

BILL ANALYSIS

Senate Research Center
84R21589 MCK-F

C.S.S.B. 828
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Business & Commerce
4/16/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Texas distillers are allowed to sell only two 750 milliliter commemorative bottles (or the equivalent) of distilled spirits they manufacture to a single consumer per 30 days.

Texas distillers must also remain under a limit 3,500 gallons sold annually when selling their commemorative bottles at their distillery to consumers.

Distillers are required to check a purchaser's identification and keep records of purchases made to ensure compliance with the conditions of direct sales from distillers to consumers (enforcement mechanism).

Because several distillers produce many different brands and labels at their distilleries, the current scheme hampers their ability to effectively market and sell different brands and labels at their distillery.

Lastly, consumers and visitors who come from out of state and out of town to visit local distilleries can only purchase two of the brands or labels that a distiller produces at the distillery.

C.S.S.B. 828 will permit distillers to sell not more than two 750 milliliter bottles or the equivalent of each distilled spirits product that has a label that complies with its approval issued by the Alcohol and Tobacco Tax and Trade Bureau, capped at six bottles per consumer per 30-day period.

C.S.S.B. 828 keeps the 30-day period language to provide for an enforcement mechanism for compliance with the record and reporting requirements required by the chapter.

C.S.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, as follows:

(c) Prohibits 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 label that complies with the approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau to the same consumer within a 30-day period, 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. Prohibits the total sales made by the holder of a

distiller's and rectifier's permit under Subsection (b) to the same consumer from exceeding six 750 milliliter bottles or the equivalent within a 30-day period.

SECTION 2. Effective date: September 1, 2015.