

## **BILL ANALYSIS**

C.S.H.B. 2707  
By: Burnam  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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 canceled due to certain unlawful acts.

C.S.H.B. 2707 seeks to address this issue by prohibiting the issuance of certain licenses or permits 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.

### **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. 2707 amends the Alcoholic Beverage Code to require the Texas Alcoholic Beverage Commission (TABC) or the administrator appointed by the TABC to refuse to issue an original or renewal of certain alcoholic beverage permits authorizing on-premises consumption of alcoholic beverages, with or without a hearing, if the TABC or the administrator has reasonable grounds to believe and finds that, during the three years preceding the date the permit application was filed, an alcoholic beverage license or permit previously held 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.S.H.B. 2707 requires the TABC or the administrator, with or without a hearing, or the county judge, to refuse to issue or approve an original or renewal distributor or retailer license authorizing on-premises consumption of alcoholic beverages if the 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, an alcoholic beverage license or permit previously held 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.S.H.B. 2707 makes its provisions inapplicable to the issuance of an original or renewal license or permit authorizing on-premises consumption for a location that also holds a food and beverage certificate but does not hold a late hours license or permit.

C.S.H.B. 2707 establishes a short title to be known as Erik's Law for the purposes of citing its provisions and defines "applicant" by reference.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2707 contains provisions not included in the original establishing its provisions to be known as Erik's Law and defining "applicant."

C.S.H.B. 2707 differs from the original by making a provision requiring the Texas Alcoholic Beverage Commission (TABC) or its administrator to refuse to issue an original or renewal of certain alcoholic beverage permits authorizing on-premises consumption of alcoholic beverages apply to the license or permit 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, whereas the original makes that provision apply to a person who would or does have a financial interest in the permit or an interest in the premises for which the permit is sought. The substitute differs from the original by requiring such a refusal to be made based on the TABC or its administrator having reasonable grounds to believe and finding that an alcoholic beverage license or permit associated with those specified parties was canceled or not renewed as a result of a shooting, stabbing, or other violent act, whereas the original requires the refusal to be made based on the TABC or its administrator having reasonable grounds to believe and finding such a license or permit associated with the applicable parties was canceled or not renewed as a result of a shooting, stabbing, or other violent act or as a result of an offense involving drugs, prostitution, or human trafficking.

C.S.H.B. 2707 differs from the original in substantially the same ways with respect to provisions relating to the refusal of an original or renewal distributor or retailer license authorizing on-premises consumption of alcoholic beverages. The substitute differs from the original, in those same provisions, by specifying that the commission or the administrator or county judge is required to refuse to issue or approve such an original or renewal license with or without a hearing, whereas the original does not make that specification.

C.S.H.B. 2707 differs from the original by making the bill's provisions applicable only to an application for an original or renewal license or permit that is filed on or after the effective date of the bill, whereas the original limits the applicability of its provisions to an application for an original license or permit that is filed on or after the effective date of the bill.

C.S.H.B. 2707 differs from the original in nonsubstantive ways.