

## **BILL ANALYSIS**

Senate Research Center

S.B. 652  
By: Van de Putte  
Business & Commerce  
7/19/2013  
Enrolled

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

Currently, distilleries in Texas are permitted to buy bulk distilled spirits from out-of-state distilleries. However, distilleries are not permitted to buy in bulk from in-state distilleries or breweries. Distillers often use beer and other distilled spirits to produce their products.

S.B. 652 allows a holder of a distiller's and rectifier's permit to purchase distilled spirits, to be used for manufacturing purposes, from an additional in-state holder of a distiller's and rectifier's permit. S.B. 652 also permits a holder of a brewer's permit, distiller's and rectifier's permit, winery permit, wine bottler's permit, or manufacturer's license to transfer bulk product to other permittees and licensees for manufacturing purposes, as permitted by federal law.

S.B. 652 amends current law relating to the transfer of alcoholic beverages for manufacturing purposes between certain permit and license holders.

### **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 14.01(a), Alcoholic Beverage Code, as follows:

(a) Authorizes the holder of a distiller's or rectifier's permit to:

(1)-(5) Makes no change to these subdivisions;

(6) purchase, rather than import, distilled spirits, to be used only for manufacturing or rectification purposes, from holders of nonresident seller's permits or distiller's and rectifier's permits; and

(7) Makes no change to this subdivision.

SECTION 2. Amends Subchapter D, Chapter 109, Alcoholic Beverage Code, by adding Sections 109.63 and 109.64, as follows:

Sec. 109.63. BULK TRANSFERS BETWEEN CERTAIN PERMITTEES AND LICENSEES. (a) Provides that this section applies to the holder of a brewer's permit, distiller's and rectifier's permit, winery permit, wine bottler's permit, or manufacturer's license.

(b) Authorizes a permittee or licensee described by Subsection (a), notwithstanding any other provision of this code, to transfer in bulk an alcoholic beverage produced by the permittee or licensee to any other permittee or licensee described by that subsection provided that the alcoholic beverage transferred is used only for manufacturing purposes by the recipient and the transfer is permitted by federal law.

Sec. 109.64. BULK PURCHASE BY HOLDER OF INDUSTRIAL PERMIT. Provides that Section 102.32 (Sale of Liquor: Credit Restrictions) applies to the bulk purchase of liquor by the holder of an industrial permit from the holder of a wholesaler's permit.

SECTION 3. Effective date: September 1, 2013.