

BILL ANALYSIS

S.B. 883
By: Van de Putte
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have raised concerns regarding the current inconsistencies in the regulation of the relationship between alcoholic beverage manufacturers, wholesalers, and distributors and retailers, including the provision of promotional items to retailers and the authority of a manufacturer, wholesaler, or distributor to assist a retailer in making improvements to the retailer's building. S.B. 883 seeks to address these inconsistencies and to revise current laws regulating the relationship between alcoholic beverage manufacturers, wholesalers, and distributors and retailers.

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

S.B. 883 amends the Alcoholic Beverage Code to authorize a member of the manufacturing, wholesaler, or distributor tier, other than a local distributor who holds a local distributor's permit, to sell to a retailer promotional items that bear an alcoholic beverage manufacturer's logo, brand, or product name, that are designed to promote a specific product or brand, and that are designed for use by the consumer, either on or off the retailer's premises. The bill prohibits these promotional items from being sold for less than the item manufacturer's regularly published wholesale price. The bill authorizes the member to give or sell to a retailer interior signs that have the primary purpose of advertising a brand or product or the price of a brand or product, except that such a sign is prohibited from bearing the name, logo, or trademark of a specific retailer. The bill requires payment for an item sold under the bill's provisions to be in cash, paid on or before delivery.

S.B. 883 prohibits a manufacturer, wholesaler, or distributor of alcoholic beverages from painting, improving, or remodeling a retailer's building or any part of a retailer's building, inside or out, or financing any improvements to a retailer's building.

EFFECTIVE DATE

September 1, 2013.