

1-1 By: Carona S.B. No. 950  
1-2 (In the Senate - Filed February 28, 2013; March 12, 2013,  
1-3 read first time and referred to Committee on Business and Commerce;  
1-4 April 15, 2013, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 15, 2013,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Carona	X		
1-10	Taylor	X		
1-11	Eltife	X		
1-12	Estes	X		
1-13	Hancock	X		
1-14	Lucio	X		
1-15	Van de Putte	X		
1-16	Watson	X		
1-17	Whitmire	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 950 By: Carona

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to requiring certain alcoholic beverage permittees to be  
1-22 the primary American source of supply for certain alcoholic  
1-23 beverages.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 37.10, Alcoholic Beverage Code, is  
1-26 amended to read as follows:

1-27 Sec. 37.10. RESTRICTION AS TO SOURCE OF SUPPLY. (a) No  
1-28 holder of a nonresident seller's permit may solicit, accept, or  
1-29 fill an order for distilled spirits or wine from a holder of any  
1-30 type of wholesaler's or winery permit unless the nonresident seller  
1-31 is the primary American source of supply for the brand of distilled  
1-32 spirits or wine that is ordered.

1-33 (b) In this section, "primary American source of supply"  
1-34 means the distiller, the producer, the owner of the commodity at the  
1-35 time it becomes a marketable product, the bottler, or the exclusive  
1-36 agent of any of those. To be the "primary American source of  
1-37 supply" the nonresident seller must be the first source, that is,  
1-38 the manufacturer or the source closest to the manufacturer, in the  
1-39 channel of commerce from whom the product can be secured by Texas  
1-40 [American] wholesalers and Texas wineries. A product may have only  
1-41 one primary American source of supply to Texas.

1-42 SECTION 2. Subsections (a) and (d), Section 101.671,  
1-43 Alcoholic Beverage Code, are amended to read as follows:

1-44 (a) Before an authorized permittee may ship distilled  
1-45 spirits or wine into the state or sell distilled spirits or wine  
1-46 within the state, the permittee must register the distilled spirits  
1-47 or wine with the commission and provide proof that the permittee is  
1-48 the primary American source of supply for purposes of Section  
1-49 37.10. The registration application must include a certificate of  
1-50 label approval issued by the United States Alcohol and Tobacco Tax  
1-51 and Trade Bureau for the product.

1-52 (d) The commission by rule may ~~shall~~ establish procedures  
1-53 for accepting:

1-54 (1) federal certificates of label approval for  
1-55 registration under this section; and

1-56 (2) proof, such as a letter of authorization, that a  
1-57 permittee is the primary American source of supply for purposes of  
1-58 Section 37.10.

1-59 SECTION 3. This Act takes effect September 1, 2013.

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