

## **BILL ANALYSIS**

H.B. 1974  
By: Hamilton  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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. Because Texas wineries are allowed to offer samplings of their products, many distilleries believe it would be beneficial to their growing businesses to allow visitors to sample their products.

H.B. 1974 allows a distillery to serve a one-half-ounce sample of its product on the premises of the distillery.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1974 amends the Alcoholic Beverage Code to authorize the holder of a distiller's and rectifier's permit to dispense free distilled spirits for consumption on the permitted premises. The bill authorizes the holder of a distiller's and rectifier's permit to conduct distilled spirits samplings on the permitted premises. The bill prohibits an authorized sampling event from being advertised except by on-site communication or direct mail. The bill 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 at a sampling and prohibits a person authorized to dispense distilled spirits at a sampling from serving a person more than one sample of each brand of distilled spirits being served at the sampling event or serving a sample to a minor or to an obviously intoxicated person. The bill prohibits sample portions served at a distilled spirits sampling event from exceeding one-half ounce and prohibits a person who receives a sample from removing the sample from the permitted premises.

H.B. 1974 clarifies 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 not considered to have received any revenue from the on-premises sale of alcoholic beverages.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.