

BILL ANALYSIS

Senate Research Center
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S.B. 734
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas distilled spirits industry has seen tremendous growth over the past decade. Several distillers in Texas produce many different brands and labels at their distilleries, including rum, vodka, bourbon and whiskey, gin, and many seasonal spirits and vintages. The distilled spirits industry in Texas has also become a big tourism attraction, bringing in visitors and consumers from across the state and the country to tour the distilleries as well as taste and buy craft spirits.

Currently, Texas distillers are only allowed to sell two 750 milliliter size commemorative bottles of distilled spirits they manufacture at their distilleries to a consumer per 30-day period. Distillers are also required to keep records, including visitors' and consumers' personal information, of those who purchase commemorative bottles of spirits at the distillery. Distillers have expressed their desire to market and sell more of their labels and brands they produce and manufacture to visitors and consumers at their distilleries. Consumers and visitors have also expressed that they would like to purchase the different brands and labels to take home from visiting the distillery as souvenirs. Several of the craft spirits produced and manufactured in Texas are not available in many of the states from which visitors and consumers are traveling and, as a result, visitors have expressed frustration when attempting to purchase more than two of the brands and labels and being prohibited from doing so.

This bill allows a Texas distiller to market and sell more of the brands and labels they produce to visitors at their distillery. This legislation will allow for further economic growth for the industry in Texas, and an incentive for Texas distillers to explore and create new innovative Texas distilled spirits.

As proposed, S.B. 734 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 follows:

(c) Prohibits the holder of a distiller's and rectifier's permit from selling under Subsection (b) (relating to authorizing holders of a distiller's and rectifier's permit to sell certain quantities of distilled spirits to ultimate consumers for off-premise consumption) more than two 750 milliliter (mL) bottles or the equivalent of each distilled spirits product the permit holder produces to the same consumer within a 30-day period, rather than selling more than two 750 mL bottles of distilled spirits or the equivalent to the same consumer within a 30-day period. Requires each product sold to have a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau. 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 mL bottles or the equivalent within a 30-day period.

SECTION 2. Effective date: September 1, 2017.