

BILL ANALYSIS

Senate Research Center
84R9547 MCK-F

S.B. 828
By: Taylor, Larry
Business & Commerce
4/8/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas distilled spirits industry has seen tremendous growth over the past decade. Several distillers in Texas produce many different brands and labels at their distilleries, including rum, vodka, bourbon and whiskey, gin and many seasonal spirits and vintages. The distilled spirits industry in Texas has also become a tourism attraction, bringing in visitors and consumers from across the state and the country to tour the distilleries, and taste and buy craft spirits.

Under current law, Texas distillers are limited to selling to a consumer two 750 milliliter commemorative bottles of distilled spirits manufactured at their distilleries per 30-day period. Distillers are also required to keep records, including visitors' and consumers' personal information, of those who purchase commemorative bottles of spirits at the distillery. Because several distillers produce and manufacture multiple labels and brands, distillers have expressed a desire to market and sell more of their brands to visitors and consumers at their distilleries. Consumers and visitors have also expressed that they would like to purchase the different brands and labels to take home from visiting the distillery as souvenirs. Several of the craft spirits produced and manufactured in Texas are not available in many of the states that visitors and consumers are traveling from. As a result, visitors have expressed frustration when attempting to purchase more than two of the brands and labels and being prohibited from doing so.

Visitors and consumers have also expressed frustration and unease with having a distiller record their personal information when purchasing a commemorative bottle of spirits at the distillery. Distillers have also expressed concerns with keeping such records due to the possibility of data and security breaches.

As proposed, S.B. 828 amends current law relating to the sale of distilled spirits to ultimate consumers by the holder of a distiller's and rectifier's permit.

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 14.05(c), Alcoholic Beverage Code, as added by Chapter 106 (S.B. 905), Acts of the 83rd Legislature, Regular Session, 2013, to prohibit the holder of a distiller's and rectifier's permit from under Subsection (b) (relating to the limitation on the sale of distilled spirits to ultimate consumers) selling more than two 750 milliliter bottles or the equivalent of each distilled spirits product that has a separate certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau to the same consumer each day, rather than prohibits the holder of a distiller's and rectifier's permit from under Subsection (b) selling more than two 750 milliliter bottles of distilled spirits or the equivalent to the same consumer within a 30-day period.

SECTION 2. Effective date: September 1, 2015.