

## **BILL ANALYSIS**

C.S.H.B. 2126  
By: Gutierrez  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Wholesalers across the state have indicated that the ability to store alcoholic beverages that are in transit between premises would be beneficial, given the distance between certain delivery locations. C.S.H.B. 2126 seeks to remedy this issue by establishing a wholesaler's branch permit.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 2126 amends the Alcoholic Beverage Code to establish a wholesaler's branch permit, the issuance of which is limited to the holder of a wholesaler's permit. The bill authorizes the wholesaler's branch permit holder to maintain one or more auxiliary locations, other than the permitted premises maintained by the permit holder under the authority of the wholesaler's permit, to store alcoholic beverages that are in transit between premises covered by that wholesaler's permit and the premises of a retailer or another wholesaler. The bill requires the Texas Alcoholic Beverage Commission to exercise its authority by rule to set an annual state fee for the wholesaler's branch permit.

C.S.H.B. 2126 prohibits the wholesaler's branch permit holder from selling or taking orders for alcoholic beverages at a permitted auxiliary location or initiating shipping from a permitted auxiliary location of an alcoholic beverage sold by the permit holder under the authority of the permit holder's wholesaler's permit. The bill authorizes the wholesaler's branch permit holder to allow retailers to sample alcoholic beverages at no charge at a permitted auxiliary location.

### **EFFECTIVE DATE**

September 1, 2013.

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

While C.S.H.B. 2126 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, is amended by adding Chapter 19A to read as follows:  
CHAPTER 19A. WHOLESALER'S

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, is amended by adding Chapter 19A to read as follows:  
CHAPTER 19A. WHOLESALER'S

BRANCH PERMIT

Sec. 19A.01. AUTHORIZED ACTIVITIES. The holder of a wholesaler's branch permit may maintain one or more auxiliary locations other than the permitted premises maintained by the permit holder under the authority of a wholesaler's permit to store alcoholic beverages that are in transit between premises covered by that wholesaler's permit and the premises of a retailer, including the holder of a private club registration permit, or another wholesaler.

Sec. 19A.02. FEE. The commission shall exercise the commission's authority under Section 5.50(b) to set an annual state fee for a wholesaler's branch permit.

Sec. 19A.03. ELIGIBILITY FOR PERMIT. A wholesaler's branch permit may only be issued to the holder of a wholesaler's permit.

Sec. 19A.04. MINIMUM STORAGE PERIOD. Alcoholic beverages delivered to an auxiliary location permitted under this chapter must remain in storage at that location for at least 24 hours before being transported to another location.

Sec. 19A.05. ORIGINATION OF SALES OR SHIPPING PROHIBITED. The holder of a wholesaler's branch permit may not:  
(1) sell or take orders for alcoholic beverages at an auxiliary location permitted under this chapter; or  
(2) initiate shipping from an auxiliary location permitted under this chapter of an alcoholic beverage sold by the permit holder under the authority of the permit holder's wholesaler's permit.

Sec. 19A.06. SAMPLING OF BEVERAGES AUTHORIZED. The holder of a wholesaler's branch permit may allow retailers to sample alcoholic beverages at no charge at a location permitted under this chapter.

SECTION 2. This Act takes effect September 1, 2013.

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Sec. 19A.03. ELIGIBILITY FOR PERMIT. A wholesaler's branch permit may be issued only to the holder of a wholesaler's permit.

No equivalent provision.

Sec. 19A.04. ORIGINATION OF SALES OR SHIPPING PROHIBITED. The holder of a wholesaler's branch permit may not:  
(1) sell or take orders for alcoholic beverages at an auxiliary location permitted under this chapter; or  
(2) initiate shipping from an auxiliary location permitted under this chapter of an alcoholic beverage sold by the permit holder under the authority of the permit holder's wholesaler's permit.

Sec. 19A.05. SAMPLING OF BEVERAGES AUTHORIZED. The holder of a wholesaler's branch permit may allow retailers to sample alcoholic beverages at no charge at a location permitted under this chapter.

SECTION 2. Same as introduced version.