

## **BILL ANALYSIS**

C.S.H.B. 1469  
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Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, a fraternal organization or a veterans organization applying for certain alcoholic beverage permits or licenses in connection with an establishment located in a county with a population of at least 1.4 million is required to file a surety bond with the Texas Alcoholic Beverage Commission (TABC) as assurance that the permit or license holder will conform to the state's alcoholic beverage laws and TABC rules. According to certain sources, fraternal and veterans organizations have a lower incidence of violations or offenses that would result in the suspension or cancellation of the organization's permit or license, making such organizations a low risk to public health and safety, and yet such organizations may not operate for as many hours or charge its members the same prices as a retail establishment, resulting in a loss of revenue for the organizations.

Interested parties believe that the lower alcoholic beverage revenues, abbreviated hours of operation, and reduced public safety risks for most fraternal and veterans organizations justify their exemption from the surety bond requirements. C.S.H.B. 1469 seeks to support this position by exempting certain fraternal and veterans organizations from certain bond requirements to obtain an alcoholic beverage permit or license.

### **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**

C.S.H.B. 1469 amends the Alcoholic Beverage Code to exempt a fraternal organization or a veterans organization from the requirement to file a surety bond with the Texas Alcoholic Beverage Commission to apply for a beer retailer's license or a wine and beer retailer's permit held in connection with an establishment located in a county with a population of at least 1.4 million for the on-premises consumption of beer exclusively or beer and wine exclusively, other than a license or permit for an establishment holding a food and beverage certificate whose primary business being operated on the premises is food service.

### **EFFECTIVE DATE**

September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1469 differs from the original by making the bill effective September 1, 2011, whereas the original makes the bill effective on passage, or, if the bill does not receive the necessary vote, September 1, 2011.