86R6031 BEE-D

By:  Hernandez H.B. No. 2165

A BILL TO BE ENTITLED

AN ACT

relating to the sale by certain alcoholic beverage permit or license holders of alcoholic beverages at a cost below the cost to the seller.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subchapter D, Chapter 109, Alcoholic Beverage Code, is amended by adding Section 109.65 to read as follows:

Sec. 109.65.  CERTAIN RETAIL SALES BELOW COST PROHIBITED. (a) A person who holds a permit or license authorizing the retail sale of alcoholic beverages may not sell an alcoholic beverage at retail at a cost less than the retailer's cost.

(b)  Proof of the retailer's cost for alcoholic beverages shall:

(1)  become a part of the permanent records of each person who holds a permit or license authorizing the retail sale of alcoholic beverages; and

(2)  be available for a period of two years for inspection by the commission.

(c)  This section does not apply to the sale of a specific alcoholic beverage product if:

(1)  the manufacturer of the product has discontinued the production, importation, or market availability of the product; or

(2)  the retailer liquidates, by sale or destruction, all of the retailer's inventory of the product the retailer has on the date the retailer begins to sell the product at a cost less than the retailer's cost.

(d)  A retailer who liquidates a specific alcoholic beverage product as authorized by Subsection (c)(2) may not sell the product at a cost less than the retailer's cost before the second anniversary of the date the retailer completes the liquidation of the product.

SECTION 2.  This Act takes effect September 1, 2019.