

BILL ANALYSIS

C.S.H.B. 2094
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas is home to several microbreweries, which often are tourist attractions because they offer tours of their facilities. Many individuals that take these tours would like to be able to purchase the products being made, but current law does not allow microbreweries to sell their products to customers at the end of the tours. Allowing individuals to take these products home could ultimately assist with product name recognition and brand loyalty, which could then result in a sales boost for these products. This would benefit the microbreweries and the distributors that are responsible for getting these products to grocery stores, liquor stores, and other retailers. The bill is a compromise measure that does not change the current three-tier system that relies on distributors to get products to the market.

C.S.H.B. 2094 allows certain microbreweries to include limited quantities of ale and beer in unbroken packages for off-premises consumption as part of their tour packages.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 2094 amends the Alcoholic Beverage Code to authorize the holder of a brewer's permit or manufacturer's license to give tours of the brewery or manufacturer's premises and to charge an admission fee for the tour. The bill authorizes the holder of a brewer's permit or manufacturer's license to give ale or beer to tour participants at the end of the tour in unbroken packages for off-premises consumption without an additional charge if the brewer's annual production of ale in Texas does not exceed, together with the annual production of beer by the holder of a manufacturer's license at the same premises, a total of 250,000 barrels. The bill prohibits the total combined amount of ale received by a brewery tour participant in a single day together with the amount of beer the tour participant receives from the holder of a manufacturer's license at the same premises from exceeding 48 12-ounce bottles. The bill establishes that these provisions do not authorize the holder of a brewer's permit or manufacturer's license to sell ale or beer to an ultimate consumer.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2094 adds provisions not in the original authorizing the holder of a brewer's permit or manufacturer's license to give tours of the brewery or manufacturer's premises and to charge an admission fee for the tour. The substitute differs from the original by authorizing the holder of a

brewer's permit or manufacturer's license to give ale or beer to tour participants at the end of a tour, in unbroken packages for off-premises consumption without an additional charge, whereas the original authorizes the holder of a brewer's permit or manufacturer's license to sell ale and beer to ultimate consumers for on-premises consumption or in unbroken packages for off-premises consumption. The substitute removes provisions in the original prohibiting the total combined sales of ale to ultimate consumers by the brewer for on-premises consumption or in unbroken packages for off-premises consumption together with the sales of beer by the holder of a manufacturer's license at the same premises from exceeding 5,000 barrels annually. The substitute adds provisions not in the original prohibiting the total combined amount of ale received by a brewery tour participant in a single day together with the amount of beer received from the holder of a manufacturer's license at the same premises from exceeding 48 12-ounce bottles. The substitute adds provisions not in the original establishing that the substitute's provisions do not authorize the holder of a brewer's permit or manufacturer's license to sell ale or beer to an ultimate consumer.