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| BILL ANALYSIS |

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| C.S.H.B. 2097 |
| By: Geren |
| Licensing & Administrative Procedures |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** Interested parties have identified a need for clarity regarding the authority of a brewpub license holder who holds a wine and beer retailer's permit to self-distribute beer, ale, or malt liquor manufactured on the brewpub's premises to certain retailers. C.S.H.B. 2097 seeks to provide this clarification. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** C.S.H.B. 2097 amends the Alcoholic Beverage Code to specify that the authorization for the holder of a brewpub license who holds a wine and beer retailer's permit to sell malt liquor, ale, and beer produced under the license to specified retailers and qualified persons applies to a brewpub license holder whose sale of beer, ale, or malt liquor consists only of beer, ale, or malt liquor manufactured on the brewpub's premises.  |
| **EFFECTIVE DATE** September 1, 2017. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**While C.S.H.B. 2097 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill. |
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| INTRODUCED | HOUSE COMMITTEE SUBSTITUTE |
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| SECTION 1. Section 74.08(a), Alcoholic Beverage Code, is amended to read as follows:(a) In addition to the activities authorized by Section 74.01, the holder of a brewpub license who holds a wine and beer retailer's permit and whose sale of [~~who sells~~] alcoholic beverages consists only of beer, ale, or malt liquor manufactured [~~only~~] on the brewpub's premises may:(1) sell malt liquor or ale produced under the license to those retailers or qualified persons to whom the holder of a general class B wholesaler's permit may sell malt liquor or ale under Section 20.01; and(2) sell beer produced under the license to:(A) those retailers to whom the holder of a general distributor's license may sell beer under Section 64.01; or(B) 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. | SECTION 1. Section 74.08(a), Alcoholic Beverage Code, is amended to read as follows:(a) In addition to the activities authorized by Section 74.01, the holder of a brewpub license who holds a wine and beer retailer's permit and whose sale of beer, ale, or malt liquor consists only of beer, ale, or malt liquor [~~who sells alcoholic beverages~~] manufactured [~~only~~] on the brewpub's premises may:(1) sell malt liquor or ale produced under the license to those retailers or qualified persons to whom the holder of a general class B wholesaler's permit may sell malt liquor or ale under Section 20.01; and(2) sell beer produced under the license to:(A) those retailers to whom the holder of a general distributor's license may sell beer under Section 64.01; or(B) 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. |
| SECTION 2. This Act takes effect September 1, 2017. | SECTION 2. Same as introduced version. |

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