Amend CSHB 1545 (house committee report) as follows:

(1) Strike SECTIONS 10 and 11 of the bill (page 6, line 20, through page 7, line 14).

(2) On page 7, lines 20 and 25, strike "and enforcement".

(3) On page 8, line 6, strike "<u>may only use</u>" and substitute "<u>shall provide</u>".

(4) On page 8, line 7, strike "<u>for the commission's</u>" and substitute "to the attorney general for the attorney general's".

(5) IN SECTION 399, strike Subsection (a) of that SECTION (page 303, line 24, through page 304, line 4) and redesignate the subsections of that SECTION.

(6) Add the following appropriately numbered subdivisions to SECTION 406(b) of the bill and renumber subsequent subdivisions of that SECTION accordingly:

(____) Sections 5.14, 5.141, and 5.142;

(____) Section 5.44;

(7) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____. Effective September 1, 2019, Section 5.15, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.15. ASSISTANT ATTORNEYS GENERAL. The attorney general may appoint [as many as six] assistant attorneys general[7 as the commission determines necessary,] to [enable the commission to more efficiently] enforce this code. The attorney general and the assistant attorneys general shall prosecute all suits <u>to</u> <u>enforce this code</u> [requested by the commission] and defend all suits against the commission. [The commission shall provide the assistant attorneys general with necessary stenographers and office space.] The assistant attorneys general shall be paid [by the commission out of funds appropriated to it for the administration of this code. Their compensation shall be] on the same basis as assistant attorneys general devoting their time to general state business.

SECTION ____. Effective September 1, 2019, Section 5.31(a), Alcoholic Beverage Code, is amended to read as follows:

(a) <u>Subject to Section 5.361, the</u> [The] commission may exercise all powers, duties, and functions conferred by this code,

1

and all powers incidental, necessary, or convenient to the administration of this code. It shall inspect, supervise, and regulate every phase of the business of manufacturing, importing, exporting, transporting, storing, selling, advertising, labeling, and distributing alcoholic beverages, and the possession of alcoholic beverages for the purpose of sale or otherwise. It may prescribe and publish rules necessary to carry out the provisions of this code.

SECTION ____. Effective September 1, 2019, Section 5.361, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.361. ENFORCEMENT <u>BY ATTORNEY GENERAL</u>. (a) <u>Notwithstanding any other provision of law, the attorney general is</u> <u>responsible for the enforcement of this code</u>. A reference in law to <u>the commission in the context of the enforcement of this code is a</u> <u>reference to the enforcement authority of the attorney general</u>.

<u>(a-1)</u> The <u>attorney general</u> [commission] shall develop a risk-based approach to conducting its enforcement activities that focuses on:

(1) detecting serious violations that impact public safety;

(2) monitoring entities that have a history of complaints and violations of this code; and

(3) any other factors the <u>attorney general</u> [commission] considers important.

(b) The <u>attorney general</u> [commission] shall develop benchmarks and goals to track key enforcement activities and the results of those activities. For each type of enforcement activity, the <u>attorney general</u> [commission] shall track the number of violations detected by the enforcement activity, the amount of time spent on the enforcement activity, and any other information the <u>attorney general</u> [commission] considers necessary. The <u>attorney general</u> [commission] shall use the information collected under this subsection and other information to compare the enforcement performance of each region and to determine the most effective enforcement activities.

(c) The <u>attorney general</u> [commission] shall track, on a statewide and regional basis, the type of violations detected, the

2

disposition of the violations, and the entities that committed the most serious violations.

(d) The <u>attorney general</u> [commission] shall compile detailed statistics and analyze trends related to its enforcement activities. The <u>attorney general</u> [commission] shall:

(1) summarize the statistics and trends for [executive management on a monthly basis and for] the members of the commission on a quarterly basis; and

(2) make summary information available to the public, including by posting the information on the commission's Internet website.

SECTION _____. (a) A complaint, investigation, contested case, or other proceeding before the administrator of the Texas Alcoholic Beverage Commission, the Texas Alcoholic Beverage Commission, or the State Office of Administrative Hearings relating to enforcement authority transferred under this Act that is pending on the effective date of the transfer is transferred without change in status to the office of the attorney general.

(b) All money, contracts, leases, property, records, and obligations of the Texas Alcoholic Beverage Commission relating to enforcement authority transferred under this Act are transferred to the office of the attorney general.

(c) The unexpended and unobligated balance of any money appropriated by the legislature relating to enforcement authority transferred under this Act is transferred to the office of the attorney general.

(d) Unless the context indicates otherwise, a reference in law or administrative rule to the enforcement authority of the Texas Alcoholic Beverage Commission means the office of the attorney general.

(8) Renumber the SECTIONS of the bill appropriately.

3