

## **BILL ANALYSIS**

Senate Research Center  
82R22102 AJA-F

H.B. 2707  
By: Burnam et al. (Davis)  
Business & Commerce  
5/16/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Texas Alcoholic Beverage Commission or a county judge may refuse to issue or renew certain alcoholic beverage permits and licenses if substantial evidence exists that the manner in which the applicant or licensee conducts business does not benefit the general welfare, health, peace, morals, and safety of the local community. To maintain this standard, interested parties believe it is necessary to ensure that individuals with a financial interest are prohibited from assuming control and management of an establishment if the original license or permit is cancelled due to certain unlawful acts.

H.B. 2707 seeks to address this issue by prohibiting the issuance of certain licenses or permit authorizing on-premises consumption of alcoholic beverages if a license or permit previously held by the applicant or certain other parties with a business interest in the premises was canceled or not renewed in the three years preceding the date an application is filed as a result of a shooting, stabbing, or other violent act.

H.B. 2707 amends current law relating to the holding of an interest in certain alcoholic beverage licenses, permits, or premises by certain persons whose alcoholic beverage license or permit has been revoked.

### **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. Requires that this Act be known as Erik's Law.

SECTION 1. Amends Subchapter B, Chapter 11, Alcoholic Beverage Code, by adding Section 111.481, as follows:

Sec. 11.481. REFUSAL OF PERMIT AUTHORIZING ON-PREMISES CONSUMPTION. (a) Defines, in this section, "applicant."

(b) Requires the Texas Alcoholic Beverage Commission (TABC) to refuse to issue an original or renewal permit authorizing on-premises consumption of alcoholic beverages, with or without a hearing, if TABC or the administrator has reasonable grounds to believe and finds that, during the three years preceding the date the permit application was filed, a license or permit previously held under this code by the applicant, a person who owns the premises for which the permit is sought, or an officer of a person who owns the premises for which the permit is sought was canceled or not renewed as a result of a shooting, stabbing, or other violent act.

(c) Provides that this section does not apply to the issuance of an original or renewal permit authorizing on-premises consumption for a location that also holds a food and beverage certificate but does not hold a late hours permit.

SECTION 3. Amends Subchapter B, Chapter 61, Alcoholic Beverage Code, by adding Section 61.421, as follows:

Sec. 61.421. REFUSAL OF LICENSE AUTHORIZING ON-PREMISES CONSUMPTION. (a) Defines, in this section, "applicant."

(b) Requires TABC or the administrator, with or without a hearing, or the county judge, to refuse to issue or approve an original or renewal license authorizing on-premises consumption of alcoholic beverages if TABC, the administrator, or the county judge has reasonable grounds to believe and finds that, during the three years preceding the date the license application was filed, a license or permit previously held under this code by the applicant, a person who owns the premises for which the license is sought, or an officer of a person who owns the premises for which the license is sought was canceled or not renewed as a result of a shooting, stabbing, or other violent act.

(c) Provides that this section does not apply to the issuance of an original or renewal license authorizing on-premises consumption for a location that holds a food and beverage certificate but does not hold a late hours license.

SECTION 4. Makes application of this Act prospective.

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