

By: Rodriguez of Travis

H.B. No. 672

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the sale of ale and beer by certain brewers and
3 manufacturers to ultimate consumers for consumption off the
4 brewers' or manufacturers' premises.

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

6 SECTION 1. Sections 12.052(a), (c), and (e), Alcoholic
7 Beverage Code, are amended to read as follows:

8 (a) In addition to the activities authorized by Section
9 12.01, the holder of a brewer's permit whose annual production of
10 ale, together with the annual production of beer by the holder of a
11 manufacturer's license at all premises wholly or partly owned,
12 directly or indirectly, by the permit holder or an affiliate or
13 subsidiary of the permit holder, does not exceed a total of 225,000
14 barrels may sell ale produced on the brewer's premises under the
15 permit to ultimate consumers on the brewer's premises for
16 responsible consumption on the brewer's premises or for
17 off-premises consumption.

18 (c) Subject to Subsections (b), (d), and (e), the holder of
19 a brewer's permit may sell ale produced on the brewer's premises
20 under the permit to ultimate consumers on the brewer's premises for
21 responsible consumption on the brewer's premises or for
22 off-premises consumption even if the annual production limit
23 prescribed by Subsection (a) is exceeded if:

24 (1) the permit holder:

1 (A) was legally operating a manufacturing
2 facility with on-premise sales under Subsection (a) on February 1,
3 2017; or

4 (B) purchased an ownership interest in, or was
5 purchased by the holder of, a permit or license issued under Chapter
6 12, 13, 62, or 63; and

7 (2) the permit holder has annual production that does
8 not exceed 175,000 barrels at the brewer's premises.

9 (e) A holder of a brewer's permit who under Subsection (c)
10 sells ale produced on the brewer's premises under the permit to
11 ultimate consumers on the brewer's premises for responsible
12 consumption on the brewer's premises or for off-premises
13 consumption:

14 (1) shall file a territorial agreement with the
15 commission under Subchapters C and D, Chapter 102;

16 (2) must purchase any ale the permit holder sells on
17 the brewer's premises from the holder of a permit issued under
18 Chapter 19, 20, or 21; and

19 (3) with respect to those purchases, must comply with
20 the requirements of this code governing dealings between a
21 distributor or wholesaler and a member of the retail tier,
22 including Section 102.31.

23 SECTION 2. Sections 62.122(a), (c), and (e), Alcoholic
24 Beverage Code, are amended to read as follows:

25 (a) A manufacturer's licensee whose annual production of
26 beer, together with the annual production of ale by the holder of a
27 brewer's permit at all premises wholly or partly owned, directly or

1 indirectly, by the license holder or an affiliate or subsidiary of
2 the license holder, does not exceed 225,000 barrels may sell beer
3 produced on the manufacturer's premises under the license to
4 ultimate consumers on the manufacturer's premises for responsible
5 consumption on the manufacturer's premises or for off-premises
6 consumption.

7 (c) Subject to Subsections (b), (d), and (e), the holder of
8 a manufacturer's license may sell beer produced on the
9 manufacturer's premises under the license to ultimate consumers on
10 the manufacturer's premises for responsible consumption on the
11 manufacturer's premises or for off-premises consumption even if the
12 annual production limit prescribed by Subsection (a) is exceeded
13 if:

14 (1) the license holder:

15 (A) was legally operating a manufacturing
16 facility with on-premise sales under Subsection (a) on February 1,
17 2017; or

18 (B) purchased an ownership interest in, or was
19 purchased by the holder of, a permit or license issued under Chapter
20 [12](#), [13](#), [62](#), or [63](#); and

21 (2) the license holder has annual production that does
22 not exceed 175,000 barrels at the manufacturer's premises.

23 (e) A holder of a manufacturer's license who under
24 Subsection (c) sells beer produced on the manufacturer's premises
25 under the license to ultimate consumers on the manufacturer's
26 premises for responsible consumption on the manufacturer's
27 premises or for off-premises consumption:

1 (1) shall file a territorial agreement with the
2 commission under Subchapters C and D, Chapter 102;

3 (2) must purchase any beer the license holder sells on
4 the manufacturer's premises from the holder of a license issued
5 under Chapter 64, 65, or 66; and

6 (3) with respect to those purchases, must comply with
7 the requirements of this code governing dealings between a
8 distributor or wholesaler and a member of the retail tier,
9 including Sections 61.73 and 102.31.

10 SECTION 3. This Act takes effect September 1, 2019.