

## **BILL ANALYSIS**

Senate Research Center

S.B. 1652  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 515, 83rd Legislature, Regular Session, 2013, was intended to remove barriers to market for licensed Texas brewpubs. S.B. 1652 resolves a potential legal conflict arising from the Commerce Clause of the United States Constitution whereby in-state distributors have the right to purchase product from Texas brew pubs whereas out-of-state distributors do not. This was only an outcome of a drafting error in that legislation.

S.B. 1652 updates this language to finally allow Texas brewpubs to sell to qualified persons out-of-state, if they so choose. This will level the playing field with other states' brewpubs, which can already freely sell their beer to distributors in Texas.

The Texas Alcoholic Beverage Commission currently has 96 licensed brewpubs registered in the state. Not only would S.B. 1652 remove artificial regulatory and economic barriers to market for these brewpubs, it would also resolve potential legal conflicts that may arise regarding the Commerce Clause of the U.S. Constitution.

As proposed, S.B. 1652 amends current law relating to the authorized activities of a brewpub license holder.

### **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 Chapter 74, Alcoholic Beverage Code, as follows:

Sec. 74.08. SALES BY BREWPUB LICENSE HOLDERS TO RETAILERS. (a) Deletes existing text authorizing the holder of a brewpub license who holds a wine and beer retailer's permit and who sells alcoholic beverages manufactured only on the brewpub's premises, in addition to the activities authorized by Section 74.01 (Authorized Activities), to sell beer produced under the license to qualified persons to whom the holder of a general distributor's license may sell beer for shipment and consumption outside the state under Section 64.01 (Authorized Activities). Makes nonsubstantive changes.

Sec. 74.09 SALES TO DISTRIBUTORS (a) Authorizes the holder of a brewpub license to sell beer produced under the license, in addition to the activities authorized by Section 74.01, to the holder of a general, local, or branch distributor's license, or to qualified persons outside of this state. Makes no further change to this section.

Sec. 74.10 SALES TO WHOLESALERS (a) Authorizes the holder of a brewpub license to sell ale and malt liquor, in addition to the activities authorized by Section 74.01, to the holder of a wholesaler permit, a general class B wholesaler's permit or a local class B wholesaler's permit, or to qualified persons outside of this state. Makes no further change to this section.

SECTION 2. Effective date: upon passage or September 1, 2015.