

By: Carona

S.B. No. 950

A BILL TO BE ENTITLED

AN ACT

relating to requiring certain alcoholic beverage permittees to be the primary source of supply for certain alcoholic beverages.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 37.10, Alcoholic Beverage Code, is amended to read as follows:

Sec. 37.10. RESTRICTION AS TO SOURCE OF SUPPLY. (a) No holder of a nonresident seller's permit may solicit, accept, or fill an order for distilled spirits or wine from a holder of any type of wholesaler's or winery permit unless the nonresident seller is the primary [~~American~~] source of supply for the brand of distilled spirits or wine that is ordered.

(b) In this section, "primary [~~American~~] source of supply" means the distiller, the producer, the owner of the commodity at the time it becomes a marketable product, the bottler, or the exclusive agent of any of those. To be the "primary [~~American~~] source of supply" the nonresident seller must be the sole [~~first~~] source, that is, the manufacturer or the source closest to the manufacturer, in the channel of commerce from whom the product can be secured by [~~American~~] wholesalers and wineries in this state.

SECTION 2. Sections 101.671(a) and (d), Alcoholic Beverage Code, are amended to read as follows:

(a) Before an authorized permittee may ship distilled spirits or wine into the state or sell distilled spirits or wine

1 within the state, the permittee must register the distilled spirits
2 or wine with the commission and provide proof that the permittee is
3 the primary source of supply, as defined by Section 37.10. The
4 registration application must include a certificate of label
5 approval issued by the United States Alcohol and Tobacco Tax and
6 Trade Bureau for the product.

7 (d) The commission by rule may ~~[shall]~~ establish procedures
8 for accepting:

9 (1) federal certificates of label approval for
10 registration under this section; and

11 (2) proof that a permittee is a primary source of
12 supply for purposes of this section.

13 SECTION 3. This Act takes effect September 1, 2013.