

BILL ANALYSIS

Senate Research Center

S.B. 1603
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Alcoholic Beverage Code allows self-distributed brewers to store beer (less than 4 percent alcohol by volume (ABV)) outside of their county lines, but not ale (more than 4 percent ABV). This disparate treatment of beer and ale makes out-of-county storage financially impractical for Texas craft brewers as most of their products are classified as ales.

This arbitrary confusion between the two product categories limits consumer access to Texas craft beers to confined geographies where self-distributed breweries can practically deliver their products. It also creates an impediment to free commerce and a transportation safety concern by mandating that self-distributing breweries that do choose to distribute beyond their county line must have ale back inside of their county line in a 24-hour delivery period.

S.B. 1603 will relieve an unreasonable burden on commerce, a public safety concern, and an environmental and traffic congestion problem where overall truck traffic is concerned.

Brewers ought to have the freedom to store beer where it makes the most economic sense for them, regardless of where the county lines have been drawn.

Unnecessary regulations like these distort market functioning and restrict consumer ale choice.

S.B. 1603 applies only to self-distributing craft brewers, who can currently self-distribute up to 40,000 barrels of beer and ale annually.

As proposed, S.B. 1603 amends current law relating to the storage of certain alcoholic beverages by certain permit holders.

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 45.03(c), Alcoholic Beverage Code, as follows:

(c) Prohibits a storage permit, except as provided by this subsection, from being issued for a location outside the county in which the permittee's business is located. Authorizes the holder of a winery permit or a brewer's permit, subject to Section 45.04 (Winery Storage Permit), to obtain a storage permit for a location inside or outside the county in which the permit holder's business is located.

SECTION 2. Effective date: September 1, 2015.