 1, 2009.