

BILL ANALYSIS

Senate Research Center
85R17832 JAM-D

C.S.S.B. 896
By: Seliger
Business & Commerce
4/12/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 896 amends the definition of "alcoholic beverage" under the Alcoholic Beverage Code, to include powdered alcohol in order for it to be regulated by the Texas Alcoholic Beverage Commission. (Original Author's / Statement of Intent)

C.S.S.B. 896 amends current law relating to the status, regulation, and taxation of powdered alcohol as an alcoholic beverage; and creates an offense.

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 1.04(1), Alcoholic Beverage Code, to redefine "alcoholic beverage" to include powdered alcohol.

SECTION 2. Amends Subchapter C, Chapter 101, Alcoholic Beverage Code, by adding Section 101.461, as follows:

Sec. 101.461. PACKAGING OF POWDERED ALCOHOL. Prohibits a person, notwithstanding any other law, from selling powdered alcohol to an ultimate consumer unless the powdered alcohol is sealed in single-serving packages not containing more than 14 grams of powdered alcohol each.

SECTION 3. Amends Subchapter A, Chapter 108, Alcoholic Beverage Code, by adding Section 108.11, as follows:

Sec. 108.11. ADVERTISING OF POWDERED ALCOHOL. Prohibits a person, in an advertisement for powdered alcohol, from suggesting or depicting the consumption of powdered alcohol without the addition of liquid to the powdered alcohol.

SECTION 4. Amends the heading to Section 201.03, Alcoholic Beverage Code, to read as follows:

Sec. 201.03. TAX ON DISTILLED SPIRITS AND POWDERED ALCOHOL

SECTION 5. Amends Section 201.03(a), Alcoholic Beverage Code, as follows:

(a) Provides that a tax is imposed on the first sale of:

(1) makes nonsubstantive changes; and

(2) powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging.

SECTION 6. Effective date: September 1, 2017.