

BILL ANALYSIS

Senate Research Center
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H.B. 602
By: Farrar; Rodriguez, Eddie (Lucio)
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In recent years, breweries have become popular tourist destinations in many states, including Texas. Many people, after touring a brewery, wish to purchase beer or other products from the brewery. Currently, breweries in Texas are not allowed to sell or give their products to customers at the end of the tour. Many professional brewers believe that offering products to tourists in unbroken containers will provide a marketing benefit for the brewery and raise the profile of Texas craft brews.

H.B. 602 seeks to address this situation by allowing certain breweries and manufacturers to include limited quantities of ale and beer in unbroken packages for off-premises consumption as part of their tour packages.

H.B. 602 amends current law relating to authorizing certain brewers and manufacturers to conduct tours of their premises after which beer or ale is provided to ultimate consumers for off-premises consumption.

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 Chapter 12, Alcoholic Beverage Code, by adding Section 12.07, as follows:

Sec. 12.07. TOUR OF PERMITTED PREMISES. (a) Authorizes the holder of a brewer's permit whose annual production of ale in this state, together with the annual production of beer by the holder of a manufacturer's license acting under the authority of Section 62.15 at the same premises, does not exceed a total of 75,000 barrels to:

- (1) charge an admission fee for a tour of the brewery premises; and
- (2) at the end of a tour of the brewery premises, give ale or beer to tour participants in unbroken packages for off-premises consumption without an additional charge.

(b) Prohibits the total amount of ale a tour participant may receive in a single day under this section, together with the amount of beer the tour participant receives under Section 62.15 at the same premises, from exceeding a total of 144 ounces.

(c) Provides that this section does not authorize the holder of a brewer's permit to sell ale to an ultimate consumer.

SECTION 2. Amends Chapter 62, Alcoholic Beverage Code, is amended by adding Section 62.15, as follows:

Sec. 62.15. TOUR OF LICENSED PREMISES. (a) Authorizes the holder of a manufacturer's license whose annual production of beer in this state, together with the annual production of ale by the holder of a brewer's permit acting under the authority of Section 12.07 at the same premises, does not exceed a total of 75,000 barrels to:

(1) charge an admission fee for a tour of the manufacturer's premises; and

(2) at the end of a tour of the manufacturer's premises, give beer or ale to tour participants in unbroken packages for off-premises consumption without an additional charge.

(b) Prohibits the total amount of beer a tour participant may receive in a single day under this section, together with the amount of ale the tour participant receives under Section 12.07 at the same premises, from exceeding a total of 144 ounces.

(c) Provides that this section does not authorize the holder of a manufacturer's license to sell beer to an ultimate consumer.

SECTION 3. (a) Provides that the purpose of this Act is to promote the advancement of breweries and manufacturers by enabling them to acquaint patrons and tourists with the craft of manufacturing and brewing beer and ale by providing an opportunity to sample products based on the brewing techniques of each individual licensee or permittee but not to authorize the brewery or manufacturer to use permitted or licensed premises as a retail outlet for the sale of alcoholic beverages.

(b) Provides that the legislature finds that the Texas Alcoholic Beverage Commission has the power under the Alcoholic Beverage Code to enforce the provisions of this Act, and to take actions against a brewery or manufacturer who violates the provisions of this Act, including canceling a license or permit issued under that code.

SECTION 4. Provides that, if any provision of this Act or its application to any person or circumstance is held invalid, the entire Act is invalid, and to this end the provisions of this Act are declared to be nonseverable.

SECTION 5. Effective date: upon passage or September 1, 2011.