

BILL ANALYSIS

C.S.S.B. 828
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that the current limitation on sales by Texas distillers that allows a distiller to sell only two 750 milliliter commemorative bottles or the equivalent of distilled spirits that the distiller manufactures to a single consumer within a 30-day period is hampering the distillers' ability to effectively market and sell the many different brands and labels most distillers produce at their respective distilleries. C.S.S.B. 828 seeks to address this issue by amending current law relating to the sale of distilled spirits to ultimate consumers by the holder of a distiller's and rectifier's permit.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.S.B. 828 amends the Alcoholic Beverage Code to raise the cap on the total amount of distilled spirits manufactured by the holder of a distiller's and rectifier's permit that such a permit holder may sell to the same ultimate consumer for off-premises consumption within a 30-day period from two 750 milliliter bottles or the equivalent to six 750 milliliter bottles or the equivalent. The bill also prohibits such a permit holder from selling to the same ultimate consumer for off-premises consumption within a 30-day period more than two 750 milliliter bottles or the equivalent of each distilled spirits product the permit holder produces. The bill requires each product sold to have a certificate of label approval issued by the U.S. Alcohol and Tobacco Tax and Trade Bureau.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 828 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

SECTION 1. Section 14.05(c), Alcoholic Beverage Code, as added by Chapter 106 (S.B. 905), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

(c) The holder of a distiller's and rectifier's permit may not under Subsection (b) sell more than two 750 milliliter bottles or the equivalent of each distilled spirits product that has a label that complies with the approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau ~~[or the equivalent]~~ to the same consumer within a 30-day period.

The total sales made by the holder of a distiller's and rectifier's permit under Subsection (b) to the same consumer may not exceed six 750 milliliter bottles or the equivalent within a 30-day period.

SECTION 2. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 14.05(c), Alcoholic Beverage Code, as added by Chapter 106 (S.B. 905), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

(c) The holder of a distiller's and rectifier's permit may not under Subsection (b) sell more than two 750 milliliter bottles or the equivalent of each distilled spirits product the permit holder produces ~~[or the equivalent]~~ to the same consumer within a 30-day period. Each product sold must have a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau.

The total sales made by the holder of a distiller's and rectifier's permit under Subsection (b) to the same consumer may not exceed six 750 milliliter bottles or the equivalent within a 30-day period.

SECTION 2. Same as engrossed version.