

BILL ANALYSIS

Senate Research Center

S.B. 350
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Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recently, Anheuser Busch InBev (ABI), Grupo Modelo, and Constellation Brands announced a transaction in which ABI would acquire the remaining equity it did not already own in Grupo Modelo. Grupo Modelo would contemporaneously sell its 50 percent interest in Crown Imports to Constellation Brands, making Crown Imports a wholly-owned subsidiary of Constellation Brands.

An unintended effect of the transaction is that upon the closing of the deal (expected in 2013) Crown Imports will no longer qualify for a Section 55.03 (Eligibility for Permit) warehouse permit because it will not be an entity "of which at least 50 percent of the ownership interests are owned by another entity that is located in the United Mexican States."

S.B. 350 amends Section 55.03, Alcoholic Beverage Code, to allow a manufacturer's agent's warehousing permit to be issued to an entity that receives beer, ale, or malt liquor from another entity, or that entity's immediate successor in interest, that meets existing outlined specifications.

S.B. 350 amends current law relating to the storage of certain imported alcoholic beverages.

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 Section 55.03, Alcoholic Beverage Code, to authorize a manufacturer's agent's warehousing permit to be issued to an entity that receives beer, ale, or malt liquor from another entity or that other entity's immediate successor in interest that meets certain criteria and whose employees hold certain permits and licenses, rather than to an entity of which at least 50 percent of the ownership interests are owned by another entity that meets certain criteria and whose employees hold certain permits and licenses.

SECTION 2. Effective date: September 1, 2013.