

By: Eltife

S.B. No. 1198

A BILL TO BE ENTITLED

AN ACT

relating to intra-industry relationships between alcoholic beverage manufacturers, wholesalers, and retailers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 102, Alcoholic Beverage Code, is amended by adding Section 102.011 to read as follows:

Sec. 102.011. EXCEPTION: CERTAIN INTERESTS NOT PROHIBITED.

(a) In this section:

(1) "Affiliate" has the meaning assigned by Section 1.002, Business Organizations Code.

(2) "Controlling interest" has the meaning assigned by Section 171.0001(8), Tax Code.

(b) Notwithstanding Section 102.01 or any other provision of this code, a person or their affiliate having an interest in a license or permit issued under this code does not have an unlawful tied house interest as a result of the person's or affiliate's ownership interest in the business of another license or permit at a different level if:

(1) the person or affiliate directly or indirectly owns five percent or less of the other license or permit holder's business, assets, property, or equity; or

(2) the person or affiliate indirectly owns more than five percent of the other license or permit holder's business, assets, property, or equity and:

1 (A) the interest does not represent a controlling
2 interest in the other business;

3 (B) the interest does not provide the person with
4 any ability to control the purchase or sale of alcoholic beverages
5 by the other business.

6 SECTION 2. Section [102.11](#), Alcoholic Beverage Code, is
7 repealed.

8 SECTION 3. This Act takes effect September 1, 2015.