

## **BILL ANALYSIS**

S.B. 1760  
By: Creighton  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that despite the time- and cost-intensive nature of producing distilled spirits, distilleries are required to buy their own product at retail price in order to conduct a package store product tasting. S.B. 1760 seeks to authorize a distiller's and rectifier's permit holder to use distilled spirits from the permit holder's inventory for product tastings under certain conditions and to expand the locations where a distilled spirits tasting may occur.

### **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**

S.B. 1760 amends the Alcoholic Beverage Code to authorize the holder of a distiller's and rectifier's permit or the agent or employee of such a permit holder to conduct distilled spirits samplings and product tastings on the premises of the holder of a package store permit, a mixed beverage permit, or a private club registration permit and to open, touch, or pour distilled spirits, make a presentation, or answer questions at a distilled spirits sampling or product tasting. The bill authorizes the distilled spirits used for a distilled spirits sampling or product tasting to be provided from the distiller's and rectifier's permit holder's inventory if the distilled spirits are legally transported to the premises where the sampling or product tasting is to be conducted, the distilled spirits are ordinarily offered for sale by the holder of the distiller's and rectifier's permit, the distiller's and rectifier's permit holder pays the mixed beverage taxes owed on the distilled spirits used for the sampling or product tasting, and the person who conducts the sampling or product tasting complies with the product tasting requirements applicable to a package store tasting permit holder.

S.B. 1760 requires the distiller's and rectifier's permit holder or the permit holder's agent or employee, before the agent or employee conducts a distilled spirits sampling or product tasting under the bill, to provide to the permit holder for the premises where the sampling or product tasting is to be conducted written notice that the agent or employee maintains a certain seller server certificate. The bill establishes that, to the extent of a conflict between the bill's provisions relating to product tasting and statutory provisions relating to authorized activities of a package store tasting permit holder, the bill's provisions control. The bill repeals provisions relating to the written notification of a product tasting required to be posted on the licensed premises of a package store tasting permit holder. The bill includes among the locations at which a distiller's agent's permit holder may conduct free distilled spirits tastings for consumers the premises of a

mixed beverage permit holder or a private club registration permit holder.

S.B. 1760 repeals Sections 52.01(b) and (c), Alcoholic Beverage Code.

**EFFECTIVE DATE**

September 1, 2017.