

BILL ANALYSIS

Senate Research Center
85R9596 BEE-F

S.B. 1301
By: Creighton
Business & Commerce
4/4/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Testing of malt beverage products ensures compliance with state alcoholic beverage regulations. However, the increase in malt beverage producers has greatly increased the number of products submitted for testing, resulting in bottlenecks and longer processing times and encumbering the market introduction of new and seasonal beverages.

The Texas Alcoholic Beverage Commission (TABC) included in the Redundancies and Impediments section of their FY2017-2021 Strategic Plan, Section 101.67, Alcoholic Beverage Code, as an existing regulatory requirement suitable for improvement. Currently, the statute specifies that either an independent, reputable laboratory or TABC must conduct an alcohol content test, while many quality conscious manufacturers have their own in-house laboratories, utilizing the exact same equipment that TABC uses to conduct their testing. A legislative change would allow manufacturers to submit their own certified laboratory analysis, eliminating redundant testing, and therefore accelerating TABC approvals and enabling the faster introduction of new and seasonable into the marketplace.

Section 101.67, Alcoholic Beverage Code, requires TABC to approve beer, ale, malt liquor labels and products before being lawfully introduced to the Texas market. Accordingly, authorized manufacturers of beer, ale, and malt liquor must submit a product sample from an independent, reputable laboratory or directly to TABC for analysis to verify the alcohol content of the beverage.

As proposed, S.B. 1301 amends current law relating to verification of alcohol content for prior approval of malt beverages.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Alcoholic Beverage Commission is rescinded in SECTION 1 (Section 101.67, Alcoholic Beverage Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 101.67(a), (d), and (e), Alcoholic Beverage Code, as follows:

(a) Prohibits a person from shipping or causing to be shipped into the state, import into the state, manufacture and offer for sale in the state, or distribute, sell, or store in the state any beer, ale, or malt liquor unless:

(1) a sample of the beverage or a sample of the same type of quality of beverage has been first tested to verify the alcohol content of the beverage by:

(A) an independent laboratory;

(B) a laboratory certified by the United States Alcohol and Tobacco Tax and Trade Bureau or its successor agency as qualified for the analysis of beer for export; or

(C) the Texas Alcoholic Beverage Commission (TABC); and

Deletes existing text prohibiting a person from shipping or causing to be shipped into the state, import into the state, manufacture and offer for sale in the state, or distribute, sell, or store in the state any beer, ale, or malt liquor unless a sample of the beverage or a sample of the same type and quality of beverage has been first submitted to an independent, reputable laboratory or TABC for analysis to verify the alcohol content of the beverage.

(2) makes no changes to this subdivision.

(d) Requires TABC, if TABC determines that the product tested, rather than the product analysis provided by the independent laboratory or the sample, and label submitted under Subsection (a) comply with the provisions of this code and the rules of TABC, to issue a certificate of approval upon receipt of a fee in an amount that is sufficient to cover the cost of administering this section. Requires that a copy of the certificate be kept on file in the office of TABC.

(e) Authorizes TABC to require proof by affidavit or otherwise that a laboratory performing a test under Subsection (a)(1)(A) is independent. Deletes existing text requiring TABC by rule to establish the procedures for accepting analysis of beer, ale, or malt liquor by an independent laboratory under Subsection (a)(1).

SECTION 2. Effective date: September 1, 2017.