

By: Paddie

H.B. No. 1545

Substitute the following for H.B. No. 1545:

By: Paddie

C.S.H.B. No. 1545

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the continuation and functions of the Texas Alcoholic  
3 Beverage Commission, including the consolidation, repeal, and  
4 creation of certain licenses and permits; changing fees.

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

6 SECTION 1. Sections 1.04(5), (7), (13), (14), (15), (17),  
7 (18), and (27), Alcoholic Beverage Code, are amended to read as  
8 follows:

9 (5) "Liquor" means any alcoholic beverage, other than  
10 a malt beverage, containing alcohol in excess of five [~~four~~]  
11 percent by volume [~~weight~~], unless otherwise indicated. Proof that  
12 an alcoholic beverage is alcohol, spirits of wine, whiskey, liquor,  
13 wine, brandy, gin, rum, [~~ale, malt liquor,~~] tequila, mescal,  
14 habanero, or barreteago, is prima facie evidence that it is liquor.

15 (7) "Wine and vinous liquor" means the product  
16 obtained from the alcoholic fermentation of juice of sound ripe  
17 grapes, fruits, berries, or honey, and includes wine coolers and  
18 saké.

19 (13) "Mixed beverage" means one or more servings of a  
20 beverage composed in whole or part of an alcoholic beverage in a  
21 sealed or unsealed container of any legal size for consumption on  
22 the premises where served or sold by the holder of a mixed beverage  
23 permit, the holder of certain nonprofit entity temporary event  
24 permits [~~a daily temporary mixed beverage permit, the holder of a~~

1 ~~caterer's permit, the holder of a mixed beverage late hours~~  
2 ~~permit], the holder of a private club registration permit, or the~~  
3 holder of certain retailer late hours certificates ~~[a private club~~  
4 ~~late hours permit]~~.

5 (14) "Barrel" means, as a standard of measure, a  
6 quantity of malt beverages ~~[beer]~~ equal to 31 standard gallons.

7 (15) "Malt beverage" ~~["Beer"]~~ means a fermented ~~[malt]~~  
8 beverage of any name or description containing one-half of one  
9 percent or more of alcohol by volume, brewed or produced from malt,  
10 in whole or in part, or from any malt substitute ~~[and not more than~~  
11 ~~four percent of alcohol by weight]~~.

12 (17) "Brewer ~~[Manufacturer]~~" means a person engaged in  
13 the ~~[manufacture or]~~ brewing of malt beverages ~~[beer]~~, whether  
14 located inside or outside the state.

15 (18) "Original package," as applied to malt beverages  
16 ~~[beer]~~, means a container holding malt beverages ~~[beer]~~ in bulk, or  
17 any box, crate, carton, or other device used in packing malt  
18 beverages ~~[beer]~~ that is contained in bottles or other containers.

19 (27) "Contract brewing arrangement" means an  
20 arrangement in which two breweries, each of which has a separate  
21 facility, contract for one brewery to brew ~~[manufacture]~~ malt  
22 beverages on behalf of the other brewery due to the limited capacity  
23 or other reasonable business necessity of one party to the  
24 arrangement.

25 SECTION 2. Effective December 31, 2020, Section 1.04(9),  
26 Alcoholic Beverage Code, is amended to read as follows:

27 (9) "Applicant" means a person who submits or files an

1 original or renewal application with the [~~county judge,~~  
2 commission~~], or administrator~~] for a license or permit.

3 SECTION 3. Chapter 1, Alcoholic Beverage Code, is amended  
4 by adding Section 1.08 to read as follows:

5 Sec. 1.08. PREVENTION OF HUMAN TRAFFICKING. It is the  
6 intent of the legislature to prevent human trafficking at all  
7 permitted and licensed premises, and all provisions of this code  
8 shall be liberally construed to carry out this intent, and it shall  
9 be a duty and priority of the commission to adhere to a zero  
10 tolerance policy of preventing human trafficking and related  
11 practices.

12 SECTION 4. Effective September 1, 2019, Section 5.01(b),  
13 Alcoholic Beverage Code, is amended to read as follows:

14 (b) The Texas Alcoholic Beverage Commission is subject to  
15 Chapter 325, Government Code (Texas Sunset Act). Unless continued  
16 in existence as provided by that chapter, the commission is  
17 abolished and Subchapter A, Chapter 5, expires September 1, 2031  
18 [~~2019~~].

19 SECTION 5. Effective September 1, 2019, Section 5.02(a),  
20 Alcoholic Beverage Code, is amended to read as follows:

21 (a) The commission is composed of five [~~three~~] members, who  
22 are appointed by the governor with the advice and consent of the  
23 senate.

24 SECTION 6. Effective September 1, 2019, Section 5.022,  
25 Alcoholic Beverage Code, is amended by amending Subsection (b) and  
26 adding Subsection (d) to read as follows:

27 (b) The training program must provide the person with

1 information regarding:

2 (1) the law governing [~~legislation that created the~~  
3 commission operations];

4 (2) [~~and~~] the [~~commission's~~] programs, functions,  
5 rules, and budget of the commission;

6 (3) the scope of and limitations on the rulemaking  
7 authority of the commission;

8 (4) [~~(2)~~] the results of the most recent formal audit  
9 of the commission;

10 (5) [~~(3)~~] the requirements of:

11 (A) laws relating to open meetings, public  
12 information, administrative procedure, and disclosing conflicts of  
13 interest; and

14 (B) other laws applicable to members of a state  
15 policymaking body in performing their duties; and

16 (6) [~~(4)~~] any applicable ethics policies adopted by  
17 the commission or the Texas Ethics Commission.

18 (d) The administrator of the commission shall create a  
19 training manual that includes the information required by  
20 Subsection (b). The administrator shall distribute a copy of the  
21 training manual annually to each member of the commission. Each  
22 member of the commission shall sign and submit to the administrator  
23 a statement acknowledging that the member received and has reviewed  
24 the training manual.

25 SECTION 7. Effective September 1, 2019, Section 5.03,  
26 Alcoholic Beverage Code, is amended to read as follows:

27 Sec. 5.03. TERMS OF OFFICE. The members of the commission

1 hold office for staggered terms of six years, with the term of one  
2 or two members ~~[member]~~ expiring every two years. Each member holds  
3 office until the member's ~~[his]~~ successor is appointed and has  
4 qualified. The governor may appoint a [A] member to serve  
5 consecutive terms ~~[may be appointed to succeed himself]~~.

6 SECTION 8. Effective September 1, 2019, Section 5.05,  
7 Alcoholic Beverage Code, is amended by amending Subsections (a),  
8 (a-1), and (a-2) and adding Subsection (a-3) to read as follows:

9 (a) A ~~[No]~~ person may not be appointed to or serve on the  
10 commission, or hold an office under the commission, or be employed  
11 by the commission, if the person is employed by or ~~[who:~~

12 ~~[(1)]~~ has a ~~[any]~~ financial interest ~~[connection with a~~  
13 ~~person engaged]~~ in an alcoholic beverage business. For purposes of  
14 this subsection, a person has a financial interest ~~[+~~

15 ~~[(2) holds stocks or bonds]~~ in an alcoholic beverage  
16 business if:

17 (1) the person owns or controls, directly or  
18 indirectly, an ownership ~~[, or~~

19 ~~[(3) has a pecuniary]~~ interest of:

20 (A) at least five percent in a single ~~[an]~~  
21 alcoholic beverage business, including the right to share in  
22 profits, proceeds, or capital gains; or

23 (B) at least five percent cumulative interest,  
24 including the right to share in profits, proceeds, or capital  
25 gains, in multiple alcoholic beverage businesses; or

26 (2) the person's spouse or child has an ownership  
27 interest described by Subdivision (1).

1           (a-1) A financial interest prohibited by Subsection (a)  
2 does not include an ownership interest under a retirement plan, a  
3 blind trust, or insurance coverage, or an ownership interest of  
4 less than five percent in a corporation.

5           (a-2) Notwithstanding any other law, a child of a commission  
6 employee may be employed by the holder of a license or permit issued  
7 under this code.

8           (a-3) [~~(a-2)~~] The commission shall establish an agency  
9 policy requiring employees to disclose information regarding their  
10 children's employment by a holder of a license or permit issued  
11 under this code.

12           SECTION 9. Effective September 1, 2019, Subchapter A,  
13 Chapter 5, Alcoholic Beverage Code, is amended by adding Section  
14 5.21 to read as follows:

15           Sec. 5.21. ADVISORY COMMITTEES. (a) The commission, by  
16 rule, may establish advisory committees it considers necessary to  
17 accomplish the purposes of this code.

18           (b) Chapter 2110, Government Code, applies to an advisory  
19 committee created by the commission.

20           SECTION 10. Effective September 1, 2019, the heading to  
21 Section 5.361, Alcoholic Beverage Code, is amended to read as  
22 follows:

23           Sec. 5.361. ENFORCEMENT; INSPECTIONS.

24           SECTION 11. Effective September 1, 2019, Section 5.361,  
25 Alcoholic Beverage Code, is amended by adding Subsections (a-1) and  
26 (a-2) to read as follows:

27           (a-1) As part of the commission's enforcement activities

1 under this section, the commission by rule shall develop a plan for  
2 inspecting permittees and licensees using a risk-based approach  
3 that prioritizes public safety. The inspection plan may provide  
4 for a virtual inspection of the permittee or licensee that may  
5 include a review of the permittee's or licensee's records or it may  
6 also require a physical inspection of the permittee's or licensee's  
7 premises.

8 (a-2) The inspection plan must:

9 (1) establish a timeline for the inspection of each  
10 permittee and licensee that ensures that high-risk permittees and  
11 licensees are prioritized; and

12 (2) require the commission to physically inspect the  
13 premises of each permittee and licensee within a reasonable time as  
14 set by rule.

15 SECTION 12. Effective September 1, 2019, Subchapter B,  
16 Chapter 5, Alcoholic Beverage Code, is amended by adding Sections  
17 5.363 and 5.364 to read as follows:

18 Sec. 5.363. DISCIPLINARY AUTHORITY OF ADMINISTRATOR AND  
19 COMMISSION. (a) The commission by rule may delegate to the  
20 administrator the authority to take disciplinary and enforcement  
21 actions against a person subject to the commission's regulation  
22 under this code, including the authority to enter into an agreed  
23 settlement of a disciplinary action. In the rules adopted under  
24 this subsection, the commission shall specify a threshold for the  
25 types of disciplinary and enforcement actions that are delegated to  
26 the administrator.

27 (b) The commission shall make the final decision in any

1 disciplinary action in a contested case that has had an  
2 administrative hearing.

3 Sec. 5.364. RECEIPT AND USE OF MARKET DATA. (a) The  
4 commission may receive market data that is voluntarily provided by  
5 a licensee or permittee under this code.

6 (b) The commission may only use the market data received  
7 under Subsection (a) for the commission's law enforcement purposes.  
8 The commission may not use the data to create a database of  
9 information containing individually identifying information.

10 SECTION 13. Section 5.40, Alcoholic Beverage Code, is  
11 amended to read as follows:

12 Sec. 5.40. REGULATION OF MALT BEVERAGE [~~BEER~~] CONTAINER  
13 DEPOSITS. If the commission finds it necessary to effectuate the  
14 purposes of this code, it may adopt rules to provide a schedule of  
15 deposits required to be obtained on malt beverage [~~beer~~] containers  
16 delivered by a licensee.

17 SECTION 14. Effective December 31, 2020, Section 5.43,  
18 Alcoholic Beverage Code, is amended to read as follows:

19 Sec. 5.43. WHO MAY HOLD HEARING; RULES OF EVIDENCE. (a)  
20 Except [~~as provided by Subsection (b)] for a hearing [~~held under~~~~  
21 ~~Section 61.32 of this code, a hearing]~~ on the adoption of commission  
22 rules[~~7~~] or a hearing on an employment matter, the commission  
23 designates the State Office of Administrative Hearings to conduct  
24 and make a record of any hearing authorized by this code. If the  
25 commission or administrator declares a hearing to be an emergency,  
26 the State Office of Administrative Hearings shall assign an  
27 administrative law judge or may contract with a qualified



1 individual within five days and set a hearing as soon as possible.

2 (b) The commission [~~or administrator~~] may render a decision  
3 on the basis of the record or the proposal for decision if one is  
4 required under the administrative procedure law, Chapter 2001,  
5 Government Code, as if the [~~administrator or entire~~] commission had  
6 conducted the hearing. The commission may prescribe its rules of  
7 procedure for cases not heard by the State Office of Administrative  
8 Hearings.

9 SECTION 15. Section 5.50, Alcoholic Beverage Code, is  
10 amended to read as follows:

11 Sec. 5.50. ESTABLISHMENT OF CERTAIN FEES. (a) The  
12 commission by rule may establish reasonable fees for tasks and  
13 services performed by the commission in carrying out the provisions  
14 of this code, including fees for [~~incidental to~~] the issuance of  
15 certificates, licenses, and permits under Title 3 [~~of this code~~].

16 (b) The commission may not increase or decrease a fee set by  
17 this code, but if a statute is enacted creating a certificate,  
18 permit, or license and there is no fee established, the commission  
19 by rule may set a fee. The commission by rule shall assess a fee  
20 [~~surcharges~~] on all applicants for an original or renewal  
21 certificate, permit, or license issued by the commission [~~in~~  
22 ~~addition to any fee set by this code~~] and collect the fee  
23 [~~surcharges~~] at the time of application.

24 (b-1) The commission shall develop a process for setting  
25 fees that ensures the amount of the fees for an original or renewal  
26 certificate, permit, or license is sufficient to cover the costs  
27 incurred by the commission in administering this code. The process

1 must:

2 (1) allow the commission to:

3 (A) consider relevant information including the  
4 type of business being regulated and the level of regulatory  
5 activities associated with each certificate, permit, or license;  
6 and

7 (B) set different fees for the same original or  
8 renewal certificate, permit, or license if the commission  
9 determines the level of regulatory activities associated with a  
10 certificate, permit, or license varies; and

11 (2) ensure that [~~In assessing a surcharge,~~] the  
12 commission does [~~may~~] not overly penalize any segment of the  
13 alcoholic beverage industry or impose an undue hardship on small  
14 businesses.

15 (b-2) The commission shall periodically review the amount  
16 of each fee collected under this code and adjust the amount of each  
17 fee to ensure that the commission's regulatory costs are fairly  
18 allocated among all certificate, permit, and license holders.

19 (c) Insofar as they relate to the levying and collection of  
20 a local fee, Sections 11.38 and 61.36 [~~of this code~~] do not apply to  
21 fees set by rule of the commission.

22 (d) Revenues [~~and surcharges~~] from fees collected by the  
23 commission under this section shall be deposited in the general  
24 revenue fund.

25 SECTION 16. Section 5.51, Alcoholic Beverage Code, is  
26 amended to read as follows:

27 Sec. 5.51. BOOKKEEPING RECORDS. A permittee who holds a

1 permit issued under Chapter [~~Chapters~~] 28, 30, or 32 [~~through 33 of~~  
2 ~~this code~~] may elect to keep all records required under this code on  
3 a machine bookkeeping system. A permittee who desires to use such a  
4 system must submit a written application for commission approval of  
5 the system before implementing the system. The commission may  
6 authorize a permittee to centralize the permittee's records.

7 SECTION 17. Effective September 1, 2019, Section 5.56(b),  
8 Alcoholic Beverage Code, is amended to read as follows:

9 (b) The commission in accordance with this subsection may  
10 recover the amount transferred under Subsection (a) by imposing a  
11 surcharge on licenses and permits [~~, other than an agent's permit or~~  
12 ~~an agent's beer license,~~] issued or renewed by the commission each  
13 fiscal year. The surcharge shall be an amount equal to the amount  
14 transferred under Subsection (a) divided by the number of licenses  
15 and permits the commission anticipates issuing during that year,  
16 rounded down to the next lowest whole dollar.

17 SECTION 18. Section 5.57(c), Alcoholic Beverage Code, is  
18 amended to read as follows:

19 (c) The commission shall make a reasonable attempt to meet  
20 with alcoholic beverage industry representatives from:

21 (1) the manufacturing, distribution, and retail tiers  
22 of the industry; and

23 (2) the liquor, malt beverage [~~beer~~], and wine  
24 segments of the industry.

25 SECTION 19. Effective September 1, 2019, Subchapter B,  
26 Chapter 5, Alcoholic Beverage Code, is amended by adding Section  
27 5.581 to read as follows:

1       Sec. 5.581. DISCLOSURE OF PERSONNEL RECORDS OF COMMISSIONED  
2 PEACE OFFICERS. (a) In this section, "personnel record" includes  
3 any letter, memorandum, or document maintained by the commission  
4 that relates to a commissioned peace officer of the commission,  
5 including background investigations, employment applications,  
6 employment contracts, service and training records, requests for  
7 off-duty employment, birth records, reference letters, letters of  
8 recommendation, performance evaluations and counseling records,  
9 results of physical tests, polygraph questionnaires and results,  
10 proficiency tests, the results of health examinations and other  
11 medical records, workers' compensation files, the results of  
12 psychological examinations, leave requests, requests for transfers  
13 of shift or duty assignments, commendations, promotional  
14 processes, demotions, complaints and investigations,  
15 employment-related grievances, and school transcripts.

16       (b) Except as provided by Subsection (c), the personnel  
17 records of a commissioned peace officer of the commission may not be  
18 disclosed under Chapter 552, Government Code, or otherwise made  
19 available to the public while there is a pending internal  
20 investigation for alleged employee misconduct.

21       (c) The commission may release any personnel record of a  
22 commissioned peace officer:

23               (1) pursuant to a subpoena or court order, including a  
24 discovery order;

25               (2) for use by the commission in an administrative  
26 hearing; or

27               (3) with the written authorization of the officer who

1 is the subject of the record, as long as release of the information  
2 does not interfere with the investigation of alleged misconduct by  
3 the commissioned peace officer.

4 (d) A release of information under Subsection (c) does not  
5 wave the right to assert in the future that the information is  
6 excepted from required disclosure under this section or other law.

7 SECTION 20. Sections 6.03(g) and (k), Alcoholic Beverage  
8 Code, are amended to read as follows:

9 (g) To accommodate the interests of the consuming public,  
10 the expansion of popular nationwide businesses, and the increasing  
11 state interest in tourism, and at the same time to guard against the  
12 threats of organized crime, unfair competition, and decreased  
13 opportunities for small businesses, the legislature finds that  
14 there is no longer need for the three-year residency requirements  
15 with regard to those segments of the industry that sell alcoholic  
16 beverages to the ultimate consumer only. The legislature finds  
17 that it is desirable to retain a one-year residency requirement for  
18 businesses that sell to the consumer packaged liquor and fortified  
19 wine capable of being used to supply legal or illegal bars and  
20 clubs. The legislature also finds it reasonable, desirable, and in  
21 the best interests of the state to provide a one-year residency  
22 requirement for businesses engaged in the wholesale distribution of  
23 [~~beer,~~] malt beverages [~~liquor,~~] or wine or in the manufacture and  
24 distribution of distilled spirits and fortified wines at both the  
25 wholesale and the retail levels where those beverages, in unopened  
26 containers, are sold to mixed beverage permittees and private club  
27 registration permittees as well as to the general public. Adequate

1 protection is deemed to be provided by controlling those sources of  
2 supply for distilled spirits and fortified wines.

3 (k) A requirement under this code that 51 percent or more of  
4 the stock of a corporation be owned by a person or persons who were  
5 citizens of this state for a one-year period preceding the date of  
6 the filing of an application for a license or permit does not apply  
7 to a corporation organized under the laws of this state that applies  
8 for a license or permit under Chapters 25, 26, 28, 30, 32, 48, 50,  
9 69, 71, and [~~25-34, Chapter 44, Chapters 48-51, Chapters 69-72, or~~  
10 ~~Chapter~~] 74 [~~of this code~~] if:

11 (1) all of the officers and a majority of directors of  
12 the applicant corporation have resided within the state for a  
13 one-year period preceding the date of the application and each  
14 officer or director possesses the qualifications required of other  
15 applicants for permits and licenses;

16 (2) the applicant corporation and the applicant's  
17 shareholders have no direct or indirect ownership or other  
18 prohibited relationship with others engaged in the alcoholic  
19 beverage industry at different levels as provided by Chapter 102  
20 [~~of this code~~] and other provisions of this code;

21 (3) the applicant corporation is not precluded by law,  
22 rule, charter, or corporate bylaw from disclosing the applicant's  
23 shareholders to the commission; and

24 (4) the applicant corporation maintains its books and  
25 records relating to its alcoholic beverage operations in the state  
26 at its registered office or at a location in the state approved in  
27 writing by the commission.

1 SECTION 21. Effective September 1, 2019, Section 11.01(c),  
2 Alcoholic Beverage Code, is amended to read as follows:

3 (c) A right or privilege granted by this section as an  
4 exception to prohibitions contained elsewhere in this code may be  
5 exercised only in the manner provided. ~~[An act done by a person  
6 which is not permitted by this code is unlawful.]~~

7 SECTION 22. Effective December 31, 2020, Section 11.015,  
8 Alcoholic Beverage Code, is amended to read as follows:

9 Sec. 11.015. HEARING LOCATION. Notwithstanding any other  
10 provision of this code, ~~[except for a hearing required to be  
11 conducted by a county judge,]~~ a hearing related to the issuance,  
12 renewal, cancellation, or suspension of a permit under this  
13 subtitle may be conducted:

- 14 (1) in the county in which the premises is located;  
15 (2) at the nearest permanent hearing office of the  
16 State Office of Administrative Hearings; or  
17 (3) at any location agreed to by the parties.

18 SECTION 23. Sections 11.09(a) and (b), Alcoholic Beverage  
19 Code, are amended to read as follows:

20 (a) A permit issued under this code expires on the second  
21 anniversary of the date it is issued, except as provided by  
22 Subsections (d) and (e) or another provision of this code.  
23 ~~[Notwithstanding Section 5.50(b), the commission shall double the  
24 amount of fees and surcharges otherwise applicable under this code  
25 for a permit with a two-year term.]~~

26 (b) A secondary permit which requires the holder of the  
27 permit to first obtain another permit, including a retailer late

1 hours certificate [~~permit or temporary permit~~], expires on the same  
2 date the basic or primary permit expires. The commission may not  
3 prorate or refund any part of the fee for the secondary permit if  
4 the application of this section results in the expiration of the  
5 permit in less than two years.

6 SECTION 24. Section 11.13(a), Alcoholic Beverage Code, is  
7 amended to read as follows:

8 (a) This section applies only to a license or permit held in  
9 connection with an establishment located in a county with a  
10 population of 1.4 million or more for which a license or permit has  
11 been issued under Chapter 25 or 69 for the on-premises consumption  
12 of malt beverages [~~beer~~] exclusively or malt beverages [~~beer~~] and  
13 wine exclusively, other than a license or permit for an  
14 establishment holding a food and beverage certificate whose primary  
15 business being operated on the premises is food service.

16 SECTION 25. Effective September 1, 2019, Section 11.31,  
17 Alcoholic Beverage Code, is amended to read as follows:

18 Sec. 11.31. APPLICATION FOR PERMIT. All permits shall be  
19 applied for and obtained from the commission. [~~This section does  
20 not apply to wine and beer retailer's permits, except those for  
21 railway cars or excursion boats, or to wine and beer retailer's  
22 off-premise permits.~~]

23 SECTION 26. Section 11.321(b), Alcoholic Beverage Code, is  
24 amended to read as follows:

25 (b) In addition to any other applicable civil or criminal  
26 penalty, the commission may impose an administrative penalty not to  
27 exceed \$4,000 on a licensee or permittee who makes a false or



1 misleading statement in an original or renewal application, either  
2 in the formal application itself or in any written instrument  
3 relating to the application submitted to the commission or its  
4 officers or employees, in connection with an establishment that is  
5 licensed or permitted under Chapter 25 or 69 for the on-premises  
6 consumption of malt beverages [~~beer~~] exclusively or malt beverages  
7 [~~beer~~] and wine exclusively, other than an establishment holding a  
8 food and beverage certificate whose primary business being operated  
9 on the premises is food service.

10 SECTION 27. Section 11.34, Alcoholic Beverage Code, is  
11 amended to read as follows:

12 Sec. 11.34. CONSOLIDATED APPLICATION. (a) An applicant  
13 for a wholesaler's, class B wholesaler's, distiller's and  
14 rectifier's, [~~brewer's,~~] or winery permit may consolidate in a  
15 single application the [~~his~~] application for that permit and an  
16 [~~his~~] application for[+]

17 [~~(1) private storage,~~  
18 [~~(2) storage in a public bonded warehouse,~~  
19 [~~(3) a private carrier's permit, and~~  
20 [~~(4)~~] any other permit the applicant [~~he~~] is qualified  
21 to receive.

22 (b) An applicant who files a consolidated application must  
23 pay the fee required by commission rule [~~prescribed in this code~~]  
24 for each permit included in the application.

25 SECTION 28. Effective September 1, 2019, Sections 11.37(a)  
26 and (b), Alcoholic Beverage Code, are amended to read as follows:

27 (a) The county clerk of the county in which an application

1 for a permit is made shall certify whether the location or address  
2 given in the application is in a wet area and whether the sale of  
3 alcoholic beverages for which the permit is sought is prohibited by  
4 any valid order of the commissioners court. The county clerk shall  
5 issue the certification not later than the 30th day after the date  
6 the county clerk receives the application for certification.

7 (b) The city secretary or clerk of the city in which an  
8 application for a permit is made shall certify whether the location  
9 or address given in the application is in a wet area and whether the  
10 sale of alcoholic beverages for which the permit is sought is  
11 prohibited by charter or ordinance. The city secretary or clerk of  
12 the city shall issue the certification not later than the 30th day  
13 after the date the city secretary or clerk of the city receives the  
14 application for certification.

15 SECTION 29. Section 11.38(d), Alcoholic Beverage Code, is  
16 amended to read as follows:

17 (d) The following are exempt from the fee authorized in this  
18 section:

19 (1) [~~agent's, airline beverage,~~ passenger  
20 transportation [~~train beverage, passenger bus beverage,~~  
21 ~~industrial~~], carrier [~~carrier's, private carrier's~~], private club  
22 registration, and local cartage [~~, storage, and temporary wine and~~  
23 ~~beer retailer's~~] permits;

24 [~~(2) a wine and beer retailer's permit issued for a~~  
25 ~~dining, buffet, or club car,~~] and

26 (2) [~~(3)~~] a mixed beverage permit during the  
27 three-year period following the issuance of the permit.

1 SECTION 30. Effective December 31, 2020, Section 11.38(e),  
2 Alcoholic Beverage Code, is amended to read as follows:

3 (e) The commission or administrator may cancel or the  
4 commission may deny a permit for the retail sale or service of  
5 alcoholic beverages, including a permit held by the holder of a food  
6 and beverage certificate, if it finds that the permit holder or  
7 applicant has not paid delinquent ad valorem taxes due on that  
8 permitted premises or due from a business operated on that premises  
9 to any taxing authority in the county of the premises. For purposes  
10 of this subsection, a permit holder or applicant is presumed  
11 delinquent in the payment of taxes due if the permit holder or  
12 applicant:

13 (1) is placed on a delinquent tax roll prepared under  
14 Section 33.03, Tax Code;

15 (2) has received a notice of delinquency under Section  
16 33.04, Tax Code; and

17 (3) has not made a payment required under Section  
18 42.08, Tax Code.

19 SECTION 31. Sections 11.39(a) and (d), Alcoholic Beverage  
20 Code, are amended to read as follows:

21 (a) Every applicant for a [~~brewer's,~~] distiller's and  
22 rectifier's, mixed beverage, private club registration, winery,  
23 wholesaler's, class B wholesaler's, [~~wine bottler's,~~] or package  
24 store permit shall give notice of the application by publication at  
25 the applicant's [~~his~~] own expense in two consecutive issues of a  
26 newspaper of general circulation published in the city or town in  
27 which the applicant's [~~his~~] place of business is located. If no

1 newspaper is published in the city or town, the notice shall be  
2 published in a newspaper of general circulation published in the  
3 county where the applicant's business is located. If no newspaper  
4 is published in the county, the notice shall be published in a  
5 qualified newspaper published in the closest neighboring county and  
6 circulated in the county of the applicant's residence.

7 (d) This section does not apply to:

8 (1) an applicant for a nonprofit entity [~~daily~~]  
9 temporary event [~~mixed beverage~~] permit; or

10 (2) commission authorization required to sell  
11 alcoholic beverages under Section 28.19 [~~or a caterer's permit~~].

12 SECTION 32. Section 11.391(c), Alcoholic Beverage Code, is  
13 amended to read as follows:

14 (c) This section does not apply to an applicant for a permit  
15 issued under Chapter 16, 19, 20, [~~21~~] 22, 23, or 24 [~~, or 52~~].

16 SECTION 33. Section 11.392(a), Alcoholic Beverage Code, is  
17 amended to read as follows:

18 (a) The commission shall give notice of an application for a  
19 permit or renewal of a permit issued under Chapter 32, an  
20 application for a permit issued under Section 30.09, or an  
21 application for a certificate or renewal of a certificate issued to  
22 the holder of a private club registration permit under Chapter 29  
23 [~~or 33~~] to:

24 (1) the state senator and the state representative who  
25 represent the district in which the premises are located;

26 (2) the municipal governing body, if the premises are  
27 located in an incorporated area, and the commissioners court of the

1 county in which the premises are located; and

2 (3) the chief of police of the municipality, if the  
3 premises are located in an incorporated area, and the sheriff of the  
4 county in which the premises are located.

5 SECTION 34. (a) Effective December 31, 2020, Subchapter B,  
6 Chapter 11, Alcoholic Beverage Code, is amended by amending Section  
7 11.43 and adding Sections 11.431 and 11.432 to read as follows:

8 Sec. 11.43. APPLICATION REVIEW PROCESS [~~DISCRETION TO GRANT~~  
9 ~~OR REFUSE PERMIT~~]. (a) The commission has [~~and administrator have~~]  
10 discretionary authority [~~to grant or refuse~~] to issue an original  
11 or renewal permit or deny an application for an original or renewal  
12 permit under the provisions of this subchapter or any other  
13 applicable provision of this code.

14 (b) On receipt of an application for a permit under this  
15 code, the administrator shall evaluate the application. If a  
16 protest against the application has been filed, the administrator  
17 shall first evaluate the protest.

18 (c) If the administrator determines that no reasonable  
19 grounds exist for the protest, or if no protest has been filed, the  
20 administrator shall evaluate the permit application.

21 (d) If after evaluating the permit application under  
22 Subsection (c) the administrator finds that all facts stated in the  
23 application are true and no legal ground to deny the application  
24 exists, the administrator shall issue a permit if the commission  
25 has delegated authority to issue permits to the administrator. If  
26 the commission has not delegated authority to issue permits to the  
27 administrator, the administrator shall recommend to the commission

1 that the application be approved and the commission may issue the  
2 permit. If the commission does not issue the permit, the  
3 administrator shall refer the application for a hearing as provided  
4 by Subsection (h).

5 (e) If after the evaluation of a permit application the  
6 administrator finds a legal ground to deny the permit application,  
7 the administrator shall recommend to the commission that the  
8 application be denied. If the administrator recommends denial of  
9 the application, the applicant may request a hearing as provided by  
10 Subsection (h).

11 (f) If the administrator finds that reasonable grounds  
12 exist for the protest, the administrator shall evaluate the  
13 application in light of the protest. If, but for the protest, the  
14 administrator would approve the application, the administrator  
15 shall refer the protested application for a hearing. In a hearing  
16 on a protested application, the State Office of Administrative  
17 Hearings may request any information from the commission the office  
18 determines relevant.

19 (g) If after evaluating the application with the protest the  
20 administrator finds a legal ground to deny the permit application,  
21 the administrator shall recommend to the commission that the  
22 application be denied. If the administrator recommends denial of  
23 the application, the applicant may request a hearing as provided by  
24 Subsection (h).

25 (h) A hearing under this section shall be conducted by the  
26 State Office of Administrative Hearings in a location authorized by  
27 Section 11.015. Chapter 2001, Government Code, applies to a

1 hearing under this section. After a hearing the administrative law  
2 judge shall make findings of fact and conclusions of law and  
3 promptly issue to the commission a proposal for a decision on the  
4 application. Based on the findings of fact, conclusions of law, and  
5 proposal for a decision, the commission shall issue a final  
6 decision denying the application or issuing the permit.

7 (i) If the commission denies a permit application, the  
8 applicant may, after exhausting all administrative remedies,  
9 appeal the commission's decision to a Travis County district court.

10 (j) The commission shall adopt rules to implement the  
11 application review and protest process including reasonable  
12 timelines, identifying the roles and responsibilities of all  
13 parties involved in the process and identifying potential avenues  
14 for mediation or informal dispute resolution.

15 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member  
16 of the public may protest an application for:

17 (1) [~~Notwithstanding any other provision of this code~~  
18 ~~that authorizes the commission or administrator to refuse to issue~~  
19 ~~a permit without a hearing, the commission or administrator shall~~  
20 ~~hold a hearing before granting or refusing to issue]~~ an original  
21 mixed beverage permit, private club registration permit, or wine  
22 and beer retailer's permit [~~, or retail dealer's on-premise license]~~  
23 if a sexually oriented business is to be operated on the premises to  
24 be covered by the permit;

25 (2) [~~or license.~~

26 [~~(c) A hearing shall be held on]~~ any renewal [~~application]~~  
27 of a mixed beverage permit, private club registration permit, or

1 wine and beer retailer's permit [~~, or retail dealer's on-premise~~  
2 ~~license~~] if a sexually oriented business is to be operated on the  
3 premises to be covered by the permit [~~or license~~] and a petition is  
4 presented to the commission requesting a hearing which is signed by  
5 50 percent of the residents who reside within 300 feet of any  
6 property line of the affected premises;

7 (3) a private club registration permit or a permit  
8 authorizing the retail sale of alcoholic beverages for on-premises  
9 consumption if the person resides within 300 feet of any property  
10 line of the premises for which the permit is sought; and

11 (4) a mixed beverage permit or a wine and beer  
12 retailer's permit in a municipality with a population of 1,500,000  
13 or more if:

14 (A) any point of the property line of the premise  
15 is less than 300 feet from the nearest point on a property line of a  
16 residence, church, school, hospital, day-care facility, or social  
17 service facility, as measured in a straight line; and

18 (B) 75 percent or more of the permittee's actual  
19 or anticipated gross revenue is from the sale of alcoholic  
20 beverages.

21 (b) In addition to the situations described by Subsection  
22 (a), the commission by rule may authorize a member of the public to  
23 protest other permit applications the commission considers  
24 appropriate.

25 (c) [~~(d)~~] A protest made under this section [~~request for a~~  
26 hearing made under Subsection (b) or (c) of this section] must  
27 include an allegation of grounds on which the original or renewal



1 application, as applicable, should be denied.

2 Sec. 11.432. PROTEST BY GOVERNMENT OFFICIAL. (a) The  
3 following persons may protest an application for an alcoholic  
4 beverage permit:

5 (1) a state senator, state representative, county  
6 commissioner, or city council member who represents the area in  
7 which the premises sought to be permitted are located;

8 (2) the commissioners court of the county in which the  
9 premises sought to be permitted are located;

10 (3) the county judge of the county in which the  
11 premises sought to be permitted are located;

12 (4) the sheriff or county or district attorney of the  
13 county in which the premises sought to be permitted are located;

14 (5) the mayor of the city or town in which the premises  
15 sought to be permitted are located; and

16 (6) the chief of police, city marshal, or city  
17 attorney of the city or town in which the premises sought to be  
18 permitted are located.

19 (b) The commission may give due consideration to the  
20 recommendations of a person listed under Subsection (a) when  
21 evaluating an application for a permit under this code.

22 (b) Effective September 1, 2021, Subchapter B, Chapter 11,  
23 Alcoholic Beverage Code, is amended by amending Section 11.43 and  
24 adding Section 11.431 to read as follows:

25 Sec. 11.43. APPLICATION REVIEW PROCESS [~~DISCRETION TO GRANT~~  
26 ~~OR REFUSE PERMIT~~]. (a) The commission has [~~and administrator have~~]  
27 discretionary authority [~~to grant or refuse~~] to issue an original

1 or renewal permit or deny an application for an original or renewal  
2 permit under the provisions of this subchapter or any other  
3 applicable provision of this code.

4 (b) On receipt of an application for a permit under this  
5 code, the administrator shall evaluate the application. If a  
6 protest against the application has been filed, the administrator  
7 shall first evaluate the protest.

8 (c) If the administrator determines that no reasonable  
9 grounds exist for the protest, or if no protest has been filed, the  
10 administrator shall evaluate the permit application.

11 (d) If after evaluating the permit application under  
12 Subsection (c) the administrator finds that all facts stated in the  
13 application are true and no legal ground to deny the application  
14 exists, the administrator shall issue a permit if the commission  
15 has delegated authority to issue permits to the administrator. If  
16 the commission has not delegated authority to issue permits to the  
17 administrator, the administrator shall recommend to the commission  
18 that the application be approved and the commission may issue the  
19 permit. If the commission does not issue the permit, the  
20 administrator shall refer the application for a hearing as provided  
21 by Subsection (h).

22 (e) If after the evaluation of a permit application the  
23 administrator finds a legal ground to deny the permit application,  
24 the administrator shall recommend to the commission that the  
25 application be denied. If the administrator recommends denial of  
26 the application, the applicant may request a hearing as provided by  
27 Subsection (h).

1       (f) If the administrator finds that reasonable grounds  
2 exist for the protest, the administrator shall evaluate the  
3 application in light of the protest. If, but for the protest, the  
4 administrator would approve the application, the administrator  
5 shall refer the protested application for a hearing. In a hearing  
6 on a protested application, the State Office of Administrative  
7 Hearings may request any information from the commission the office  
8 determines relevant.

9       (g) If after evaluating the application with the protest the  
10 administrator finds a legal ground to deny the permit application,  
11 the administrator shall recommend to the commission that the  
12 application be denied. If the administrator recommends denial of  
13 the application, the applicant may request a hearing as provided by  
14 Subsection (h).

15       (h) A hearing under this section shall be conducted by the  
16 State Office of Administrative Hearings in a location authorized by  
17 Section 11.015. Chapter 2001, Government Code, applies to a  
18 hearing under this section. After a hearing the administrative law  
19 judge shall make findings of fact and conclusions of law and  
20 promptly issue to the commission a proposal for a decision on the  
21 application. Based on the findings of fact, conclusions of law, and  
22 proposal for a decision, the commission shall issue a final  
23 decision denying the application or issuing the permit.

24       (i) If the commission denies a permit application, the  
25 applicant may, after exhausting all administrative remedies,  
26 appeal the commission's decision to a Travis County district court.

27       (j) The commission shall adopt rules to implement the

1 application review and protest process including reasonable  
2 timelines, identifying the roles and responsibilities of all  
3 parties involved in the process and identifying potential avenues  
4 for mediation or informal dispute resolution.

5 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member  
6 of the public may protest an application for:

7 (1) [~~Notwithstanding any other provision of this code~~  
8 ~~that authorizes the commission or administrator to refuse to issue~~  
9 ~~a permit without a hearing, the commission or administrator shall~~  
10 ~~hold a hearing before granting or refusing to issue]~~ an original  
11 mixed beverage permit, private club registration permit, or wine  
12 and malt beverage [~~beer~~] retailer's permit[, ~~or retail dealer's~~  
13 ~~on-premise license]~~ if a sexually oriented business is to be  
14 operated on the premises to be covered by the permit;

15 (2) [~~or license.~~

16 [~~(c) A hearing shall be held on]~~ any renewal [~~application]~~  
17 of a mixed beverage permit, private club registration permit, or  
18 wine and malt beverage [~~beer~~] retailer's permit[, ~~or retail~~  
19 ~~dealer's on-premise license]~~ if a sexually oriented business is to  
20 be operated on the premises to be covered by the permit [~~or license]~~  
21 and a petition is presented to the commission requesting a hearing  
22 which is signed by 50 percent of the residents who reside within 300  
23 feet of any property line of the affected premises;

24 (3) a private club registration permit or a permit  
25 authorizing the retail sale of alcoholic beverages for on-premises  
26 consumption if the person resides within 300 feet of any property  
27 line of the premises for which the permit is sought; and

1           (4) a mixed beverage permit or a wine and malt beverage  
2 retailer's permit in a municipality with a population of 1,500,000  
3 or more if:

4           (A) any point of the property line of the premise  
5 is less than 300 feet from the nearest point on a property line of a  
6 residence, church, school, hospital, day-care facility, or social  
7 service facility, as measured in a straight line; and

8           (B) 75 percent or more of the permittee's actual  
9 or anticipated gross revenue is from the sale of alcoholic  
10 beverages.

11           (b) In addition to the situations described by Subsection  
12 (a), the commission by rule may authorize a member of the public to  
13 protest other permit applications the commission considers  
14 appropriate.

15           (c) [~~(d)~~] A protest made under this section [~~request for a~~  
16 hearing made under Subsection (b) or (c) of this section] must  
17 include an allegation of grounds on which the original or renewal  
18 application, as applicable, should be denied.

19           SECTION 35. Effective December 31, 2020, Section 11.44(b),  
20 Alcoholic Beverage Code, is amended to read as follows:

21           (b) The commission [~~or administrator~~] shall deny an  
22 application [~~refuse to issue~~] for [~~a period of three years~~] a permit  
23 or license for any location of [~~to~~] an applicant who submitted a  
24 prior application that expired or was voluntarily surrendered  
25 before the hearing on the application was held on a protest  
26 involving allegations of prostitution, a shooting, stabbing, or  
27 other violent act, or an offense involving drugs or trafficking of

1 persons before the third anniversary of ~~the three-year period~~  
2 ~~commences on~~ the date the prior application expired or was  
3 voluntarily surrendered.

4 SECTION 36. (a) Effective September 1, 2019, Section  
5 11.46(a), Alcoholic Beverage Code, is amended to read as follows:

6 (a) The commission or administrator may refuse to issue an  
7 original or renewal permit with or without a hearing if it has  
8 reasonable grounds to believe and finds that any of the following  
9 circumstances exists:

10 (1) the applicant has been convicted in a court of  
11 competent jurisdiction of the violation of any provision of this  
12 code during the two years immediately preceding the filing of the  
13 ~~his~~ application;

14 (2) five years have not elapsed since the termination,  
15 by pardon or otherwise, of a sentence imposed on the applicant for  
16 the conviction of a felony;

17 (3) within the six-month period immediately preceding  
18 the ~~his~~ application the applicant violated or caused to be  
19 violated a provision of this code or a rule or regulation of the  
20 commission which involves moral turpitude, as distinguished from a  
21 technical violation of this code or of the rule;

22 (4) the applicant failed to answer or falsely or  
23 incorrectly answered a question in an original or renewal  
24 application;

25 (5) the applicant is indebted to the state for any  
26 taxes, fees, or payment of penalty imposed by this code or by rule  
27 of the commission;

1           (6) the applicant is not of good moral character or the  
2 applicant's [~~his~~] reputation for being a peaceable, law-abiding  
3 citizen in the community where the applicant [~~he~~] resides is bad;

4           (7) the applicant is a minor;

5           (8) the place or manner in which the applicant may  
6 conduct the applicant's [~~his~~] business warrants the denial  
7 [~~refusal~~] of the application for a permit based on the general  
8 welfare, health, peace, morals, and safety of the people and on the  
9 public sense of decency;

10           (9) the applicant has developed an incapacity that  
11 prevents or could prevent the applicant from conducting the  
12 applicant's business with reasonable skill, competence, and safety  
13 to the public [~~is in the habit of using alcoholic beverages to~~  
14 ~~excess or is physically or mentally incapacitated~~];

15           (10) the applicant will sell liquor unlawfully in a  
16 dry area or in a manner contrary to law or will knowingly permit an  
17 agent, servant, or employee to do so;

18           (11) the applicant is not a United States citizen or  
19 has not been a citizen of Texas for a period of one year immediately  
20 preceding the filing of the applicant's [~~his~~] application, unless  
21 the applicant [~~he~~] was issued a permit or renewal permit on or  
22 before September 1, 1948, and has at some time been a United States  
23 citizen;

24           (12) the applicant does not provide an adequate  
25 building available at the address for which the permit is sought  
26 before conducting any activity authorized by the permit;

27           (13) the applicant is residentially domiciled with a

1 person whose permit or license has been cancelled for cause within  
2 the 12 months immediately preceding the date of the applicant's  
3 ~~[his]~~ present application;

4 (14) the applicant has failed or refused to furnish a  
5 true copy of the applicant's ~~[his]~~ application to the commission's  
6 district office in the district in which the premises for which the  
7 permit is sought are located; or

8 (15) during the six months immediately preceding the  
9 filing of the application the premises for which the permit is  
10 sought have been operated, used, or frequented for a purpose or in a  
11 manner that is lewd, immoral, or offensive to public decency.

12 (b) Effective December 31, 2020, Section 11.46, Alcoholic  
13 Beverage Code, is amended to read as follows:

14 Sec. 11.46. GENERAL GROUNDS FOR DENIAL ~~[REFUSAL]~~. (a) The  
15 commission ~~[or administrator]~~ may deny an application for ~~[refuse~~  
16 ~~to issue]~~ an original or renewal permit ~~[with or without a hearing]~~  
17 if it has reasonable grounds to believe and finds that any of the  
18 following circumstances exists:

19 (1) the applicant has been convicted in a court of  
20 competent jurisdiction of the violation of any provision of this  
21 code during the two years immediately preceding the filing of the  
22 ~~[his]~~ application;

23 (2) five years have not elapsed since the termination,  
24 by pardon or otherwise, of a sentence imposed on the applicant for  
25 the conviction of a felony;

26 (3) within the six-month period immediately preceding  
27 the ~~[his]~~ application the applicant violated or caused to be



1 violated a provision of this code or a rule or regulation of the  
2 commission which involves moral turpitude, as distinguished from a  
3 technical violation of this code or of the rule;

4 (4) the applicant failed to answer or falsely or  
5 incorrectly answered a question in an original or renewal  
6 application;

7 (5) the applicant is indebted to the state for any  
8 taxes, fees, or payment of penalty imposed by this code or by rule  
9 of the commission;

10 (6) the applicant is not of good moral character or the  
11 applicant's [~~his~~] reputation for being a peaceable, law-abiding  
12 citizen in the community where the applicant [~~he~~] resides is bad;

13 (7) the applicant is a minor;

14 (8) the place or manner in which the applicant may  
15 conduct the applicant's [~~his~~] business warrants the denial  
16 [~~refusal~~] of the application for a permit based on the general  
17 welfare, health, peace, morals, and safety of the people and on the  
18 public sense of decency;

19 (9) the applicant has developed an incapacity that  
20 prevents or could prevent the applicant from conducting the  
21 applicant's business with reasonable skill, competence, and safety  
22 to the public [~~is in the habit of using alcoholic beverages to~~  
23 ~~excess or is physically or mentally incapacitated~~];

24 (10) the applicant will sell liquor unlawfully in a  
25 dry area or in a manner contrary to law or will knowingly permit an  
26 agent, servant, or employee to do so;

27 (11) the applicant is not a United States citizen or

1 has not been a citizen of Texas for a period of one year immediately  
2 preceding the filing of the applicant's [~~his~~] application, unless  
3 the applicant [~~he~~] was issued a permit or renewal permit on or  
4 before September 1, 1948, and has at some time been a United States  
5 citizen;

6 (12) the applicant does not provide an adequate  
7 building available at the address for which the permit is sought  
8 before conducting any activity authorized by the permit;

9 (13) the applicant is residentially domiciled with a  
10 person whose permit or license has been cancelled for cause within  
11 the 12 months immediately preceding the date of the applicant's  
12 [~~his~~] present application;

13 (14) the applicant has failed or refused to furnish a  
14 true copy of the applicant's [~~his~~] application to the commission's  
15 district office in the district in which the premises for which the  
16 permit is sought are located; or

17 (15) during the six months immediately preceding the  
18 filing of the application the premises for which the permit is  
19 sought have been operated, used, or frequented for a purpose or in a  
20 manner that is lewd, immoral, or offensive to public decency.

21 (b) The commission [~~or administrator~~] shall deny an  
22 application for [~~refuse to issue~~] an original permit authorizing  
23 the retail sale of alcoholic beverages unless the applicant for the  
24 permit files with the application a certificate issued by the  
25 comptroller of public accounts stating that the applicant holds, or  
26 has applied for and satisfies all legal requirements for the  
27 issuance of, a sales tax permit, if required, for the place of

1 business for which the alcoholic beverage permit is sought.

2 (c) The commission [~~or administrator~~] shall deny [~~refuse to~~  
3 ~~issue~~] for a period of one year after cancellation an application  
4 for a mixed beverage permit or private club registration permit for  
5 a premises where a license or permit has been canceled during the  
6 preceding 12 months as a result of a shooting, stabbing, or other  
7 violent act, or as a result of an offense involving drugs,  
8 prostitution, or trafficking of persons.

9 (d) The commission [~~or administrator~~] shall deny an  
10 application for [~~refuse to issue~~] an original permit of [~~to~~] a  
11 person convicted of an offense under Section 101.76 for a period of  
12 five years from the date of the conviction.

13 SECTION 37. (a) Effective December 31, 2020, Section  
14 11.47, Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 11.47. DENIAL [~~REFUSAL~~] OF PERMIT: INTEREST IN BEER  
16 ESTABLISHMENT. The commission [~~or administrator~~] may deny an  
17 application for [~~refuse to issue~~] an original or renewal permit  
18 [~~with or without a hearing~~] if it has reasonable grounds to believe  
19 and finds that the applicant or a person with whom the applicant  
20 [~~he~~] is residentially domiciled has a financial interest in a  
21 permit or license authorizing the sale of beer at retail, except as  
22 is authorized by Section 22.06, 24.05, or 102.05 [~~of this code~~].  
23 This section does not apply to an applicant for a permit which  
24 authorizes the sale of mixed beverages.

25 (b) Effective September 1, 2021, Section 11.47, Alcoholic  
26 Beverage Code, is amended to read as follows:

27 Sec. 11.47. DENIAL [~~REFUSAL~~] OF PERMIT: INTEREST IN MALT

1 BEVERAGE [~~BEER~~] ESTABLISHMENT. The commission [~~or administrator~~]  
2 may deny an application for [~~refuse to issue~~] an original or renewal  
3 permit [~~with or without a hearing~~] if it has reasonable grounds to  
4 believe and finds that the applicant or a person with whom the  
5 applicant [~~he~~] is residentially domiciled has a financial interest  
6 in a permit or license authorizing the sale of malt beverages [~~beer~~]  
7 at retail, except as is authorized by Section [22.06](#), [24.05](#), or  
8 [102.05](#) [~~of this code~~]. This section does not apply to an applicant  
9 for a permit which authorizes the sale of mixed beverages.

10 SECTION 38. Effective December 31, 2020, Section [11.48](#),  
11 Alcoholic Beverage Code, is amended to read as follows:

12 Sec. 11.48. DENIAL [~~REFUSAL~~] OF PACKAGE STORE OR MIXED  
13 BEVERAGE PERMIT. (a) The commission [~~or administrator~~] may deny an  
14 application for [~~refuse to issue~~] an original or renewal mixed  
15 beverage permit [~~with or without a hearing~~] if it has reasonable  
16 grounds to believe and finds that the applicant, directly or  
17 indirectly, or through a subsidiary, affiliate, agent, or employee,  
18 or through an officer, director, or firm member, owns an interest of  
19 any kind in the premises, business, or permit of a package store.

20 (b) The commission [~~or administrator~~] may deny an  
21 application for [~~refuse to issue~~] an original or renewal package  
22 store permit [~~with or without a hearing~~] if it has reasonable  
23 grounds to believe and finds that the applicant, directly or  
24 indirectly, through a subsidiary, affiliate, agent, or employee, or  
25 through an officer, director, or firm member, owns an interest of  
26 any kind in the premises, business, or permit of a mixed beverage  
27 establishment.

1 (c) This section does not apply to anything permitted by  
2 Section 102.05 [~~of this code~~].

3 SECTION 39. Effective December 31, 2020, Section 11.481(b),  
4 Alcoholic Beverage Code, is amended to read as follows:

5 (b) The commission [~~or administrator~~] shall deny an  
6 application for [~~refuse to issue~~] an original or renewal permit  
7 authorizing on-premises consumption of alcoholic beverages [~~, with~~  
8 ~~or without a hearing,~~] if the commission [~~or administrator~~] has  
9 reasonable grounds to believe and finds that, during the three  
10 years preceding the date the permit application was filed, a  
11 license or permit previously held under this code by the applicant,  
12 a person who owns the premises for which the permit is sought, or an  
13 officer of a person who owns the premises for which the permit is  
14 sought was canceled or not renewed as a result of a shooting,  
15 stabbing, or other violent act.

16 SECTION 40. Section 11.481(c), Alcoholic Beverage Code, is  
17 amended to read as follows:

18 (c) This section does not apply to the issuance of an  
19 original or renewal permit authorizing on-premises consumption for  
20 a location that also holds a food and beverage certificate but does  
21 not hold a retailer late hours certificate [~~permit~~].

22 SECTION 41. (a) Effective December 31, 2020, Section  
23 11.49, Alcoholic Beverage Code, is amended by amending Subsection  
24 (b) and adding Subsection (b-1) to read as follows:

25 (b) [(1)] Subject to the approval of the commission [~~or the~~  
26 ~~administrator,~~] and except as provided in Subsection (c) [~~of this~~  
27 ~~section~~], an applicant for a permit or license may designate a

1 portion of the grounds, buildings, vehicles, and appurtenances to  
2 be excluded from the licensed premises.

3 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)  
4 has been made and approved as to the holder of a license or permit  
5 authorizing the sale of alcoholic beverages at retail or as to a  
6 private club registration permit, the sharing of space, employees,  
7 business facilities, and services with another business entity  
8 (including the permittee's lessor, which, if a corporation, may be  
9 a domestic or foreign corporation, but excluding a business entity  
10 holding any type of winery permit, a manufacturer's license, or a  
11 general[~~, local,~~] or branch distributor's license), does not  
12 constitute a subterfuge or surrender of exclusive control in  
13 violation of Section 109.53 or the use or display of the license for  
14 the benefit of another in violation of Section 61.71(a)(14). This  
15 subsection and Subsection (b) do [~~shall~~] not apply to original or  
16 renewal package store permits, wine only package store permits,  
17 local distributor's permits, or any type of wholesaler's permit  
18 [~~permits~~].

19 (b) Effective September 1, 2021, Section 11.49, Alcoholic  
20 Beverage Code, is amended by amending Subsection (b) and adding  
21 Subsection (b-1) to read as follows:

22 (b) [~~(1)~~] Subject to the approval of the commission [~~or the~~  
23 ~~administrator~~], and except as provided in Subsection (c) [~~of this~~  
24 ~~section~~], an applicant for a permit or license may designate a  
25 portion of the grounds, buildings, vehicles, and appurtenances to  
26 be excluded from the licensed premises.

27 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)

1 has been made and approved as to the holder of a license or permit  
2 authorizing the sale of alcoholic beverages at retail or as to a  
3 private club registration permit, the sharing of space, employees,  
4 business facilities, and services with another business entity  
5 (including the permittee's lessor, which, if a corporation, may be  
6 a domestic or foreign corporation, but excluding a business entity  
7 holding any type of winery permit, a brewer's [~~manufacturer's~~]  
8 license, or a general[~~, local,~~] or branch distributor's license),  
9 does not constitute a subterfuge or surrender of exclusive control  
10 in violation of Section 109.53 or the use or display of the license  
11 for the benefit of another in violation of Section 61.71(a)(14).  
12 This subsection and Subsection (b) do [~~shall~~] not apply to original  
13 or renewal package store permits, wine only package store permits,  
14 local distributor's permits, or any type of wholesaler's permit  
15 [~~permits~~].

16 SECTION 42. Effective September 1, 2021, Sections 11.49(d)  
17 and (e), Alcoholic Beverage Code, are amended to read as follows:

18 (d) Any package store, wine only package store,  
19 wholesaler's, or local distributor's permittee who is injured in  
20 the permittee's [~~his~~] business or property by another person (other  
21 than a person in the person's [~~his~~] capacity as the holder of a wine  
22 and malt beverage [~~beer~~] retailer's permit, wine and malt beverage  
23 [~~beer~~] retailer's off-premise permit, private club registration  
24 permit, or mixed beverage permit or any person in the capacity of  
25 lessor of the holder of such a permit) by reason of anything  
26 prohibited in this section or Section 109.53 [~~of this code~~] is  
27 entitled to the same remedies available to a package store

1 permittee under Section 109.53 [~~of this code~~]. Except for actions  
2 brought against a person in the person's [~~his~~] capacity as the  
3 holder of or as the lessor of the holder of a wine and malt beverage  
4 [~~beer~~] retailer's permit, wine and malt beverage [~~beer~~] retailer's  
5 off-premise permit, mixed beverage permit, or private club  
6 registration permit, the statute of limitations for any action  
7 brought under this section or Section 109.53 [~~of this code~~] for any  
8 cause of action arising after the effective date of this Act is four  
9 years unless a false affidavit has been filed with the commission in  
10 which event the statute of limitations is 10 years for all purposes.

11 (e) When a designation under Subsection (b) [~~of this~~  
12 ~~section~~] is made by a wine and malt beverage [~~beer~~] retailer or a  
13 malt beverage [~~beer~~] retailer, selling primarily for off-premise  
14 consumption, or by a wine and malt beverage [~~beer~~] retailer's  
15 off-premise permittee, no more than 20 percent of the retail floor  
16 and display space of the entire premises may be included in the  
17 licensed premises, and all the retail floor and display space in the  
18 licensed premises must be compact and contiguous and may not be  
19 gerrymandered. However, the retail floor and display space  
20 included in the licensed premises may be in two separate locations  
21 within the retail premises if the total retail floor and display  
22 space included in the licensed premises does not exceed 20 percent  
23 of the floor and display space of the entire premises and each of  
24 the two portions of floor and display space included in the licensed  
25 premises is itself compact and contiguous and not gerrymandered.  
26 In addition to the one or two separate locations of retail floor and  
27 display space on the premises, the licensed premises may include



1 the cash register and check-out portions of the premises provided  
2 that (1) no alcoholic beverages are displayed in the check-out or  
3 cash register portion of the premises, and (2) the area of the  
4 check-out and cash register portions of the premises are counted  
5 towards the total of 20 percent of the retail floor and display  
6 space that may be dedicated to the sale and display of wine and malt  
7 beverages [~~beer~~]. A storage area that is not accessible or visible  
8 to the public may be included in the licensed premises but shall not  
9 be considered retail floor and display space for purposes of this  
10 section. The commission or administrator shall adopt rules to  
11 implement this subsection and to prevent gerrymandering.

12 SECTION 43. Sections [11.492](#)(a) and (b), Alcoholic Beverage  
13 Code, are amended to read as follows:

14 (a) A holder of a wine and malt beverage [~~beer~~] retailer's  
15 permit may change the permit to a wine and malt beverage [~~beer~~]  
16 retailer's off-premise permit, and a holder of a retail dealer's  
17 on-premise license may change the license to a retail dealer's  
18 off-premise license, in the manner provided by this section.

19 (b) Any time before the expiration of a wine and malt  
20 beverage [~~beer~~] retailer's permit or a retail dealer's on-premise  
21 license the permittee or licensee may file an application for a  
22 change of permit or license under Subsection (a) [~~of this section~~].  
23 The applicant must make the application on a form provided by the  
24 commission and the application must be accompanied by the  
25 appropriate fee for the permit or license sought.

26 SECTION 44. (a) Effective December 31, 2020, Section  
27 [11.52](#), Alcoholic Beverage Code, is amended to read as follows:

1           Sec. 11.52. RESTRICTIONS ON LOCATION IN CERTAIN  
2 MUNICIPALITIES. (a) In a municipality with a population of  
3 1,500,000 or more, an applicant for an original or renewal [~~on the~~  
4 ~~assertion by any person of any justiciable grounds for a~~  
5 ~~suspension, denial, cancellation, or refusal of a~~] mixed beverage  
6 permit or [a] wine and beer retailer's permit[, ~~the commission or~~  
7 ~~county judge, as applicable,~~] shall provide the notice required by  
8 Subsection (b) [~~hold a hearing~~] if:

9           (1) any point of the property line of the premise is  
10 less than 300 feet from the nearest point on a property line of a  
11 residence, church, school, hospital, day-care facility, or social  
12 service facility, as measured in a straight line; and

13           (2) 75 percent or more of the permittee's [~~or~~  
14 ~~licensee's~~] actual or anticipated gross revenue is from the sale of  
15 alcoholic beverages.

16           (b) An applicant for an original or renewal permit shall  
17 give notice to all tenants or property owners affected in the area  
18 described by Subsection (a) [~~of this section~~] that an application  
19 has been made within five days after the application is first filed  
20 for an original application and at least 30 days prior to the  
21 expiration date of a permit in the case of a renewal application.

22           (b) Effective September 1, 2021, Section 11.52(a),  
23 Alcoholic Beverage Code, is amended to read as follows:

24           (a) In a municipality with a population of 1,500,000 or  
25 more, an applicant for an original or renewal [~~on the assertion by~~  
26 ~~any person of any justiciable grounds for a suspension, denial,~~  
27 ~~cancellation, or refusal of a~~] mixed beverage permit or [a] wine and

1 malt beverage [~~beer~~] retailer's permit [~~, the commission or county~~  
2 ~~judge, as applicable,~~] shall provide the notice required by  
3 Subsection (b) [~~hold a hearing~~] if:

4 (1) any point of the property line of the premise is  
5 less than 300 feet from the nearest point on a property line of a  
6 residence, church, school, hospital, day-care facility, or social  
7 service facility, as measured in a straight line; and

8 (2) 75 percent or more of the permittee's [~~or~~  
9 ~~licensee's~~] actual or anticipated gross revenue is from the sale of  
10 alcoholic beverages.

11 SECTION 45. (a) Effective September 1, 2019, Section  
12 11.61(b), Alcoholic Beverage Code, is amended to read as follows:

13 (b) The commission or administrator may suspend for not more  
14 than 60 days or cancel an original or renewal permit if it is found,  
15 after notice and hearing, that any of the following is true:

16 (1) the permittee has been finally convicted of a  
17 violation of this code;

18 (2) the permittee violated a provision of this code or  
19 a rule of the commission;

20 (3) the permittee was finally convicted of a felony  
21 while holding an original or renewal permit;

22 (4) the permittee made a false or misleading statement  
23 in connection with the permittee's [~~his~~] original or renewal  
24 application, either in the formal application itself or in any  
25 other written instrument relating to the application submitted to  
26 the commission, its officers, or employees;

27 (5) the permittee is indebted to the state for taxes,

1 fees, or payment of penalties imposed by this code, by a rule of the  
2 commission, or by Chapter 183, Tax Code;

3 (6) the permittee is not of good moral character or the  
4 permittee's [~~his~~] reputation for being a peaceable and law-abiding  
5 citizen in the community where the permittee [~~he~~] resides is bad;

6 (7) the place or manner in which the permittee  
7 conducts the permittee's [~~his~~] business warrants the cancellation  
8 or suspension of the permit based on the general welfare, health,  
9 peace, morals, and safety of the people and on the public sense of  
10 decency;

11 (8) the permittee is not maintaining an acceptable  
12 bond;

13 (9) the permittee maintains a noisy, lewd, disorderly,  
14 or unsanitary establishment or has supplied impure or otherwise  
15 deleterious beverages;

16 (10) the permittee is insolvent or has developed an  
17 incapacity that prevents or could prevent the permittee from  
18 carrying on the management of the permittee's establishment with  
19 reasonable skill, competence, and safety to the public [~~mentally~~  
20 ~~or physically unable to carry on the management of his~~  
21 ~~establishment~~];

22 (11) the permittee is in the habit of using alcoholic  
23 beverages to excess;

24 (12) the permittee knowingly misrepresented to a  
25 customer or the public any liquor sold by the permittee [~~him~~];

26 (13) the permittee was intoxicated on the licensed  
27 premises;

1           (14) the permittee sold or delivered an alcoholic  
2 beverage to an intoxicated person;

3           (15) the permittee possessed on the licensed premises  
4 an alcoholic beverage that the permittee [~~he~~] was not authorized  
5 under the [~~by his~~] permit to purchase and sell;

6           (16) a package store or wine only package store  
7 permittee transported or shipped liquor, or caused it to be  
8 transported or shipped, into a dry state or a dry area within this  
9 state;

10           (17) the permittee is residentially domiciled with a  
11 person who has a financial interest in an establishment engaged in  
12 the business of selling beer at retail, other than a mixed beverage  
13 establishment, except as authorized by Section 22.06, 24.05, or  
14 102.05 [~~of this code~~];

15           (18) the permittee is residentially domiciled with a  
16 person whose permit or license was cancelled for cause within the  
17 12-month period preceding the permittee's [~~his~~] own application;

18           (19) the permittee is not a citizen of the United  
19 States or has not been a citizen of Texas for a period of one year  
20 immediately preceding the filing of the permittee's [~~his~~]  
21 application, unless the permittee [~~he~~] was issued an original or  
22 renewal permit on or before September 1, 1948, and has been a United  
23 States citizen at some time;

24           (20) the permittee permitted a person to open a  
25 container of alcoholic beverage or possess an open container of  
26 alcoholic beverage on the licensed premises unless a mixed beverage  
27 permit has been issued for the premises;

1           (21) the permittee failed to promptly report to the  
2 commission a breach of the peace occurring on the permittee's  
3 licensed premises;

4           (22) the permittee consumed an alcoholic beverage or  
5 permitted one to be consumed on the licensed premises at a time when  
6 the consumption of alcoholic beverages is prohibited by this code;  
7 or

8           (23) the permittee sold, served, or delivered an  
9 alcoholic beverage at a time when its sale is prohibited.

10           (b) Effective September 1, 2021, Section 11.61(b),  
11 Alcoholic Beverage Code, is amended to read as follows:

12           (b) The commission or administrator may suspend for not more  
13 than 60 days or cancel an original or renewal permit if it is found,  
14 after notice and hearing, that any of the following is true:

15           (1) the permittee has been finally convicted of a  
16 violation of this code;

17           (2) the permittee violated a provision of this code or  
18 a rule of the commission;

19           (3) the permittee was finally convicted of a felony  
20 while holding an original or renewal permit;

21           (4) the permittee made a false or misleading statement  
22 in connection with the permittee's [~~his~~] original or renewal  
23 application, either in the formal application itself or in any  
24 other written instrument relating to the application submitted to  
25 the commission, its officers, or employees;

26           (5) the permittee is indebted to the state for taxes,  
27 fees, or payment of penalties imposed by this code, by a rule of the

1 commission, or by Chapter 183, Tax Code;

2 (6) the permittee is not of good moral character or the  
3 permittee's [~~his~~] reputation for being a peaceable and law-abiding  
4 citizen in the community where the permittee [~~he~~] resides is bad;

5 (7) the place or manner in which the permittee  
6 conducts the permittee's [~~his~~] business warrants the cancellation  
7 or suspension of the permit based on the general welfare, health,  
8 peace, morals, and safety of the people and on the public sense of  
9 decency;

10 (8) the permittee is not maintaining an acceptable  
11 bond;

12 (9) the permittee maintains a noisy, lewd, disorderly,  
13 or unsanitary establishment or has supplied impure or otherwise  
14 deleterious beverages;

15 (10) the permittee is insolvent or has developed an  
16 incapacity that prevents or could prevent the permittee from  
17 carrying on the management of the permittee's establishment with  
18 reasonable skill, competence, and safety to the public [~~mentally~~  
19 ~~or physically unable to carry on the management of his~~  
20 ~~establishment~~];

21 (11) the permittee is in the habit of using alcoholic  
22 beverages to excess;

23 (12) the permittee knowingly misrepresented to a  
24 customer or the public any liquor sold by the permittee [~~him~~];

25 (13) the permittee was intoxicated on the licensed  
26 premises;

27 (14) the permittee sold or delivered an alcoholic

1 beverage to an intoxicated person;

2 (15) the permittee possessed on the licensed premises  
3 an alcoholic beverage that the permittee [~~he~~] was not authorized  
4 under the [~~by his~~] permit to purchase and sell;

5 (16) a package store or wine only package store  
6 permittee transported or shipped liquor, or caused it to be  
7 transported or shipped, into a dry state or a dry area within this  
8 state;

9 (17) the permittee is residentially domiciled with a  
10 person who has a financial interest in an establishment engaged in  
11 the business of selling malt beverages [~~beer~~] at retail, other than  
12 a mixed beverage establishment, except as authorized by Section  
13 [22.06](#), [24.05](#), or [102.05](#) [~~of this code~~];

14 (18) the permittee is residentially domiciled with a  
15 person whose permit or license was cancelled for cause within the  
16 12-month period preceding the permittee's [~~his~~] own application;

17 (19) the permittee is not a citizen of the United  
18 States or has not been a citizen of Texas for a period of one year  
19 immediately preceding the filing of the permittee's [~~his~~]  
20 application, unless the permittee [~~he~~] was issued an original or  
21 renewal permit on or before September 1, 1948, and has been a United  
22 States citizen at some time;

23 (20) the permittee permitted a person to open a  
24 container of alcoholic beverage or possess an open container of  
25 alcoholic beverage on the licensed premises unless a mixed beverage  
26 permit has been issued for the premises;

27 (21) the permittee failed to promptly report to the



1 commission a breach of the peace occurring on the permittee's  
2 licensed premises;

3 (22) the permittee consumed an alcoholic beverage or  
4 permitted one to be consumed on the licensed premises at a time when  
5 the consumption of alcoholic beverages is prohibited by this code;  
6 or

7 (23) the permittee sold, served, or delivered an  
8 alcoholic beverage at a time when its sale is prohibited.

9 SECTION 46. Sections 11.61(b-1), (d), and (j), Alcoholic  
10 Beverage Code, are amended to read as follows:

11 (b-1) Notwithstanding Section 204.01 and any other  
12 provision of this code, a person applying for a license or permit  
13 under Chapter 25 or 69 for the on-premises consumption of malt  
14 beverages [~~beer~~] exclusively or malt beverages [~~beer~~] and wine  
15 exclusively, other than a license or permit for an establishment  
16 holding a food and beverage certificate whose primary business  
17 being operated on the premises is food service, must file with the  
18 commission a surety bond, in an amount to be determined by the  
19 commission, conditioned on the licensee's or permittee's  
20 conformance with the alcoholic beverage law. The bond is forfeited  
21 to the commission on the suspension of the license or permit for the  
22 first time under this section or Section 61.71. Before the  
23 suspended license or permit may be reinstated, the licensee or  
24 permittee must furnish a second surety bond, similarly conditioned,  
25 in an amount greater than the initial surety bond, the amount to be  
26 determined by the commission. If the same license or permit is  
27 suspended under this section or Section 61.71 a second time, the

1 bond is again forfeited to the commission. Before the suspended  
2 license or permit may be reinstated, the licensee or permittee  
3 shall furnish a third surety bond, similarly conditioned, in an  
4 amount greater than the second surety bond, the amount to be  
5 determined by the commission. If the same license or permit is  
6 suspended under this section or Section 61.71 a third time, the bond  
7 is again forfeited to the commission and the license or permit shall  
8 be canceled by the commission. This subsection applies only to a  
9 license or permit held in connection with an establishment located  
10 in a county with a population of 1.4 million or more.

11 (d) The commission or administrator without a hearing may  
12 for investigative purposes summarily suspend a mixed beverage  
13 permit or a wine and malt beverage [~~beer~~] retailer's permit for not  
14 more than seven days if the commission or administrator finds that a  
15 shooting, stabbing, or murder has occurred on the licensed premises  
16 which is likely to result in a subsequent act of violence. Notice  
17 of the order suspending the permit shall be given to the permittee  
18 personally within 24 hours of the time the violent act occurs. If  
19 the permittee cannot be located, notice shall be provided by  
20 posting a copy of the order on the front door of the licensed  
21 premises.

22 (j) A hearing under Subsection (b) must be concluded not  
23 later than the 60th day after notice is provided under that  
24 subsection. Neither the permittee nor the commission may waive the  
25 provisions of this subsection. This subsection applies only to a  
26 hearing in connection with a wine and malt beverage [~~beer~~]  
27 retailer's permit, other than a permit held with a food and beverage

1 certificate, for premises located in a county with a population of  
2 1.4 million or more.

3 SECTION 47. (a) Effective December 31, 2020, Section  
4 11.612(a), Alcoholic Beverage Code, is amended to read as follows:

5 (a) The commission or administrator may cancel an original  
6 or a renewal permit issued under Chapter 32 or 33 and the commission  
7 may deny an application for [~~refuse to issue~~] any new alcoholic  
8 beverage permit for the same premises for one year after the date of  
9 cancellation if:

10 (1) the chief of police of the municipality, if the  
11 premises are located in an incorporated area, or the sheriff of the  
12 county in which the premises are located has submitted a sworn  
13 statement to the commission stating specific allegations that the  
14 place or manner in which the permittee conducts its business  
15 endangers the general welfare, health, peace, morals, or safety of  
16 the community; and

17 (2) the commission or administrator finds, after  
18 notice and hearing within the county where the premises are  
19 located, that the place or manner in which the permittee conducts  
20 its business does in fact endanger the general welfare, health,  
21 peace, morals, or safety of the community.

22 (b) Effective September 1, 2021, Section 11.612(a),  
23 Alcoholic Beverage Code, is amended to read as follows:

24 (a) The commission or administrator may cancel an original  
25 or a renewal certificate [~~permit~~] issued under Chapter 29 to the  
26 holder of a private club registration permit or a permit issued  
27 under Chapter 32 [~~or 33~~] and the commission may deny an application

1 for [~~refuse to issue~~] any new alcoholic beverage permit for the same  
2 premises for one year after the date of cancellation if:

3 (1) the chief of police of the municipality, if the  
4 premises are located in an incorporated area, or the sheriff of the  
5 county in which the premises are located has submitted a sworn  
6 statement to the commission stating specific allegations that the  
7 place or manner in which the permittee conducts its business  
8 endangers the general welfare, health, peace, morals, or safety of  
9 the community; and

10 (2) the commission or administrator finds, after  
11 notice and hearing within the county where the premises are  
12 located, that the place or manner in which the permittee conducts  
13 its business does in fact endanger the general welfare, health,  
14 peace, morals, or safety of the community.

15 SECTION 48. Section 11.613, Alcoholic Beverage Code, is  
16 amended to read as follows:

17 Sec. 11.613. SUMMARY SUSPENSION OF PRIVATE CLUB PERMIT.  
18 The commission or administrator without a hearing may for  
19 investigative purposes summarily suspend a certificate [~~permit~~]  
20 issued under Chapter 29 to the holder of a private club registration  
21 permit or a permit issued under Chapter 32 [~~or 33~~] for not more than  
22 seven days if the commission or administrator finds that a  
23 shooting, stabbing, or murder has occurred on the licensed premises  
24 that is likely to result in a subsequent act of violence. Notice of  
25 the order suspending the permit shall be given to the permittee  
26 personally within 72 hours of the time the violent act occurs. If  
27 the permittee cannot be located, notice shall be provided by

1 posting a copy of the order on the front door of the licensed  
2 premises.

3 SECTION 49. Effective September 1, 2019, Subchapter C,  
4 Chapter 11, Alcoholic Beverage Code, is amended by adding Sections  
5 11.614 and 11.615 to read as follows:

6 Sec. 11.614. ORDER SUSPENDING PERMIT OR LICENSE. (a) If  
7 the commission or administrator determines that the continued  
8 operation of a permitted or licensed business would constitute a  
9 continuing threat to the public welfare, the commission or  
10 administrator may issue an emergency order, without a hearing,  
11 suspending the permit or license for not more than 90 days.

12 (b) An order suspending a permit or license under this  
13 section must state the length of the suspension in the order.

14 (c) If an emergency order is issued under this section  
15 without a hearing, the commission or administrator shall set the  
16 time and place for a hearing to be conducted not later than the 10th  
17 day after the date the order was issued by the State Office of  
18 Administrative Hearings to affirm, modify, or set aside the  
19 emergency order. The order shall be affirmed to the extent that  
20 reasonable cause existed to issue the order.

21 (d) The commission by rule may prescribe procedures for the  
22 determination and appeal of an emergency order issued under this  
23 section, including a rule allowing the commission to affirm,  
24 modify, or set aside a decision made by the State Office of  
25 Administrative Hearings under Subsection (c).

26 (e) A proceeding under this section is a contested case  
27 under Chapter 2001, Government Code.

1        Sec. 11.615. DISCIPLINARY ACTION FOR VIOLATION OF ORDER.

2        The commission may deny an application for an original or renewal  
3        permit or license or take other disciplinary action against a  
4        permit or license holder who violates an order of the commission or  
5        administrator.

6                SECTION 50. Effective December 31, 2020, Section 11.63,  
7        Alcoholic Beverage Code, is amended to read as follows:

8                Sec. 11.63. NOTICE OF HEARING. At least 10 days' notice  
9        shall be given when a hearing is provided by this code. A notice of  
10       hearing for the denial [~~refusal~~], cancellation, or suspension of a  
11       license or permit may be served personally by a representative of  
12       the commission or sent by registered or certified mail addressed to  
13       the licensee or permittee.

14                SECTION 51. Effective September 1, 2019, Sections 11.641(a)  
15       and (b), Alcoholic Beverage Code, are amended to read as follows:

16                (a) The amount of the civil penalty under Section 11.64 must  
17       be appropriate for the nature and seriousness of the violation. In  
18       determining the amount of the civil penalty, the commission or  
19       administrator shall consider:

20                        (1) the type of license or permit held;

21                        (2) the type of violation;

22                        (3) any aggravating or ameliorating circumstances  
23       concerning the violation, including those enumerated in Section  
24       11.64(c); [~~and~~]

25                        (4) the permittee's or licensee's previous violations;  
26       and

27                        (5) if the commission or administrator determines the

1 permittee or licensee has previously violated this code, whether  
2 the permittee or licensee profited from the violation, and if so the  
3 amount of the permittee's or licensee's profit.

4 (b) Except as provided by Subsection (a), the ~~[The]~~ amount  
5 of the civil penalty may not be based on:

6 (1) the volume of alcoholic beverages sold;

7 (2) the receipts of the business;

8 (3) the taxes paid; or

9 (4) the financial condition of the permittee or  
10 licensee.

11 SECTION 52. Effective December 31, 2020, the heading to  
12 Section 11.67, Alcoholic Beverage Code, is amended to read as  
13 follows:

14 Sec. 11.67. APPEAL FROM CANCELLATION, SUSPENSION, OR DENIAL  
15 ~~[REFUSAL]~~ OF LICENSE OR PERMIT.

16 SECTION 53. Effective December 31, 2020, Sections 11.67(a),  
17 (c), and (d), Alcoholic Beverage Code, are amended to read as  
18 follows:

19 (a) An appeal from an order of the commission or  
20 administrator ~~[refusing]~~ cancelling~~[7]~~ or suspending a permit or  
21 license may be taken to the district court of the county in which  
22 the ~~[applicant]~~ licensee~~[7]~~ or permittee resides or in which the  
23 owner of involved real or personal property resides.

24 (c) A local official~~[7]~~ on record as protesting the issuance  
25 or renewal of a permit or license ~~[at a hearing provided by this~~  
26 ~~code]~~ is entitled to notice of the appeal. If other persons are on  
27 record as protesting the issuance or renewal of a permit or license

1 ~~[at a hearing provided by this code]~~, the first three persons to be  
2 on record are entitled to notice of the appeal. The appellant is  
3 responsible for causing the notice to be given. The notice shall be  
4 given by sending, on or before the third day after the date on which  
5 the appeal is filed, a copy of the petition by registered or  
6 certified mail to the persons entitled to receive the notice.

7 (d) If the appeal is from an order denying an application  
8 for an original ~~[refusing the issuance]~~ or renewal ~~[of a]~~ permit or  
9 license for a business that is sexually oriented, any person may  
10 appear on appeal against the issuance or renewal of the license or  
11 permit. However, the court may grant a motion to strike the  
12 person's appearance on a showing that the person does not have a  
13 justiciable or administratively cognizable interest in the  
14 proceeding.

15 SECTION 54. Effective September 1, 2019, Section 11.72,  
16 Alcoholic Beverage Code, is amended to read as follows:

17 Sec. 11.72. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS  
18 RETENTION. (a) The commission or administrator may suspend or  
19 revoke the permit of a person who is represented by ~~[the holder of]~~  
20 an agent ~~[agent's permit]~~ under Section 15.01, 35.01, or 36.01 or  
21 otherwise discipline the person based on an act or omission of the  
22 person's agent ~~[holder of the agent's permit]~~ only if an individual  
23 employed by the person in a supervisory position:

24 (1) was directly involved in the act or omission of the  
25 agent ~~[holder of the agent's permit]~~;

26 (2) had notice or knowledge of the act or omission; or

27 (3) failed to take reasonable steps to prevent the act



1 or omission.

2 (b) The holder of a permit who is represented by an agent  
3 shall maintain records relating to the agent's activities,  
4 including any representation agreement, employment records, or  
5 similar documents, for not less than four years from the date the  
6 record is created.

7 SECTION 55. Effective September 1, 2019, Section 11.73,  
8 Alcoholic Beverage Code, is amended to read as follows:

9 Sec. 11.73. AFFIRMATION OF COMPLIANCE. A person who holds a  
10 permit under Chapter 19, 20, [~~21~~,] or 23 may not be subject to an  
11 administrative sanction for selling or delivering an alcoholic  
12 beverage to a retailer not authorized to purchase and receive the  
13 alcoholic beverage if the permit holder:

14 (1) reasonably believes that the retailer is  
15 authorized to purchase and receive that type of alcoholic beverage;  
16 and

17 (2) obtains from the retailer at the time of delivery a  
18 written affirmation, which may be printed or stamped on a sales  
19 invoice evidencing the sale or delivery of alcoholic beverages by  
20 the permit holder, that the retailer is authorized to purchase and  
21 receive the type of alcoholic beverage sold and delivered by the  
22 permit holder.

23 SECTION 56. Effective September 1, 2019, Section 14.01(a),  
24 Alcoholic Beverage Code, is amended to read as follows:

25 (a) The holder of a distiller's and rectifier's permit may:

26 (1) manufacture distilled spirits;

27 (2) rectify, purify, and refine distilled spirits and

1 wines;

2 (3) mix wines, distilled spirits, or other liquors;

3 (4) bottle, label, and package the permit holder's  
4 finished products;

5 (5) sell the finished products in this state to  
6 holders of wholesaler's permits and to qualified persons outside  
7 the state;

8 (6) purchase distilled spirits, to be used only for  
9 manufacturing or rectification purposes, from holders of  
10 nonresident seller's permits or distiller's and rectifier's  
11 permits;

12 (7) dispense free distilled spirits for consumption on  
13 the permitted premises under Section 14.04;

14 (8) sell bulk alcohol produced by the permit holder  
15 for purposes described by Section 38.01 [~~to holders of industrial~~  
16 ~~permits in this state~~]; and

17 (9) sell distilled spirits to ultimate consumers under  
18 Section 14.04 or 14.05.

19 SECTION 57. Effective September 1, 2019, Section 14.06,  
20 Alcoholic Beverage Code, is amended to read as follows:

21 Sec. 14.06. REPORT OF CERTAIN SALES. A holder of a  
22 distiller's and rectifier's permit who sells distilled spirits [~~to~~  
23 ~~a holder of an industrial permit~~] under Section 14.01(a)(8) shall  
24 keep records of those sales in a manner prescribed by the commission  
25 or administrator.

26 SECTION 58. Chapter 14, Alcoholic Beverage Code, is amended  
27 by adding Section 14.07 to read as follows:

1       Sec. 14.07. TRANSPORTING LIQUOR. (a) The holder of a  
2 distiller's and rectifier's permit may transport liquor, if the  
3 transportation is for a lawful purpose, from:

4           (1) the place of purchase to the holder's place of  
5 business; and

6           (2) the place of sale or distribution to the  
7 purchaser.

8       (b) The holder of a distiller's and rectifier's permit may  
9 transport liquor from one wet area to another wet area across a dry  
10 area if that course of transportation is necessary or convenient.

11       (c) The holder of a distiller's and rectifier's permit  
12 transporting liquor under this section shall provide to the  
13 commission:

14           (1) a full description of each motor vehicle used by  
15 the permit holder for transporting liquor; and

16           (2) any other information the commission requires.

17       (d) The holder of a distiller's and rectifier's permit may  
18 transport liquor only in a vehicle that is:

19           (1) described by Subsection (c)(1);

20           (2) owned or leased in good faith by the permit holder  
21 or by the permit holder's agent; and

22           (3) printed or painted with the designation required  
23 by the commission.

24       SECTION 59. Chapter 14, Alcoholic Beverage Code, is amended  
25 by adding Section 14.08 to read as follows:

26       Sec. 14.08. STORAGE. (a) The holder of a distiller's and  
27 rectifier's permit may store liquor:

- 1           (1) on the permit holder's premises; or  
2           (2) inside the county in which the permit holder's  
3 business is located in a:  
4           (A) public bonded warehouse authorized to store  
5 liquor under Chapter 46; or  
6           (B) private warehouse that is:  
7                   (i) owned or leased by the permit holder;  
8 and  
9                   (ii) operated by the permit holder.  
10          (b) The holder of a distiller's and rectifier's permit may  
11 not store liquor in a dry area.

12           SECTION 60. Effective September 1, 2019, the heading to  
13 Chapter 15, Alcoholic Beverage Code, is amended to read as follows:

14           CHAPTER 15. DISTILLER'S AGENT [~~AGENT'S PERMIT~~]

15           SECTION 61. Effective September 1, 2019, Section 15.01,  
16 Alcoholic Beverage Code, is amended to read as follows:

17           Sec. 15.01. AUTHORIZED ACTIVITIES. (a) A [~~The holder of a~~]  
18 distiller's agent [~~agent's permit~~] may:

- 19                   (1) represent the holder of a distiller's and  
20 rectifier's permit;  
21                   (2) solicit and take orders from a holder of a  
22 wholesaler's permit for the sale of distilled spirits manufactured  
23 by the permit holder represented by the agent; and  
24                   (3) conduct free distilled spirits tastings for  
25 consumers on the premises of the holder of a package store permit.

26          (b) A person acting as an agent may only represent one  
27 permitted or licensed business at a time while soliciting or taking

1 orders.

2 SECTION 62. Effective September 1, 2019, Section 15.04,  
3 Alcoholic Beverage Code, is amended to read as follows:

4 Sec. 15.04. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR  
5 PRIVATE CLUB PERMIT. A ~~[holder of a]~~ distiller's agent ~~[agent's~~  
6 ~~permit]~~ may not solicit business directly or indirectly from a  
7 holder of a mixed beverage permit or a private club registration  
8 permit unless the distiller's agent is accompanied by the holder of  
9 a wholesaler's permit or the wholesaler's agent.

10 SECTION 63. Effective September 1, 2019, Section 15.05,  
11 Alcoholic Beverage Code, is amended to read as follows:

12 Sec. 15.05. UNAUTHORIZED REPRESENTATION. A ~~[holder of a]~~  
13 distiller's agent ~~[agent's permit]~~ in soliciting or taking orders  
14 for the sale of liquor may not represent that the agent ~~[permit~~  
15 ~~holder]~~ is an agent of any person other than the person who employs  
16 the agent or who has authorized the agent to represent the person  
17 ~~[designated in the permit holder's application].~~

18 SECTION 64. Effective September 1, 2019, Section 16.01(a),  
19 Alcoholic Beverage Code, is amended to read as follows:

20 (a) Except as provided by Section 16.011, the holder of a  
21 winery permit may:

22 (1) manufacture, bottle, label, and package wine  
23 containing not more than 24 percent alcohol by volume;

24 (2) manufacture fruit brandy and:

25 (A) use that brandy on the winery permit holder's  
26 permitted premises for fortifying purposes only; or

27 (B) sell that brandy to other winery permit

1 holders;

2 (3) import or buy fruit brandy from a permit holder  
3 authorized to manufacture fruit brandy and use that brandy on the  
4 winery permit holder's permitted premises for fortifying purposes  
5 only;

6 (4) sell wine in this state to or buy wine from permit  
7 holders authorized to purchase and sell wine, including holders of  
8 wholesaler's permits and[~~7~~] winery permits[~~7~~, ~~and wine bottler's~~  
9 ~~permits~~];

10 (5) sell wine to ultimate consumers:

11 (A) for consumption on the winery premises; or

12 (B) in unbroken packages for off-premises  
13 consumption in an amount not to exceed 35,000 gallons annually;

14 (6) sell the wine outside this state to qualified  
15 persons;

16 (7) blend wines;

17 (8) dispense free wine for consumption on the winery  
18 premises; and

19 (9) purchase and import wine from the holder of a  
20 nonresident seller's permit.

21 SECTION 65. Effective September 1, 2019, Section 16.04,  
22 Alcoholic Beverage Code, is amended to read as follows:

23 Sec. 16.04. FEDERAL PERMIT REQUIRED. A winery permit may be  
24 granted only on presentation of an appropriate [~~a winemaker's and~~  
25 ~~blender's basic permit of the~~] federal wine permit [~~alcohol tax~~  
26 ~~unit~~].

27 SECTION 66. Section 16.08(b), Alcoholic Beverage Code, is

1 amended to read as follows:

2 (b) The holder of a winery permit may sell wine to the holder  
3 of a wine and malt beverage retailer's permit, mixed beverage  
4 permit, private club permit, or nonprofit entity temporary event  
5 permit [~~issued under Chapter 27, 30, or 33~~] for an event that is  
6 approved by the commission and organized to celebrate and promote  
7 the wine industry in this state.

8 SECTION 67. Chapter 16, Alcoholic Beverage Code, is amended  
9 by adding Section 16.10 to read as follows:

10 Sec. 16.10. TRANSPORTING WINE. (a) The holder of a winery  
11 permit may transport wine, if the transportation is for a lawful  
12 purpose, from:

13 (1) the place of purchase to the holder's place of  
14 business; and

15 (2) the place of sale or distribution to the  
16 purchaser.

17 (b) The holder of a winery permit may transport wine from  
18 one wet area to another wet area across a dry area if that course of  
19 transportation is necessary or convenient.

20 (c) The holder of a winery permit may transport wine only in  
21 a vehicle that is owned or leased in good faith by the permit holder  
22 or by the permit holder's agent.

23 SECTION 68. Chapter 16, Alcoholic Beverage Code, is amended  
24 by adding Section 16.11 to read as follows:

25 Sec. 16.11. STORAGE. (a) The holder of a winery permit may  
26 store wine:

27 (1) on the permit holder's premises; or

1           (2) inside or outside the county in which the permit  
2 holder's business is located in a:

3                   (A) public bonded warehouse that is authorized to  
4 store liquor under Chapter 46; or

5                   (B) private warehouse that is:

6                           (i) owned or leased by the permit holder;  
7 and

8                           (ii) operated by the permit holder.

9           (b) The holder of a winery permit whose winery is located in  
10 a county all or part of which is in a dry area may store the winery's  
11 product in a dry area of that county if the product to be stored is  
12 owned by the permit holder and remains in the permit holder's  
13 possession.

14           SECTION 69. Chapter 16, Alcoholic Beverage Code, is amended  
15 by adding Section 16.12 to read as follows:

16           Sec. 16.12. SALES AT TEMPORARY LOCATION. (a) The holder of  
17 a winery permit may sell wine at a civic or wine festival, farmers'  
18 market, celebration, or similar event.

19           (b) The holder of a winery permit may not offer wine for sale  
20 under this section on more than four consecutive days at the same  
21 location.

22           (c) The commission shall adopt rules to implement this  
23 section, including rules that:

24                   (1) require the permit holder to notify the commission  
25 of the dates on which and location where the permit holder will  
26 temporarily offer wine for sale under this section;

27                   (2) establish a procedure to verify the wet or dry



1 status of the location where the permit holder intends to  
2 temporarily sell wine under this section;

3 (3) detail the circumstances when a permit holder may  
4 temporarily sell wine under this section with just a notification  
5 to the commission and the circumstances that require the  
6 commission's preapproval before a permit holder may temporarily  
7 sell wine under this section; and

8 (4) require the permit holder to provide any other  
9 information the commission determines necessary.

10 (d) The provisions of this code applicable to the sale of  
11 wine on the permitted premises of the holder of a winery permit  
12 apply to the sale of wine under this section.

13 SECTION 70. (a) Effective September 1, 2019, Section  
14 19.01, Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a  
16 wholesaler's permit may:

17 (1) purchase and import liquor from distillers,  
18 brewers, wineries, ~~[wine bottlers,~~ rectifiers, and manufacturers  
19 who are holders of nonresident seller's permits or from their  
20 agents ~~[who hold manufacturer's agents permits];~~

21 (2) purchase liquor from other wholesalers in the  
22 state;

23 (3) sell liquor in the original containers in which it  
24 is received to retailers and wholesalers in this state authorized  
25 to sell the liquor;

26 (4) sell liquor to qualified persons outside the  
27 state; and

1           (5) sell ale and malt liquor to a holder of a private  
2 club registration permit.

3           (b) Effective September 1, 2021, Section 19.01, Alcoholic  
4 Beverage Code, is amended to read as follows:

5           Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a  
6 wholesaler's permit may:

7           (1) purchase and import liquor from distillers,  
8 [~~brewers,~~] wineries, and [~~wine bottlers,~~] rectifiers[~~, and~~  
9 ~~manufacturers~~] who are holders of nonresident seller's permits or  
10 from their agents [~~who hold manufacturer's agents permits~~];

11           (2) purchase liquor from other wholesalers in the  
12 state;

13           (3) sell liquor in the original containers in which it  
14 is received to retailers and wholesalers in this state authorized  
15 to sell the liquor; and

16           (4) sell liquor to qualified persons outside the  
17 state[~~, and~~

18           [~~(5) sell ale and malt liquor to a holder of a private~~  
19 ~~club registration permit~~].

20           SECTION 71. Section 19.03, Alcoholic Beverage Code, is  
21 amended to read as follows:

22           Sec. 19.03. PROMOTIONAL ACTIVITIES. The holder of a  
23 wholesaler's permit or the permittee's [~~his~~] agent may enter the  
24 licensed premises of a mixed beverage permittee or private club  
25 registration permittee to determine the brands offered for sale and  
26 suggest or promote the sale of other brands, to the extent  
27 authorized by Section 102.07 [~~of this code~~]. The holder of a

1 wholesaler's permit or the permittee's [~~his~~] agent may not accept a  
2 direct order from a mixed beverage permittee except for wine [~~or~~  
3 ~~malt liquor~~].

4 SECTION 72. Section 19.04, Alcoholic Beverage Code, is  
5 amended to read as follows:

6 Sec. 19.04. MINIATURE CONTAINERS. In addition to other  
7 authorized containers, a wholesaler's permittee may import, sell,  
8 offer for sale, and possess for the purpose of resale distilled  
9 spirits, wine, and vinous liquors in containers of not less than one  
10 ounce nor more than two ounces. Liquor in containers of that size  
11 may be sold to:

12 (1) package store permittees for resale to certain  
13 passenger transportation [~~airline beverage~~] permittees, as  
14 provided in Section 48.03 [~~34.05 of this code~~]; and

15 (2) local distributor's permittees.

16 SECTION 73. Chapter 19, Alcoholic Beverage Code, is amended  
17 by adding Section 19.06 to read as follows:

18 Sec. 19.06. TRANSPORTING LIQUOR. (a) The holder of a  
19 wholesaler's permit may transport liquor, if the transportation is  
20 for a lawful purpose, from:

21 (1) the place of purchase to the holder's place of  
22 business; and

23 (2) the place of sale or distribution to the  
24 purchaser.

25 (b) The holder of a wholesaler's permit may transport liquor  
26 from one wet area to another wet area across a dry area if that  
27 course of transportation is necessary or convenient.

1       (c) The holder of a wholesaler's permit transporting liquor  
2 under this section shall provide to the commission:

3           (1) a full description of each motor vehicle used by  
4 the permit holder for transporting liquor; and

5           (2) any other information the commission requires.

6       (d) The holder of a wholesaler's permit may transport liquor  
7 only in a vehicle that is:

8           (1) described by Subsection (c)(1);

9           (2) owned or leased in good faith by the permit holder  
10 or by the permit holder's agent; and

11           (3) printed or painted with the designation required  
12 by the commission.

13       SECTION 74. Chapter 19, Alcoholic Beverage Code, is amended  
14 by adding Section 19.07 to read as follows:

15       Sec. 19.07. STORAGE. (a) The holder of a wholesaler's  
16 permit may store liquor:

17           (1) on the permit holder's premises; or

18           (2) inside the county in which the permit holder's  
19 business is located in a:

20           (A) public bonded warehouse authorized to store  
21 liquor under Chapter 46; or

22           (B) private warehouse that is:

23                   (i) owned or leased by the permit holder;

24 and

25                   (ii) operated by the permit holder.

26       (b) The holder of a wholesaler's permit may not store liquor  
27 in a dry area.

1 SECTION 75. (a) Effective September 1, 2019, Section  
2 20.01, Alcoholic Beverage Code, is amended to read as follows:

3 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general  
4 class B wholesaler's permit may:

5 (1) purchase and import malt and vinous liquors from  
6 brewers, wineries, rectifiers, and wine manufacturers [~~and wine~~  
7 ~~bottlers~~] who are the holders of nonresident seller's permits or  
8 their agents [~~who are holders of manufacturer's agent permits~~];

9 (2) purchase malt and vinous liquors from holders of  
10 brewer's permits, holders of brewpub licenses, or other wholesalers  
11 in the state;

12 (3) sell the malt and vinous liquors in the original  
13 containers in which they are received to retailers and wholesalers  
14 authorized to sell them in this state, including holders of local  
15 distributor's permits, mixed beverage permits, and daily temporary  
16 mixed beverage permits;

17 (4) sell the malt and vinous liquors to qualified  
18 persons outside the state; and

19 (5) sell ale and malt liquor to a holder of a private  
20 club registration permit.

21 (b) Effective September 1, 2021, Section 20.01, Alcoholic  
22 Beverage Code, is amended to read as follows:

23 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general  
24 class B wholesaler's permit may:

25 (1) purchase and import [~~malt and~~] vinous liquors from  
26 [~~brewers,~~] wineries, rectifiers, and wine manufacturers [~~and wine~~  
27 ~~bottlers~~] who are the holders of nonresident seller's permits or

1 their agents [~~who are holders of manufacturer's agent permits~~];

2 (2) purchase [~~malt and~~] vinous liquors from [~~holders~~  
3 ~~of brewer's permits, holders of brewpub licenses, or other~~]  
4 wholesalers in the state;

5 (3) sell the [~~malt and~~] vinous liquors in the original  
6 containers in which they are received to retailers and wholesalers  
7 authorized to sell them in this state, including holders of local  
8 distributor's permits, mixed beverage permits, and certain  
9 nonprofit entity [~~daily~~] temporary event [~~mixed beverage~~] permits;  
10 and

11 (4) sell the [~~malt and~~] vinous liquors to qualified  
12 persons outside the state [~~, and~~

13 [~~(5) sell ale and malt liquor to a holder of a private~~  
14 ~~club registration permit~~].

15 SECTION 76. Chapter 20, Alcoholic Beverage Code, is amended  
16 by adding Section 20.04 to read as follows:

17 Sec. 20.04. TRANSPORTING LIQUOR. (a) The holder of a  
18 general class B wholesaler's permit may transport liquor, if the  
19 transportation is for a lawful purpose, from:

20 (1) the place of purchase to the holder's place of  
21 business; and

22 (2) the place of sale or distribution to the  
23 purchaser.

24 (b) The holder of a general class B wholesaler's permit may  
25 transport liquor from one wet area to another wet area across a dry  
26 area if that course of transportation is necessary or convenient.

27 (c) The holder of a general class B wholesaler's permit

1 transporting liquor under this section shall provide to the  
2 commission:

3 (1) a full description of each motor vehicle used by  
4 the permit holder for transporting liquor; and

5 (2) any other information the commission requires.

6 (d) The holder of a general class B wholesaler's permit may  
7 transport liquor only in a vehicle that is:

8 (1) described by Subsection (c)(1);

9 (2) owned or leased in good faith by the permit holder  
10 or by the permit holder's agent; and

11 (3) printed or painted with the designation required  
12 by the commission.

13 SECTION 77. Chapter 20, Alcoholic Beverage Code, is amended  
14 by adding Section 20.05 to read as follows:

15 Sec. 20.05. STORAGE. (a) The holder of a general class B  
16 wholesaler's permit may store liquor:

17 (1) on the permitted premises; or

18 (2) inside the county in which the permittee's  
19 business is located in a:

20 (A) public bonded warehouse authorized to store  
21 liquor under Chapter 46; or

22 (B) private warehouse that is:

23 (i) owned or leased by the permit holder;

24 and

25 (ii) operated by the permit holder.

26 (b) The holder of a general class B wholesaler's permit may  
27 not store liquor in a dry area.

1 SECTION 78. Section [22.01](#), Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 22.01. AUTHORIZED ACTIVITIES. The holder of a package  
4 store permit may:

5 (1) purchase liquor in this state from the holder of a  
6 winery, wholesaler's, or class B wholesaler's [~~, or wine bottler's~~]  
7 permit;

8 (2) purchase malt beverages in this state from the  
9 holder of a general or branch distributor's license;

10 (3) sell liquor and malt beverages in unbroken  
11 original containers on or from the holder's [~~his~~] licensed premises  
12 at retail to consumers for off-premises consumption only and not  
13 for the purpose of resale, except that if the permittee is a hotel,  
14 the permittee may deliver unbroken packages of liquor and malt  
15 beverages to bona fide guests of the hotel in their rooms for  
16 consumption in their rooms;

17 (4) [~~(3)~~] sell [~~malt and~~] vinous liquors in original  
18 containers of not less than six ounces; and

19 (5) [~~(4)~~] sell liquor to holders of passenger  
20 transportation [~~airline beverage~~] permits as provided in Section  
21 [48.03](#) [~~34.05 of this code~~].

22 SECTION 79. Section [22.03](#), Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 22.03. DELIVERIES TO CUSTOMERS. (a) The holder of a  
25 package store permit or wine only package store permit issued for a  
26 location within a city or town or within two miles of the corporate  
27 limits of a city or town [~~, who also holds a local cartage permit,~~]



1 may make deliveries of and collections for alcoholic beverages off  
2 the premises in areas where the sale of the beverages is legal. The  
3 permittee must travel by the most direct route and may make  
4 deliveries and collections only within the county or the city or  
5 town or within two miles of its corporate limits, and only in  
6 response to bona fide orders placed by the customer, either in  
7 person at the premises, in writing, by mail, or by telegraph or  
8 telephone. This section shall not be construed as preventing a  
9 holder of a package store permit or wine only package store permit  
10 from delivering alcoholic beverages to the holder of a carrier's  
11 permit for transportation to persons who have placed bona fide  
12 orders and who are located in an area that the holder of a package  
13 store permit or wine only package store permit [~~, who also holds a~~  
14 ~~local cartage permit,~~] is authorized to directly deliver to under  
15 this section. The holder of a package store permit or wine only  
16 package store permit may also deliver alcoholic beverages to the  
17 holder of a carrier's permit for transportation outside of this  
18 state in response to bona fide orders placed by persons authorized  
19 to purchase the beverages.

20 (b) The holder of a package store permit [~~who also holds a~~  
21 ~~local cartage permit~~] may transport alcoholic beverages to a  
22 commercial airline in a regional airport located all or partly in an  
23 adjoining county if the airport is governed by a board, commission,  
24 or authority, some of whose members reside in the county where the  
25 package store is located.

26 SECTION 80. Section [22.06\(a\)](#), Alcoholic Beverage Code, is  
27 amended to read as follows:

1 (a) Except as otherwise provided in Section 102.05 [~~of this~~  
2 ~~code and in Subsection (b) of this section~~], no person who holds a  
3 package store permit or owns an interest in a package store may have  
4 a direct or indirect interest in any of the following:

5 (1) a brewer's [~~manufacturer's~~], retail dealer's  
6 on-premise, or general or[~~r~~] branch[~~, or local~~] distributor's  
7 license;

8 (2) a wine and malt beverage [~~beer~~] retailer's, wine  
9 and malt beverage [~~beer~~] retailer's off-premise, or mixed beverage  
10 permit; or

11 (3) the business of any of the permits or licenses  
12 listed in Subdivisions (1) and (2) of this subsection.

13 SECTION 81. Section 22.08, Alcoholic Beverage Code, is  
14 amended to read as follows:

15 Sec. 22.08. TRANSFER OF BEVERAGES. (a) The owner of more  
16 than one package store [~~who is also the holder of a local cartage~~  
17 ~~permit~~] may transfer alcoholic beverages between any of the owner's  
18 [~~his~~] licensed premises in the same county between the hours of 7  
19 a.m. and 9 p.m. on any day when the sale of those beverages is legal,  
20 subject to rules prescribed by the commission.

21 (b) The holder of a package store permit may not transport  
22 alcoholic beverages under Subsection (a) unless:

23 (1) the permit holder provides the commission with a  
24 description, as required by the commission, of each motor vehicle  
25 used by the permit holder to transport alcoholic beverages; and

26 (2) each motor vehicle is plainly marked or lettered  
27 to indicate that it is being used by the permit holder to transport

1 alcoholic beverages.

2 (c) When transporting alcoholic beverages under this  
3 section, the holder of a package store permit may not violate the  
4 motor carrier laws of this state.

5 SECTION 82. Section 22.10, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 22.10. OPENING CONTAINERS PROHIBITED. Except as  
8 authorized under Section 22.18 [~~52.01 of this code~~], a [no] person  
9 may not break or open a container containing liquor or a malt  
10 beverage [~~beer~~] or possess an opened container of liquor or a malt  
11 beverage [~~beer~~] on the premises of a package store.

12 SECTION 83. Section 22.11, Alcoholic Beverage Code, is  
13 amended to read as follows:

14 Sec. 22.11. CONSUMPTION ON PREMISES PROHIBITED. Except as  
15 authorized under Section 22.18 [~~52.01~~], a [no] person may not sell,  
16 barter, exchange, deliver, or give away any drink or drinks of  
17 alcoholic beverages from a container that has been opened or broken  
18 on the premises of a package store.

19 SECTION 84. Chapter 22, Alcoholic Beverage Code, is amended  
20 by adding Section 22.18 to read as follows:

21 Sec. 22.18. TASTINGS. (a) The holder of a package store  
22 permit may conduct product tastings of distilled spirits, wine,  
23 malt beverages, or spirit-based coolers on the permitted premises  
24 during regular business hours as provided by this section.

25 (b) Written notification of a product tasting must be posted  
26 on the premises of the package store permit holder not later than 48  
27 hours before the tasting event. The notification shall clearly

1 state:

2 (1) the type and brand of alcoholic beverage to be  
3 tasted;

4 (2) the date and hours the tasting is to take place;  
5 and

6 (3) the address of the premises where the tasting is to  
7 occur.

8 (c) A copy of the notification shall be kept on file and  
9 available for inspection on the premises during all tasting hours.

10 (d) Sample portions at a product tasting shall be limited to  
11 not more than:

12 (1) one-half ounce for distilled spirits;

13 (2) one ounce for wine; and

14 (3) one ounce for malt beverages and coolers.

15 (e) Not more than 20 different products may be made  
16 available for tasting at any one time.

17 (f) No charge of any sort may be made for a sample serving.

18 (g) A person may be served more than one sample. Samples may  
19 not be served to a minor or to an obviously intoxicated person. A  
20 sample may not be removed from the permitted premises.

21 (h) During the tasting, not more than two containers of each  
22 brand or type of product being tasted may be open on the premises at  
23 one time.

24 (i) At the conclusion of the tasting, all empty or open  
25 containers of alcoholic beverages used in the tasting shall be  
26 removed from the premises or stored in a locked, secure area on the  
27 permitted premises.

1       (j) A tasting event authorized by this section may not be  
2 advertised except by on-site communications, by direct mail, by  
3 electronic mail, or on the permit holder's Internet website.

4       (k) Except as provided by Subsection (l) or elsewhere in  
5 this code, a person other than the package store permittee or the  
6 permittee's agent or employee may not dispense or participate in  
7 the dispensing of alcoholic beverages under this section.

8       (l) The holder of a distiller's or rectifier's permit or  
9 nonresident seller's permit or that permit holder's agent or  
10 employee may participate in and conduct product tastings of  
11 alcoholic beverages at a retailer's premises and may open, touch,  
12 or pour alcoholic beverages, make a presentation, or answer  
13 questions at the tasting. Any alcoholic beverage tasted under this  
14 subsection must be purchased from the package store permit holder  
15 on whose premises the tasting is held. The permit holder may not  
16 require the purchase of more alcoholic beverages than are necessary  
17 for the tasting. This section does not authorize the holder of a  
18 distiller's or rectifier's permit or nonresident seller's permit or  
19 that permit holder's agent or employee to withdraw or purchase an  
20 alcoholic beverage from the holder of a wholesaler's permit or  
21 provide an alcoholic beverage for tasting on a retailer's premises  
22 that is not purchased from the retailer.

23       (m) For the purposes of this code and any other law or  
24 ordinance:

25               (1) a package store permit does not authorize the sale  
26 of alcoholic beverages for on-premise consumption; and

27               (2) none of the permit holder's income may be

1 considered to be income from the sale of alcoholic beverages for  
2 on-premise consumption.

3 SECTION 85. Section 23.01, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 23.01. AUTHORIZED ACTIVITIES. (a) The holder of a  
6 local distributor's permit may:

7 (1) purchase alcoholic beverages, including malt  
8 beverages, from wholesalers and distributors authorized to sell  
9 them for resale, but may purchase only those brands available for  
10 general distribution to all local distributor's permittees;

11 (2) sell and distribute the alcoholic beverages, including malt beverages,  
12 to mixed beverage and private club  
13 registration permittees; [and]

14 (3) sell and distribute distilled spirits to the  
15 holder of a nonprofit entity temporary event permit; and

16 (4) rent or sell to mixed beverage and private club  
17 registration permittees any equipment, fixtures, or supplies used  
18 in the selling or dispensing of distilled spirits.

19 (b) A local distributor's permittee may purchase liquor  
20 only from a wholesaler's[7] or general class B wholesaler's[7-~~or~~  
21 ~~local class B wholesaler's~~] permittee and may purchase only the  
22 types of liquor the particular wholesaler is authorized by the  
23 wholesaler's [his] permit to sell.

24 SECTION 86. Section 23.04, Alcoholic Beverage Code, is  
25 amended to read as follows:

26 Sec. 23.04. MAY TRANSFER BEVERAGES. (a) The [~~if the~~]  
27 holder of a local distributor's permit [~~also holds a local cartage~~

1 ~~permit, he]~~ may transfer alcoholic beverages:

2 (1) to any place where the sale of alcoholic beverages  
3 is legal in the city or county where the permit holder's ~~[his]~~  
4 premises are located; and

5 (2) to a regional airport located all or partly in an  
6 adjoining county if the airport is governed by a board, commission,  
7 or authority, some of whose members reside in the county where the  
8 local distributor's premises are located.

9 (b) The holder of a local distributor's permit may not  
10 transport alcoholic beverages under Subsection (a) unless:

11 (1) the permit holder provides the commission with a  
12 description, as required by the commission, of each motor vehicle  
13 used by the permit holder to transport alcoholic beverages; and

14 (2) each motor vehicle is plainly marked or lettered  
15 to indicate that it is being used by the permit holder to transport  
16 alcoholic beverages.

17 (c) When transporting alcoholic beverages under this  
18 section, the holder of a local distributor's permit may not violate  
19 the motor carrier laws of this state.

20 SECTION 87. Section 24.01(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) The holder of a wine only package store permit may:

23 (1) purchase ~~[ale,~~ wine~~]~~ and vinous liquors in this  
24 state from the holder of a winery, ~~[wine bottler's,~~ wholesaler's,  
25 or class B wholesaler's permit; ~~[and]~~

26 (2) purchase malt beverages from the holder of a  
27 general or branch distributor's license; and

1           (3) sell those beverages to consumers at retail on or  
2 from the licensed premises in unbroken original containers of not  
3 less than six ounces for off-premises consumption only and not for  
4 the purpose of resale.

5           SECTION 88. Section 24.04, Alcoholic Beverage Code, is  
6 amended to read as follows:

7           Sec. 24.04. DESIGNATION OF PLACE OF STORAGE; TRANSPORT OF  
8 BEVERAGES. (a) The owner of more than one wine only package store  
9 [~~who is also the holder of a local cartage permit~~] may designate one  
10 of the permit holder's [~~his~~] places of business as a place of  
11 storage. The permit holder [~~He~~] may transfer alcoholic beverages  
12 to and from the [~~his~~] place of storage and the permit holder's [~~his~~]  
13 other stores in the same county, subject to rules prescribed by the  
14 commission.

15           (b) A wine only package store permit holder may not  
16 transport alcoholic beverages under Subsection (a) unless:

17                   (1) the permit holder provides the commission with a  
18 description, as required by the commission, of each motor vehicle  
19 used by the permit holder to transport alcoholic beverages; and

20                   (2) each motor vehicle is plainly marked or lettered  
21 to indicate that it is being used by the permit holder to transport  
22 alcoholic beverages.

23           (c) When transporting alcoholic beverages under this  
24 section, the holder of a wine only package store permit may not  
25 violate the motor carrier laws of this state.

26           SECTION 89. Section 24.05(c), Alcoholic Beverage Code, is  
27 amended to read as follows:



1 (c) A person may not hold a wine and malt beverage [~~beer~~]  
2 retailer's or wine and malt beverage [~~beer~~] retailer's off-premise  
3 permit at the same location where the person holds a wine only  
4 package store permit.

5 SECTION 90. Section 24.07, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 24.07. [~~WHEN LICENSE ALSO HELD+~~] HOURS OF SALE [~~, ETC~~].

8 A holder of a wine only package store permit [~~who also holds a~~  
9 ~~retail dealer's off-premise license for the same location~~] may  
10 remain open and sell malt beverages [~~ale~~], wine, and vinous  
11 liquors, [~~and beer,~~] for off-premises consumption only, on any day  
12 and during the same hours that the holder of a wine and malt  
13 beverage [~~beer~~] retailer's permit may sell malt beverages [~~ale,~~  
14 ~~beer,~~] and wine, except that the permittee [~~he~~] may not sell wine or  
15 vinous liquor containing more than 17 percent alcohol by volume on a  
16 Sunday or after 10 p.m. on any day.

17 SECTION 91. Section 24.09, Alcoholic Beverage Code, is  
18 amended to read as follows:

19 Sec. 24.09. OPENING CONTAINERS PROHIBITED. Except as  
20 provided by Section 24.12 [~~52.01~~], a person may not break or open a  
21 container of liquor or malt beverages [~~beer~~] or possess an opened  
22 container of liquor or malt beverages [~~beer~~] on the premises of a  
23 wine only package store.

24 SECTION 92. Section 24.10, Alcoholic Beverage Code, is  
25 amended to read as follows:

26 Sec. 24.10. BEVERAGE FROM OPENED CONTAINER. Except as  
27 provided by Section 24.12 [~~52.01~~], a person may not sell, barter,

1 exchange, deliver, or give away a drink of alcoholic beverage from a  
2 container that has been opened or broken on the premises of a wine  
3 only package store.

4 SECTION 93. Section 24.12, Alcoholic Beverage Code, is  
5 amended to read as follows:

6 Sec. 24.12. WINE AND MALT BEVERAGES [~~ALE~~] SAMPLING. (a)  
7 The holder of a wine only package store permit may conduct free  
8 product samplings of wine or malt beverages [~~ale~~] on the permit  
9 holder's premises during regular business hours as provided by this  
10 section.

11 (b) An agent or employee of the holder of a wine only package  
12 store permit may open, touch, or pour wine or malt beverages [~~ale~~],  
13 make a presentation, or answer questions at a sampling event.

14 (c) For the purposes of this code and any other law or  
15 ordinance:

16 (1) a wine only package store permit does not  
17 authorize the sale of alcoholic beverages for on-premise  
18 consumption; and

19 (2) none of the permit holder's income may be  
20 considered to be income from the sale of alcoholic beverages for  
21 on-premise consumption.

22 (d) Any wine or malt beverages [~~ale~~] used in a sampling  
23 event under this section must be purchased from or provided by the  
24 retailer on whose premises the sampling event is held. The retailer  
25 may not require the purchase of more alcoholic beverages than are  
26 necessary for the tasting. This section does not authorize the  
27 holder of a nonresident seller's permit or that permit holder's

1 agent or employee to withdraw or purchase an alcoholic beverage  
2 from the holder of a wholesaler's permit or provide an alcoholic  
3 beverage for tasting on a retailer's premises that is not purchased  
4 from the retailer.

5 (e) When a sampling event under this section is held on the  
6 premises of a wine only package store permit located in an area  
7 which is wet for the sale of wine but which is not wet for the sale  
8 of higher alcohol content wines that may be sold under an  
9 unrestricted wine only package store permit, the only wines that  
10 may be sampled are wines which may be legally sold by the wine only  
11 package store permittee as restricted under Section 251.81.

12 (f) Written notification of a product tasting must be posted  
13 on the premises of the wine only package store permit holder not  
14 later than 48 hours before the tasting event. The notification  
15 shall clearly state:

16 (1) the type and brand of alcoholic beverage to be  
17 tasted;

18 (2) the date and hours the tasting is to take place;  
19 and

20 (3) the address of the premises where the tasting is to  
21 occur.

22 (g) A copy of the notification shall be kept on file and  
23 available for inspection on the premises during all tasting hours.

24 (h) Sample portions at a product tasting shall be limited to  
25 no more than:

26 (1) one ounce for wine; and

27 (2) one ounce for malt beverages and coolers.

1       (i) Not more than 20 different products may be made  
2 available for tasting at any one time.

3       (j) No charge of any sort may be made for a sample serving.

4       (k) A person may be served more than one sample. Samples may  
5 not be served to a minor or to an obviously intoxicated person. A  
6 sample may not be removed from the permitted premises.

7       (l) During the tasting, not more than two containers of each  
8 brand or type of product being tasted may be open on the premises at  
9 one time.

10       (m) At the conclusion of the tasting, all empty or open  
11 containers of alcoholic beverages used in the tasting shall be  
12 removed from the premises or stored in a locked, secure area on the  
13 permitted premises.

14       (n) A tasting event authorized by this section may not be  
15 advertised except by on-site communications, by direct mail, by  
16 electronic mail, or on the permit holder's Internet website.

17       (o) Except as provided by Subsection (p) or elsewhere in  
18 this code, a person other than the wine only package store permittee  
19 or the permittee's agent or employee may not dispense or  
20 participate in the dispensing of alcoholic beverages under this  
21 section.

22       (p) The holder of a nonresident seller's permit or that  
23 permit holder's agent or employee may participate in and conduct  
24 product tastings of alcoholic beverages at a retailer's premises  
25 and may open, touch, or pour alcoholic beverages, make a  
26 presentation, or answer questions at the tasting.

27       SECTION 94. The heading to Chapter 25, Alcoholic Beverage

1 Code, is amended to read as follows:

2 CHAPTER 25. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S PERMIT

3 SECTION 95. Section 25.01, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 25.01. AUTHORIZED ACTIVITIES. The holder of a wine and  
6 malt beverage [~~beer~~] retailer's permit may sell:

7 (1) for consumption on or off the premises where sold,  
8 but not for resale, wine[~~, beer,~~] and malt beverages [~~liquors~~]  
9 containing alcohol in excess of one-half of one percent by volume  
10 and not more than 17 percent by volume; and

11 (2) for consumption on the premises traditional port  
12 or sherry containing alcohol in excess of one-half of one percent by  
13 volume and not more than 24 percent by volume.

14 SECTION 96. (a) Effective December 31, 2020, Section  
15 25.04(a), Alcoholic Beverage Code, is amended to read as follows:

16 (a) A wine and beer retailer's permit is issued by the  
17 commission [~~or administrator~~]. The qualification of applicants and  
18 the application for and issuance of the permit are governed by the  
19 same provisions which apply to the application for and issuance of a  
20 retail dealer's on-premise license.

21 (b) Effective September 1, 2021, Section 25.04, Alcoholic  
22 Beverage Code, is amended to read as follows:

23 Sec. 25.04. ISSUANCE, CANCELLATION, AND SUSPENSION OF  
24 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's permit is  
25 issued by the commission [~~or administrator~~]. The qualification of  
26 applicants and the application for and issuance of the permit are  
27 governed by the same provisions which apply to the application for

1 and issuance of a retail dealer's on-premise license.

2 (b) The provisions of this code applicable to the  
3 cancellation and suspension of a retail dealer's on-premise license  
4 also apply to the cancellation and suspension of a wine and malt  
5 beverage [~~beer~~] retailer's permit.

6 SECTION 97. (a) Effective December 31, 2020, Section  
7 25.05(a), Alcoholic Beverage Code, is amended to read as follows:

8 (a) On receipt of an original application for a wine and  
9 beer retailer's permit, the commission [~~county judge~~] shall give  
10 notice of all hearings before the commission [~~him~~] concerning the  
11 application to [~~the commission,~~] the sheriff[~~7~~] and the chief of  
12 police of the incorporated city in which, or nearest which, the  
13 premises for which the permit is sought are located.

14 (b) Effective September 1, 2021, Section 25.05(a),  
15 Alcoholic Beverage Code, is amended to read as follows:

16 (a) On receipt of an original application for a wine and  
17 malt beverage [~~beer~~] retailer's permit, the commission [~~county~~  
18 ~~judge~~] shall give notice of all hearings before the commission  
19 [~~him~~] concerning the application to [~~the commission,~~] the  
20 sheriff[~~7~~] and the chief of police of the incorporated city in  
21 which, or nearest which, the premises for which the permit is sought  
22 are located.

23 SECTION 98. (a) Effective December 31, 2020, Sections  
24 25.06(a), (b), and (c), Alcoholic Beverage Code, are amended to  
25 read as follows:

26 (a) The commission [~~county judge~~] shall deny an original  
27 application for a wine and beer retailer's permit if the commission

1 ~~he~~ finds that the applicant, or the applicant's spouse, during  
2 the five years immediately preceding the application, was finally  
3 convicted of a felony or one of the following offenses:

4 (1) prostitution;

5 (2) a vagrancy offense involving moral turpitude;

6 (3) bookmaking;

7 (4) gambling or gaming;

8 (5) an offense involving controlled substances as  
9 defined in Chapter 481, Health and Safety Code, or other dangerous  
10 drugs;

11 (6) a violation of this code resulting in the  
12 cancellation of a license or permit, or a fine of not less than  
13 \$500;

14 (7) more than three violations of this code relating  
15 to minors;

16 (8) bootlegging; or

17 (9) an offense involving firearms or a deadly weapon.

18 (b) The commission ~~[county judge]~~ shall also deny an  
19 original application for a permit if the commission ~~he~~ finds that  
20 five years have not elapsed since the termination of a sentence,  
21 parole, or probation served by the applicant or the applicant's  
22 spouse because of a felony conviction or conviction of any of the  
23 offenses described in Subsection (a) ~~[of this section]~~.

24 (c) The commission shall deny an application for ~~[refuse to~~  
25 ~~issue]~~ a renewal of a wine and ~~[or]~~ beer retailer's permit if the  
26 commission ~~it~~ finds:

27 (1) that the applicant, or the applicant's spouse, has

1 been convicted of a felony or one of the offenses listed in  
2 Subsection (a) [~~of this section~~] at any time during the five years  
3 immediately preceding the filing of the application for renewal; or

4 (2) that five years have not elapsed since the  
5 termination of a sentence, parole, or probation served by the  
6 applicant, or the applicant's spouse, of a felony conviction or  
7 conviction of any of the offenses described in Subsection (a) [~~of~~  
8 ~~this section~~].

9 (b) Effective September 1, 2021, Sections 25.06(a) and (c),  
10 Alcoholic Beverage Code, are amended to read as follows:

11 (a) The commission [~~county judge~~] shall deny an original  
12 application for a wine and malt beverage [~~beer~~] retailer's permit  
13 if the commission [~~he~~] finds that the applicant, or the applicant's  
14 spouse, during the five years immediately preceding the  
15 application, was finally convicted of a felony or one of the  
16 following offenses:

17 (1) prostitution;

18 (2) a vagrancy offense involving moral turpitude;

19 (3) bookmaking;

20 (4) gambling or gaming;

21 (5) an offense involving controlled substances as  
22 defined in Chapter 481, Health and Safety Code, or other dangerous  
23 drugs;

24 (6) a violation of this code resulting in the  
25 cancellation of a license or permit, or a fine of not less than  
26 \$500;

27 (7) more than three violations of this code relating



1 to minors;

2 (8) bootlegging; or

3 (9) an offense involving firearms or a deadly weapon.

4 (c) The commission shall deny an application for [~~refuse to~~  
5 ~~issue~~] a renewal of a wine and malt beverage [~~or beer~~] retailer's  
6 permit if the commission [~~it~~] finds:

7 (1) that the applicant, or the applicant's spouse, has  
8 been convicted of a felony or one of the offenses listed in  
9 Subsection (a) [~~of this section~~] at any time during the five years  
10 immediately preceding the filing of the application for renewal; or

11 (2) that five years have not elapsed since the  
12 termination of a sentence, parole, or probation served by the  
13 applicant, or the applicant's spouse, of a felony conviction or  
14 conviction of any of the offenses described in Subsection (a) [~~of~~  
15 ~~this section~~].

16 SECTION 99. Section 25.09, Alcoholic Beverage Code, is  
17 amended to read as follows:

18 Sec. 25.09. POSSESSION OF CERTAIN BEVERAGES PROHIBITED.

19 (a) Except as provided by this section, a wine and malt beverage  
20 [~~beer~~] retailer's permittee or an officer of the permittee may not  
21 possess distilled spirits or liquor containing alcohol in excess of  
22 17 percent by volume on the licensed premises.

23 (b) The commission by rule may allow a wine and malt  
24 beverage [~~beer~~] retailer's permittee or the permittee's officer to  
25 possess and use alcoholic beverages in excess of 17 percent by  
26 volume on the licensed premises for cooking purposes.

27 SECTION 100. Section 25.10, Alcoholic Beverage Code, is

1 amended to read as follows:

2       Sec. 25.10. APPLICATION OF OTHER CODE PROVISIONS. Sections  
3 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine  
4 and malt beverage [~~beer~~] retailer's permit. The restrictions in  
5 this code relating to malt beverages [~~beer~~] as to the application of  
6 local restrictions, sales to minors and intoxicated persons, age of  
7 employees, and the use of blinds or barriers apply to the sale of  
8 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's  
9 permittee.

10       SECTION 101. Section 25.11, Alcoholic Beverage Code, is  
11 amended to read as follows:

12       Sec. 25.11. SEATING AREA REQUIRED. A wine and malt beverage  
13 [~~beer~~] retailer's permittee must have an area designated on the  
14 premises for the permittee's customers to sit if they wish to  
15 consume beverages sold by the permittee on the premises.

16       SECTION 102. Section 25.12(a), Alcoholic Beverage Code, is  
17 amended to read as follows:

18       (a) Notwithstanding any provision of this code to the  
19 contrary, the premises of a wine and malt beverage [~~beer~~]  
20 retailer's permittee who leases space in a food court includes the  
21 seating area that the permittee shares with the other lessees that  
22 occupy the food court.

23       SECTION 103. Sections 25.13(a), (a-1), and (d), Alcoholic  
24 Beverage Code, are amended to read as follows:

25       (a) In this section, "location" means the designated  
26 physical address of the wine and malt beverage [~~beer~~] retailer's  
27 permit and includes all areas at the address where the permit holder

1 may sell or deliver alcoholic beverages for immediate consumption  
2 regardless of whether some of those areas are occupied by other  
3 businesses.

4 (a-1) A holder of a wine and malt beverage [~~beer~~] retailer's  
5 permit may be issued a food and beverage certificate by the  
6 commission if the commission finds that the receipts from the sale  
7 of alcoholic beverages by the permit holder at the location are 60  
8 percent or less of the total receipts from the location.

9 (d) A certificate issued under this section expires on the  
10 expiration of the primary wine and malt beverage [~~beer~~] retailer's  
11 permit. A certificate may be canceled at any time, and the renewal  
12 of a certificate may be denied, if the commission finds that the  
13 holder of the certificate is in violation of Subsection (a-1) or (b)  
14 or a rule adopted under Subsection (b-1). On finding that the  
15 permittee knowingly operated under a food and beverage certificate  
16 while not complying with this section or a rule adopted under  
17 Subsection (b-1), the commission may cancel or deny the renewal of  
18 the permittee's wine and malt beverage [~~beer~~] retailer's  
19 permit. The holder of a wine and malt beverage [~~beer~~] retailer's  
20 permit whose certificate has been canceled or who is denied renewal  
21 of a certificate under this subsection may not apply for a new  
22 certificate until the day after the first anniversary of the date  
23 the certificate was canceled or the renewal of the certificate was  
24 denied.

25 SECTION 104. Section [25.14\(a\)](#), Alcoholic Beverage Code, is  
26 amended to read as follows:

27 (a) Notwithstanding any other provision of this code, a

1 permit under this chapter may be issued for a premises in an area in  
2 which the voters have approved the following alcoholic beverage  
3 ballot issues in a local option election:

4 (1) "The legal sale of malt beverages [~~beer~~] and wine  
5 for off-premise consumption only."; and

6 (2) either:

7 (A) "The legal sale of mixed beverages."; or

8 (B) "The legal sale of mixed beverages in  
9 restaurants by food and beverage certificate holders only."

10 SECTION 105. Chapter 25, Alcoholic Beverage Code, is  
11 amended by adding Section 25.15 to read as follows:

12 Sec. 25.15. SALES AT TEMPORARY LOCATION. (a) The holder of  
13 a wine and malt beverage retailer's permit may temporarily at a  
14 location other than the permit holder's premises sell for  
15 consumption on or off the premises where sold, but not for resale,  
16 wine and malt beverages containing alcohol in excess of one-half of  
17 one percent by volume but not more than 17 percent by volume at a  
18 picnic, celebration, or similar event.

19 (b) The holder of a wine and malt beverage retailer's permit  
20 may temporarily sell wine and malt beverages for not more than four  
21 consecutive days at the same location under Subsection (a) and not  
22 more than five consecutive days at an event under Subsection (d) or  
23 six days if necessary to accommodate the postponement of scheduled  
24 racing events due to an act of nature.

25 (c) The commission shall adopt rules to implement this  
26 section, including rules that:

27 (1) require the permit holder to notify the commission

1 of the dates on which and location where the permit holder will  
2 temporarily offer wine and malt beverages for sale under this  
3 section;

4 (2) establish a procedure to verify the wet or dry  
5 status of the location where the permit holder intends to  
6 temporarily sell wine and malt beverages under this section;

7 (3) detail the circumstances when a permit holder may  
8 temporarily sell wine and malt beverages under this section with  
9 only a notification to the commission and the circumstances that  
10 require the commission's preapproval before a permit holder may  
11 temporarily sell wine and malt beverages under this section;

12 (4) establish the length of time a permit holder may  
13 sell wine and malt beverages under this section at the same  
14 location; and

15 (5) require the permit holder to provide any other  
16 information the commission determines necessary.

17 (d) The holder of a wine and malt beverage retailer's permit  
18 may temporarily sell wine and malt beverages in an area of a  
19 facility with a seating capacity of more than 150,000 that is open  
20 to the public and not otherwise covered by a license or permit  
21 during a motor vehicle racing event sponsored by a professional  
22 motor racing association.

23 (e) The holder of a wine and malt beverage retailer's permit  
24 who temporarily sells wine and malt beverages under Subsection (d)  
25 may not:

26 (1) sell under this section at the facility more than  
27 four times in a calendar year;

1           (2) sell alcoholic beverages in factory-sealed  
2 containers;

3           (3) sell more than two drinks to a single consumer at  
4 one time;

5           (4) sell alcoholic beverages at more than 50 percent  
6 of the food and beverage concession stands that are open for  
7 business at any one time; and

8           (5) sell alcoholic beverages after:

9                   (A) 75 percent of the feature race is complete on  
10 the day that race is held; and

11                   (B) one hour before the scheduled completion of  
12 the last spectator event on a day other than the feature race day.

13           (f) A holder of a wine and malt beverage retailer's permit  
14 that sells wine or malt beverages under that permit in a county  
15 other than the county in which the premises covered by the permit is  
16 located must:

17                   (1) purchase the beverages from a distributor or  
18 wholesaler authorized under this code to sell the beverages in the  
19 county in which the permit holder sells the beverages under this  
20 section; and

21                   (2) report to the commission, in the manner prescribed  
22 by the commission by rule, the amount of beverages purchased and  
23 sold under this section, by type.

24           SECTION 106. The heading to Chapter 26, Alcoholic Beverage  
25 Code, is amended to read as follows:

1 CHAPTER 26. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S OFF-PREMISE

2 PERMIT

3 SECTION 107. Section 26.01, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 26.01. AUTHORIZED ACTIVITIES. (a) The holder of a  
6 wine and malt beverage [~~beer~~] retailer's off-premise permit may  
7 sell for off-premises consumption only, in unbroken original  
8 containers, but not for resale, wine[~~, beer,~~] and malt beverages  
9 [~~liquors~~] containing alcohol in excess of one-half of one percent  
10 by volume but not more than 17 percent by volume.

11 (b) The holder of a wine and malt beverage [~~beer~~] retailer's  
12 off-premise permit may conduct free product samplings of wine[~~, beer,~~  
13 ~~beer,~~] and malt beverages [~~liquor~~] containing alcohol in excess of  
14 one-half of one percent by volume but not more than 17 percent by  
15 volume on the permit holder's premises during regular business  
16 hours as provided by Section 26.08.

17 SECTION 108. (a) Effective December 31, 2020, Section  
18 26.03(a), Alcoholic Beverage Code, is amended to read as follows:

19 (a) A wine and beer retailer's off-premise permit is issued  
20 by the commission [~~or administrator~~]. The qualifications of  
21 applicants and the application for and issuance of the permit are  
22 governed by the same provisions which apply to the application for  
23 and issuance of a retail dealer's off-premise license.

24 (b) Effective September 1, 2021, Section 26.03, Alcoholic  
25 Beverage Code, is amended to read as follows:

26 Sec. 26.03. ISSUANCE, CANCELLATION, AND SUSPENSION OF  
27 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's off-premise

1 permit is issued by the commission [~~or administrator~~]. The  
2 qualifications of applicants and the application for and issuance  
3 of the permit are governed by the same provisions which apply to the  
4 application for and issuance of a retail dealer's off-premise  
5 license.

6 (b) The provisions of this code applicable to the  
7 cancellation and suspension of a retail dealer's off-premise  
8 license also apply to the cancellation and suspension of a wine and  
9 malt beverage [~~beer~~] retailer's off-premise permit.

10 SECTION 109. Section 26.04, Alcoholic Beverage Code, is  
11 amended to read as follows:

12 Sec. 26.04. APPLICATION OF OTHER CODE PROVISIONS. Sections  
13 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine  
14 and malt beverage [~~beer~~] retailer's off-premise permit. The  
15 restrictions in this code relating to malt beverages [~~beer~~] as to  
16 the application of local restrictions, sales to minors and  
17 intoxicated persons, and age of employees apply to the sale of  
18 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's  
19 off-premise permittee.

20 SECTION 110. Section 26.05(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) Each holder of a wine and malt beverage [~~beer~~]  
23 retailer's off-premise permit shall display in a prominent place on  
24 the permittee's [~~his~~] premises a sign stating in letters at least  
25 two inches high: IT IS A CRIME (MISDEMEANOR) TO CONSUME LIQUOR OR  
26 MALT BEVERAGES [~~BEER~~] ON THESE PREMISES. The commission or  
27 administrator may require the holder of the permit to also display



1 the sign in a language other than English if it can be observed or  
2 determined that a substantial portion of the expected customers  
3 speak the other language as their familiar language.

4 SECTION 111. Section 26.08, Alcoholic Beverage Code, is  
5 amended to read as follows:

6 Sec. 26.08. SAMPLING EVENT. (a) An employee of the holder  
7 of a wine and malt beverage [~~beer~~] retailer's off-premise permit  
8 may open, touch, or pour wine [~~beer~~] or malt beverages [~~liquor~~],  
9 make a presentation, or answer questions at a sampling event.

10 (b) For purposes of this code and any other law or  
11 ordinance:

12 (1) a wine and malt beverage [~~beer~~] retailer's  
13 off-premise permit does not authorize the sale of alcoholic  
14 beverages for on-premises consumption; and

15 (2) none of the permit holder's income may be  
16 considered to be income from the sale of alcoholic beverages for  
17 on-premises consumption.

18 (c) Any wine [~~beer~~] or malt beverages [~~liquor~~] used in a  
19 sampling event under this section must be purchased from or  
20 provided by the retailer on whose premises the sampling event is  
21 held. This section does not authorize the holder of a wine and malt  
22 beverage [~~beer~~] retailer's off-premise permit to withdraw or  
23 purchase alcoholic beverages from the holder of a wholesaler's  
24 permit or a distributor's license or provide alcoholic beverages  
25 for a sampling on a retailer's premises that is not purchased from  
26 the retailer. The amount of alcoholic beverages purchased from the  
27 retailer may not exceed the amount of alcoholic beverages used in

1 the sampling event.

2 SECTION 112. Sections 28.01(b) and (c), Alcoholic Beverage  
3 Code, are amended to read as follows:

4 (b) The holder of a mixed beverage permit for an  
5 establishment in a hotel may deliver mixed beverages, including  
6 wine and malt beverages [~~beer~~], to individual rooms of the hotel or  
7 to any other location in the hotel building or grounds, except a  
8 parking area or the licensed premises of another alcoholic beverage  
9 establishment, without regard to whether the place of delivery is  
10 part of the licensed premises. A permittee in a hotel may allow a  
11 patron or visitor to enter or leave the licensed premises, even  
12 though the patron or visitor possesses an alcoholic beverage, if  
13 the beverage is in an open container and appears to be possessed for  
14 present consumption.

15 (c) The holder of a mixed beverage permit may also:

16 (1) purchase wine [~~, beer, ale,~~] and malt beverages  
17 [~~liquor~~] containing alcohol of not more than 21 percent by volume in  
18 containers of any legal size from any permittee or licensee  
19 authorized to sell those beverages for resale; and

20 (2) sell the wine [~~, beer, ale,~~] and malt beverages  
21 [~~liquor~~] for consumption on the licensed premises.

22 SECTION 113. Section 28.07, Alcoholic Beverage Code, is  
23 amended by amending Subsections (b) and (c) and adding Subsection  
24 (d) to read as follows:

25 (b) If a holder of a mixed beverage permit is in a county  
26 where there are no local distributors, the permit holder [~~he~~] may  
27 purchase alcoholic beverages in the nearest county where local

1 distributors are located and may transport them to the permit  
2 holder's [his] premises [~~provided that he is also a holder of a~~  
3 ~~beverage cartage permit~~]. The transporter may acquire the  
4 alcoholic beverages only on the written order of the holder of the  
5 mixed beverage permit. The alcoholic beverages must be accompanied  
6 by a written statement furnished and signed by the local  
7 distributor showing the name and address of the consignee and  
8 consignor, the origin and destination of the shipment, and any  
9 other information required by the commission or administrator. The  
10 person in charge of the alcoholic beverages while they are being  
11 transported shall exhibit the written statement to any  
12 representative of the commission or any peace officer on demand,  
13 and the statement shall be accepted by the representative or  
14 officer as prima facie evidence of the lawful right to transport the  
15 alcoholic beverages.

16 (c) If a mixed beverage permittee's [~~permittee holds a~~  
17 ~~beverage cartage permit and his~~] premises are located in a regional  
18 airport governed by a board, commission, or authority composed of  
19 members from two or more counties, and there is no local distributor  
20 at the airport, the mixed beverage permittee may purchase alcoholic  
21 beverages from any local distributor in a trade area served by the  
22 airport and transport the alcoholic beverages [~~them~~] to the permit  
23 holder's [~~his~~] licensed premises. The transportation of the  
24 beverages must be in accordance with Subsection (b) [~~of this~~  
25 ~~section~~].

26 (d) The holder of a mixed beverage permit may transfer  
27 alcoholic beverages from the place of purchase to the permitted

1 premises as provided in this code.

2 SECTION 114. Section 28.10(b), Alcoholic Beverage Code, is  
3 amended to read as follows:

4 (b) A mixed beverage permittee may not permit any person to  
5 take any alcoholic beverage purchased on the licensed premises from  
6 the premises where sold, except that:

7 (1) a person who orders wine with food and has a  
8 portion of the open container remaining may remove the open  
9 container of wine from the premises; and

10 (2) a mixed beverage permittee who also holds a  
11 brewpub license may sell or offer without charge on the premises of  
12 the brewpub, to an ultimate consumer for consumption on or off the  
13 premises, malt beverages [~~liquor, ale, or beer~~] produced by the  
14 permittee, in or from a lawful container in an amount that does not  
15 exceed one-half barrel, provided that the aggregate amount of malt  
16 beverages [~~liquor, ale, and beer~~] removed from the premises under  
17 this subdivision does not exceed 1,000 barrels annually.

18 SECTION 115. Chapter 28, Alcoholic Beverage Code, is  
19 amended by adding Section 28.19 to read as follows:

20 Sec. 28.19. SALES AT TEMPORARY LOCATION. (a) The holder of  
21 a mixed beverage permit may temporarily sell authorized alcoholic  
22 beverages at:

23 (1) a picnic, celebration, or similar event; or

24 (2) a place other than the premises for which the  
25 holder's mixed beverage permit is issued only in:

26 (A) an area where the sale of mixed beverages has  
27 been authorized by a local option election; or

1                   (B) an area that:

2                   (i) is adjacent to a county with a home-rule  
3 municipality with a population of more than 350,000:

4                   (a) that has in its charter a  
5 provision allowing for limited purpose annexation for zoning;

6                   (b) that has previously disannexed  
7 territory annexed for limited purposes; and

8                   (c) that allows the sale of mixed  
9 beverages;

10                   (ii) does not comprise an entire county;  
11 and

12                   (iii) is not within the corporate limits of  
13 a municipality.

14                   (b) Distilled spirits sold at a temporary location under  
15 this section must be purchased from the holder of a local  
16 distributor's permit.

17                   (c) The commission shall adopt rules to implement this  
18 section, including rules that:

19                   (1) require the permit holder to notify the commission  
20 of the dates on which and location where the permit holder will  
21 temporarily offer alcoholic beverages for sale under this section;

22                   (2) establish a procedure to verify the wet or dry  
23 status of the location where the permit holder intends to  
24 temporarily sell alcoholic beverages under this section;

25                   (3) detail the circumstances when a permit holder may  
26 temporarily sell alcoholic beverages under this section with only a  
27 notification to the commission and the circumstances that require

1 the commission's preapproval before a permit holder may temporarily  
2 sell alcoholic beverages under this section;

3 (4) establish the length of time a permit holder may  
4 sell alcoholic beverages under this section at the same location;  
5 and

6 (5) require the permit holder to provide any other  
7 information the commission determines necessary.

8 (d) Notwithstanding any other law, the temporary sale of  
9 alcoholic beverages by a mixed beverage permit holder under this  
10 section in an area located on property owned by a municipality that  
11 contains a municipally owned conference center and that borders a  
12 lake may permit a patron to leave the area, even though the patron  
13 possesses an alcoholic beverage, if:

14 (1) the beverage is in an open container and appears to  
15 be possessed for present consumption; and

16 (2) the public consumption of alcoholic beverages or  
17 possession of an open container of an alcoholic beverage is not  
18 prohibited on the municipally owned property where the area is  
19 located.

20 (e) Subsection (d) applies only to a mixed beverage permit  
21 holder operating under this section in an area in a municipality  
22 that:

23 (1) has a population of less than 15,000;

24 (2) is located in a county with a population of less  
25 than 65,000; and

26 (3) contains a historic preservation district that  
27 borders a lake.



1 local option election:

2 (1) either:

3 (A) "The legal sale of beer and wine for  
4 off-premise consumption only."; or

5 (B) "The legal sale of malt beverages and wine  
6 for off-premise consumption only."; and

7 (2) either:

8 (A) "The legal sale of mixed beverages."; or

9 (B) "The legal sale of mixed beverages in  
10 restaurants by food and beverage certificate holders only."

11 (b) A premises that qualifies for a certificate under this  
12 chapter because it is located in an area that approved the ballot  
13 issue described by Subsection (a)(2)(B) may be issued a certificate  
14 under this chapter only if the premises is issued a food and  
15 beverage certificate [~~APPLICATION OF PROVISIONS REGULATING MIXED~~  
16 ~~BEVERAGE PERMITS. All provisions of this code which apply to a~~  
17 ~~mixed beverage permit also apply to a mixed beverage late hours~~  
18 ~~permit~~].

19 SECTION 117. Chapter 30, Alcoholic Beverage Code, is  
20 amended to read as follows:

21 CHAPTER 30. NONPROFIT ENTITY [~~DAILY~~] TEMPORARY EVENT [~~MIXED~~  
22 ~~BEVERAGE~~] PERMIT

23 Sec. 30.01. DEFINITION. In this chapter, "nonprofit  
24 entity" means:

25 (1) a nonprofit corporation;

26 (2) a nonprofit charitable, civic, or religious  
27 organization;



1           (3) a political party or political association  
2 supporting a candidate for public office or a proposed amendment to  
3 the Texas Constitution or other ballot measure; or

4           (4) a fraternal organization with a regular membership  
5 that has been in continuous existence for more than five years.

6           Sec. 30.02. AUTHORIZED ACTIVITIES.     The holder of a  
7 nonprofit entity [~~daily~~] temporary event [~~mixed beverage~~] permit  
8 may sell [~~mixed beverages~~] for consumption on the premises for  
9 which the permit is issued any alcoholic beverage that is  
10 authorized to be sold where the event is held.

11           Sec. 30.03. [~~Sec. 30.02.~~ FEE. ~~The state fee for a daily~~  
12 ~~temporary mixed beverage permit is \$50 per day.~~

13           [~~Sec. 30.03.~~] ISSUANCE OF PERMIT. [~~(a)~~] The commission may[~~,~~  
14 ~~in its discretion,~~] issue [~~on~~] a nonprofit entity temporary event  
15 [~~basis a daily temporary mixed beverage~~] permit to a nonprofit  
16 entity for the sale of alcoholic beverages at an event sponsored by  
17 the permit holder including [~~. A daily temporary mixed beverage~~  
18 ~~permit may be issued only to a holder of a mixed beverage permit for~~  
19 ~~the temporary sale of authorized alcoholic beverages at~~] picnics,  
20 celebrations, or similar events [~~,~~ ~~or to a political party or~~  
21 ~~political association supporting a candidate for public office or a~~  
22 ~~proposed amendment to the Texas Constitution or other ballot~~  
23 ~~measure, to an organization formed for a specific charitable or~~  
24 ~~civic purpose, to a fraternal organization in existence for over~~  
25 ~~five years with a regular membership, or to a religious~~  
26 ~~organization. The commission shall not issue more than 10~~  
27 ~~temporary mixed beverage permits in each calendar year to a person~~

1 ~~who does not also hold a mixed beverage permit].~~

2 ~~[(b) The provisions of this code which apply to the~~  
3 ~~application for and issuance of other permits do not apply to the~~  
4 ~~application and issuance of a daily temporary mixed beverage~~  
5 ~~permit.]~~

6 Sec. 30.04. NOTATION OF DATES PERMIT IS VALID. When issuing  
7 a nonprofit entity temporary event permit under this chapter, the  
8 commission shall, on the face of the permit, indicate the dates on  
9 which the permit is valid.

10 Sec. 30.05. PURCHASE OF DISTILLED SPIRITS. Distilled  
11 spirits sold under a daily temporary mixed beverage permit must be  
12 purchased from the holder of a local distributor's permit.

13 Sec. 30.06 [~~30.05~~]. AUCTION OF ALCOHOLIC BEVERAGES. (a)  
14 The holder of a nonprofit entity temporary event permit may auction  
15 alcoholic beverages, for consumption off premises, to raise money  
16 to support the stated purpose of the permit holder.

17 (b) The proceeds from an auction authorized by this section  
18 shall be deposited to the account of the holder of a nonprofit  
19 entity temporary event permit.

20 (c) The holder of a nonprofit entity temporary event permit  
21 may not:

22 (1) auction distilled spirits or wine that has not  
23 been donated to the organization;

24 (2) auction alcoholic beverages if any taxes are owed  
25 on the beverages; or

26 (3) pay a commission or promotional allowance to a  
27 person to:

1           (A) arrange or conduct an auction under this  
2 section; or

3           (B) arrange the donation of alcoholic beverages  
4 to be auctioned by the organization [~~APPLICATION OF PROVISIONS~~  
5 ~~REGULATING MIXED BEVERAGE PERMITS. All provisions of this code~~  
6 ~~applicable to a mixed beverage permit also apply to a daily~~  
7 ~~temporary mixed beverage permit unless there is a special provision~~  
8 ~~to the contrary~~].

9           Sec. 30.07 [~~30.06~~]. APPLICATION OF OTHER LAW. Section  
10 11.39 does not apply to an applicant for a nonprofit entity  
11 temporary event permit.

12           Sec. 30.08. ADOPTION OF RULES. The commission shall ~~may~~  
13 adopt rules which it determines to be necessary to implement and  
14 administer the provisions of this chapter, including:

15           (1) limitations on the number of times during any  
16 calendar year a nonprofit entity [~~qualified organization~~] may be  
17 issued a permit under this chapter, which may vary based on the type  
18 of entity and other factors the commission determines relevant;

19           (2) the duration for a permit issued under this  
20 chapter which may vary depending on the length of the event for  
21 which the permit is being issued; and

22           (3) penalties for a violation of this code or a rule  
23 adopted under this code.

24           Sec. 30.09. EVENTS IN DRY AREA. (a) The commission may  
25 issue a nonprofit entity temporary event permit to a nonprofit  
26 corporation for a fund-raising event for the nonprofit corporation  
27 that is located in a dry area.

1        (b) A nonprofit entity temporary event permit under this  
2 section may only be issued for an event:

3            (1) in the county where the nonprofit corporation is  
4 located; and

5            (2) that lasts not longer than eight hours.

6        (c) A nonprofit corporation may be issued only one nonprofit  
7 entity temporary event permit under this section in each calendar  
8 year.

9        (d) The commission by rule shall establish the procedure for  
10 obtaining and operating under a nonprofit entity temporary event  
11 permit issued under this section.

12        SECTION 118. Section 32.01(b), Alcoholic Beverage Code, is  
13 amended to read as follows:

14        (b) An applicant for or the holder of a private club  
15 registration permit may apply to the commission to have the  
16 activities authorized under the permit restricted to the storage  
17 and service of wine[~~, beer,~~] and malt beverages [~~liquor~~] for  
18 members of the club. Except as otherwise provided by this chapter,  
19 an applicant for or the holder of a permit that is restricted under  
20 this subsection is subject to all the requirements of this chapter.  
21 The commission may adopt rules as necessary to implement this  
22 subsection.

23        SECTION 119. Section 32.08, Alcoholic Beverage Code, is  
24 amended by amending Subsections (b) and (c) and adding Subsection  
25 (d) to read as follows:

26        (b) If the club holding the permit is in an area where there  
27 are no local distributors, alcoholic beverages may be purchased in

1 any area where local distributors are located and may be  
2 transported to the club premises [~~if the club also holds a beverage~~  
3 ~~cartage permit~~]. The transporter may acquire the alcoholic  
4 beverages only on the written order of an officer or manager of the  
5 club holding the permit. The alcoholic beverages must be  
6 accompanied by a written statement furnished and signed by the  
7 local distributor showing the name and address of the consignee and  
8 consignor, the origin and destination of the shipment, and any  
9 other information required by the commission or administrator. The  
10 person in charge of the alcoholic beverages while they are being  
11 transported shall exhibit the written statement to any  
12 representative of the commission or any peace officer on demand,  
13 and the statement shall be accepted by the representative or  
14 officer as prima facie evidence of the lawful right to transport the  
15 alcoholic beverages.

16 (c) If a private club registration permittee's [~~permittee~~  
17 ~~holds a beverage cartage permit and his~~] premises are located in a  
18 regional airport governed by a board, commission, or authority  
19 composed of members from two or more counties, and there is no local  
20 distributor at the airport, the private club registration permittee  
21 may purchase alcoholic beverages from any local distributor in a  
22 trade area served by the airport and transport the alcoholic  
23 beverages [~~them~~] to the permit holder's [~~his~~] licensed premises.  
24 The transportation of the beverages must be in accordance with  
25 Subsection (b) [~~of this section~~].

26 (d) The holder of a private club registration permit may  
27 transfer alcoholic beverages from the place of purchase to the

1 permitted premises as provided in this code.

2 SECTION 120. Sections 32.17(a) and (c), Alcoholic Beverage  
3 Code, are amended to read as follows:

4 (a) The commission or administrator may cancel or suspend  
5 for a period of time not exceeding 60 days, after notice and  
6 hearing, an original or renewal private club registration permit on  
7 finding that the permittee club has:

8 (1) sold, offered for sale, purchased, or held title  
9 to any alcoholic beverage so as to constitute an open saloon;

10 (2) refused to allow an authorized agent or  
11 representative of the commission or a peace officer to come on the  
12 club premises for the purposes of inspecting alcoholic beverages  
13 stored on the premises or investigating compliance with the  
14 provisions of this code;

15 (3) refused to furnish the commission or its agent or  
16 representative when requested any information pertaining to the  
17 storage, possession, serving, or consumption of alcoholic  
18 beverages on club premises;

19 (4) permitted or allowed any alcoholic beverages  
20 stored on club premises to be served or consumed at any place other  
21 than on the club premises;

22 (5) failed to maintain an adequate building at the  
23 address for which the private club registration permit was issued;

24 (6) caused, permitted, or allowed any member of a club  
25 in a dry area to store any liquor on club premises except under the  
26 locker system;

27 (7) caused, permitted, or allowed any person to

1 consume or be served any alcoholic beverage on the club premises:

2 (A) at any time on Sunday between the hours of  
3 1:15 a.m. and 10 a.m. or on any other day at any time between the  
4 hours of 12:15 a.m. and 7 a.m., if the club does not have a retailer  
5 [~~private club~~] late hours certificate [~~permit~~], except that an  
6 alcoholic beverage served to a customer between 10 a.m. and 12 noon  
7 on Sunday must be provided during the service of food to the  
8 customer; or

9 (B) at any time on Sunday between the hours of 2  
10 a.m. and 10 a.m. or on any other day at any time between the hours of  
11 2 a.m. and 7 a.m., if the club has a retailer [~~private club~~] late  
12 hours certificate [~~permit~~], except that an alcoholic beverage  
13 served to a customer between 10 a.m. and 12 noon on Sunday must be  
14 provided during the service of food to the customer; or

15 (8) violated or assisted, aided or abetted the  
16 violation of any provision of this code.

17 (c) After notice and an opportunity for a hearing, the  
18 commission or administrator may cancel or suspend the private club  
19 registration permit of a permit holder who has restricted the  
20 holder's authorized activities under the permit as provided by  
21 Section 32.01(b) [~~of this code~~] on a determination that the permit  
22 holder is storing or serving alcoholic beverages to club members  
23 other than, or in addition to, wine[~~beer~~] and malt beverages  
24 [~~liquor~~].

25 SECTION 121. Chapter 32, Alcoholic Beverage Code, is  
26 amended by adding Section 32.25 to read as follows:

27 Sec. 32.25. SALES AT TEMPORARY LOCATION. (a) The holder of

1 a private club registration permit may temporarily serve authorized  
2 alcoholic beverages at:

3 (1) a picnic, celebration, or similar event sponsored  
4 by:

5 (A) a political party or political association  
6 supporting a candidate for public office or a proposed amendment to  
7 the Texas Constitution or other ballot measure;

8 (B) a charitable or civic organization;

9 (C) a fraternal organization with a regular  
10 membership that has been in continuous existence for more than five  
11 years; or

12 (D) a religious organization; and

13 (2) that is located in the county where the private  
14 club registration permit is issued.

15 (b) The holder of a private club registration permit may  
16 temporarily serve alcoholic beverages under this section not more  
17 than two times in each calendar year.

18 (c) Distilled spirits served under this section must be  
19 purchased from the holder of a local distributor's permit.

20 (d) The commission shall adopt rules to implement this  
21 section, including rules that:

22 (1) require the permit holder to notify the commission  
23 of the dates on which and location where the permit holder will  
24 temporarily offer alcoholic beverages for sale under this section;

25 (2) establish a procedure to verify the wet or dry  
26 status of the location where the permit holder intends to  
27 temporarily sell alcoholic beverages under this section;



1           (3) detail the circumstances when a permit holder may  
2 temporarily sell alcoholic beverages under this section with only a  
3 notification to the commission and the circumstances that require  
4 the commission's preapproval before a permit holder may temporarily  
5 sell alcoholic beverages under this section; and

6           (4) require the permit holder to provide any other  
7 information the commission determines necessary.

8           SECTION 122. Effective September 1, 2019, the heading to  
9 Chapter 35, Alcoholic Beverage Code, is amended to read as follows:

10                   CHAPTER 35. AGENTS [~~AGENT'S PERMIT~~]

11           SECTION 123. Effective September 1, 2019, Section 35.01,  
12 Alcoholic Beverage Code, is amended to read as follows:

13           Sec. 35.01. AUTHORIZED ACTIVITIES.   (a) An agent [~~The~~  
14 ~~holder of an agent's permit~~] may:

15                   (1) represent permittees other than retailers within  
16 this state who are authorized to sell liquor to retail dealers in  
17 the state; and

18                   (2) solicit and take orders for the sale of liquor from  
19 authorized permittees.

20           (b) A person acting as an agent may only represent one  
21 permitted or licensed business at a time while soliciting or taking  
22 orders.

23           SECTION 124. Effective September 1, 2019, Section 35.05,  
24 Alcoholic Beverage Code, is amended to read as follows:

25           Sec. 35.05. SAMPLES.   An agent [~~The holder of an agent's~~  
26 ~~permit~~] may not transport or carry liquor as samples, but may carry  
27 or display empty sample containers.

1 SECTION 125. Effective September 1, 2019, Section 35.06,  
2 Alcoholic Beverage Code, is amended to read as follows:

3 Sec. 35.06. INELIGIBILITY TO SERVE AS NONRESIDENT SELLER'S  
4 AGENT [~~FOR MANUFACTURER'S AGENT'S PERMIT~~]. A person acting as an  
5 agent under this chapter [~~holding an agent's permit~~] may not act as  
6 [~~be issued~~] a nonresident seller's agent under Chapter 36  
7 [~~manufacturer's agent's permit~~].

8 SECTION 126. Effective September 1, 2019, Section 35.07,  
9 Alcoholic Beverage Code, is amended to read as follows:

10 Sec. 35.07. UNAUTHORIZED REPRESENTATION. An agent [~~A~~  
11 ~~holder of an agent's permit~~] in soliciting or taking orders for the  
12 sale of liquor may not represent that the agent is [~~himself to be~~]  
13 an agent of any person other than the person who employs the agent  
14 or who has authorized the agent to represent the person [~~designated~~  
15 ~~in his permit application~~].

16 SECTION 127. Effective September 1, 2019, the heading to  
17 Chapter 36, Alcoholic Beverage Code, is amended to read as follows:

18 CHAPTER 36. NONRESIDENT SELLER'S AGENTS [~~MANUFACTURER'S AGENT'S~~  
19 ~~PERMIT~~]

20 SECTION 128. Effective September 1, 2019, Section 36.01,  
21 Alcoholic Beverage Code, is amended to read as follows:

22 Sec. 36.01. AUTHORIZED ACTIVITIES. (a) A nonresident  
23 seller's agent [~~The holder of a manufacturer's agent's permit~~] may:

24 (1) represent only the holders of nonresident seller's  
25 permits; and

26 (2) solicit and take orders for the sale of liquor from  
27 permittees authorized to import liquor for the purpose of resale.

1        (b) A person acting as a nonresident seller's agent may only  
2 represent one permitted or licensed business at a time while  
3 soliciting or taking orders.

4        SECTION 129. Effective September 1, 2019, Section 36.04,  
5 Alcoholic Beverage Code, is amended to read as follows:

6        Sec. 36.04. INELIGIBILITY TO SERVE AS AN AGENT [~~FOR AGENT'S~~  
7 ~~PERMIT~~]. A person acting as [~~holder of~~] a nonresident seller's  
8 agent [~~manufacturer's agent's permit~~] may not act as an agent under  
9 Chapter 35 [~~be issued an agent's permit~~].

10        SECTION 130. Effective September 1, 2019, Section 36.05,  
11 Alcoholic Beverage Code, is amended to read as follows:

12        Sec. 36.05. SAMPLES. A nonresident seller's agent [~~The~~  
13 ~~holder of a manufacturer's agent's permit~~] may not transport or  
14 carry liquor as samples, but may carry or display empty sample  
15 containers.

16        SECTION 131. Effective September 1, 2019, Section 36.06,  
17 Alcoholic Beverage Code, is amended to read as follows:

18        Sec. 36.06. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR  
19 PRIVATE CLUB PERMIT. A nonresident seller's agent [~~holder of a~~  
20 ~~manufacturer's agent's permit~~] may not solicit business directly or  
21 indirectly from a holder of a mixed beverage permit or a private  
22 club registration permit unless the agent [~~he~~] is accompanied by  
23 the holder of a wholesaler's permit or the wholesaler's agent.

24        SECTION 132. Effective September 1, 2019, Section 36.07,  
25 Alcoholic Beverage Code, is amended to read as follows:

26        Sec. 36.07. UNAUTHORIZED REPRESENTATION. A nonresident  
27 seller's agent [~~holder of a manufacturer's agent's permit~~] in

1 soliciting or taking orders for the sale of liquor may not represent  
2 that the agent is [~~himself as~~] an agent of a person other than the  
3 person who employs the agent or who has authorized the agent to  
4 represent the person [~~designated in his permit application~~].

5 SECTION 133. Effective September 1, 2019, Section 36.08,  
6 Alcoholic Beverage Code, is amended to read as follows:

7 Sec. 36.08. RESTRICTION AS TO SOURCE OF SUPPLY. A  
8 nonresident seller's agent [~~manufacturer's agent's permittee~~] may  
9 not represent a person with respect to an alcoholic beverage unless  
10 the person represented is the primary American source of supply of  
11 the beverage as defined in Section 37.10 [~~of this code~~].

12 SECTION 134. Section 37.01(b), Alcoholic Beverage Code, is  
13 amended to read as follows:

14 (b) The holder of a nonresident seller's permit who owns a  
15 winery [~~or brewery~~] outside of the state may conduct samplings of  
16 the kinds of alcoholic beverages the permit holder is authorized to  
17 produce, including tastings, at a retailer's premises. An  
18 employee of the winery [~~or brewery~~] may open, touch, or pour the  
19 alcoholic beverages, make a presentation, or answer questions at a  
20 sampling event.

21 SECTION 135. Effective September 1, 2019, Section 37.01(c),  
22 Alcoholic Beverage Code, is amended to read as follows:

23 (c) Any alcoholic beverages used in a sampling event under  
24 this section must be purchased from the retailer on whose premises  
25 the sampling event is held. This section does not authorize the  
26 holder of a nonresident seller's permit or the [~~manufacturer's~~  
27 ~~agent's~~] permit holder's agent to withdraw or purchase alcoholic

1 beverages from the holder of a wholesaler's permit or provide  
2 alcoholic beverages for a sampling event on a retailer's premises  
3 that is not purchased from the retailer. The amount of alcoholic  
4 beverages purchased from the retailer may not exceed the amount of  
5 alcoholic beverages used in the sampling event.

6 SECTION 136. Effective September 1, 2019, the heading to  
7 Chapter 38, Alcoholic Beverage Code, is amended to read as follows:

8 CHAPTER 38. INDUSTRIAL USE OF ALCOHOL [~~PERMIT~~]

9 SECTION 137. Effective September 1, 2019, Section 38.01,  
10 Alcoholic Beverage Code, is amended to read as follows:

11 Sec. 38.01. AUTHORIZED ACTIVITIES. (a) In this section,  
12 "industrial alcohol" means an alcohol that is produced for  
13 industrial purposes only and is not fit for human consumption.

14 (b) A person may:

15 (1) manufacture, rectify, refine, transport, and  
16 store industrial alcohol;

17 (2) denature industrial alcohol;

18 (3) sell denatured or industrial alcohol to qualified  
19 persons inside or outside the state; and

20 (4) blend industrial alcohol with petroleum  
21 distillates and sell or use the resulting product as a motor fuel.

22 (c) A person [~~The holder of an industrial permit~~] may  
23 import, transport, and use alcohol or denatured alcohol for the  
24 manufacture and sale of any of the following products:

25 (1) denatured alcohol;

26 (2) patent, proprietary, medicinal, pharmaceutical,  
27 antiseptic, and toilet preparations;

1           (3) flavoring extracts, syrups, condiments, and food  
2 products; and

3           (4) scientific, chemical, mechanical, and industrial  
4 products, or products used for scientific, chemical, mechanical,  
5 industrial, or medicinal purposes.

6           SECTION 138. Effective September 1, 2019, Section [38.05](#),  
7 Alcoholic Beverage Code, is amended to read as follows:

8           Sec. 38.05. OTHER CODE PROVISIONS INAPPLICABLE. The [~~No~~]  
9 provisions of this code do not [~~other than this chapter~~] apply to  
10 alcohol intended for industrial, medicinal, mechanical, or  
11 scientific purposes.

12           SECTION 139. Effective September 1, 2019, Section [38.06](#),  
13 Alcoholic Beverage Code, is amended to read as follows:

14           Sec. 38.06. ACTIVITIES TAX FREE. The taxes imposed by this  
15 code do not apply to activities authorized in Section [38.01](#) [~~of this~~  
16 ~~code~~].

17           SECTION 140. Section [43.01](#), Alcoholic Beverage Code, is  
18 amended to read as follows:

19           Sec. 43.01. AUTHORIZED ACTIVITIES. [~~(a)~~] A warehouse or  
20 transfer company that holds a local cartage permit may transport  
21 liquor for hire inside the corporate limits of any city or town in  
22 the state.

23           [~~(b) A package store, wine only package store, or local~~  
24 ~~distributor's permittee who also holds a local cartage permit may~~  
25 ~~transfer alcoholic beverages in accordance with Sections [22.08](#),  
26 [23.04](#), and [24.04](#) of this code.~~]

27           SECTION 141. Section [43.04](#), Alcoholic Beverage Code, is

1 amended to read as follows:

2       Sec. 43.04. ELIGIBILITY FOR PERMIT. The commission may  
3 issue a local cartage permit to a warehouse or transfer company [~~or~~  
4 ~~to a holder of a package store, wine only package store, or local~~  
5 ~~distributor's permit~~].

6       SECTION 142. Chapter 48, Alcoholic Beverage Code, is  
7 amended to read as follows:

8       CHAPTER 48. PASSENGER TRANSPORTATION [~~TRAIN BEVERAGE~~] PERMIT

9       Sec. 48.01. AUTHORIZED ACTIVITIES. A [~~The holder of a~~]  
10 passenger transportation permit authorizes the [~~train beverage~~]  
11 permit holder to sell or serve the types [~~has the same rights with~~  
12 ~~respect to the sale~~] of alcoholic beverages specifically authorized  
13 by this chapter [~~on a passenger train to which this chapter applies~~  
14 ~~as the holder of an airline beverage permit has with respect to the~~  
15 ~~sale of alcoholic beverages on a commercial passenger airplane~~  
16 ~~under Section 34.01 of this code~~].

17       Sec. 48.02. PERMIT FOR EXCURSION BOAT. (a) A passenger  
18 transportation permit may be issued for:

19               (1) a regularly scheduled excursion boat which is  
20 licensed by the United States Coast Guard to carry passengers on the  
21 navigable waters of the state if the boat:

- 22                       (A) carries at least 45 passengers;  
23                       (B) weighs at least 35 gross tons; and  
24                       (C) is at least 55 feet long; or

25               (2) a boat that:

- 26                       (A) carries at least 350 passengers;  
27                       (B) weighs at least 90 gross tons; and

1                   (C) is at least 80 feet long.

2           (b) The holder of a passenger transportation permit issued  
3 under Subsection (a)(1) may sell the same alcoholic beverages as  
4 the holder of a mixed beverage permit if:

5                   (1) the home port of the boat is in an area where the  
6 sale of mixed beverages is legal or the boat is regularly used for  
7 voyages in international waters as provided by Subsection (h); and

8                   (2) the owner or operator of the boat is the sole  
9 permit holder for the boat.

10           (c) The holder of a passenger transportation permit issued  
11 under Subsection (a)(1) may sell the same alcoholic beverages as  
12 the holder of a wine and malt beverage retailer's permit if the home  
13 port of the boat is in an area where the sale of malt beverages and  
14 wine is legal.

15           (d) The holder of a passenger transportation permit issued  
16 under Subsection (a)(2) may sell the same alcoholic beverages as  
17 the holder of a mixed beverage permit if:

18                   (1) the home port of the boat is in an area where the  
19 sale of mixed beverages is legal; or

20                   (2) the boat is regularly used for voyages in  
21 international waters as provided by Subsection (h).

22           (e) A passenger transportation permit issued under this  
23 section is inoperative in a dry area.

24           (f) For purposes of Section 11.38, the home port of the boat  
25 is treated as the location of the permitted premises.

26           (g) The provisions of Section 109.53 that relate to  
27 residency requirements and compliance with Texas laws of



1 incorporation do not apply to the holder of a passenger  
2 transportation permit under this section.

3 (h) A passenger transportation permit may be issued under  
4 this section to a boat regularly used for voyages in international  
5 waters regardless of whether the sale of mixed beverages is lawful  
6 in the area of the home port. A person having authority to deliver  
7 alcoholic beverages to a passenger transportation permit holder in  
8 the county where the permitted premises is located may deliver  
9 alcoholic beverages purchased by the permit holder [~~FEE.—The~~  
10 ~~annual fee for a passenger train beverage permit is \$500~~].

11 Sec. 48.03. [~~ELIGIBILITY FOR~~] PERMIT FOR AIRLINE. (a) A  
12 [~~The commission or administrator may issue a~~] passenger  
13 transportation [~~train beverage~~] permit may be issued to any  
14 corporation operating a commercial airline in or through the state.

15 (b) The holder of a passenger transportation permit issued  
16 under this section may:

17 (1) sell or serve alcoholic beverages in or from any  
18 size container on a commercial passenger airplane operated in  
19 compliance with a valid license, permit, or certificate issued  
20 under the authority of the United States or of this state, even  
21 though the plane, in the course of its flight, may cross an area in  
22 which the sale of alcoholic beverages is prohibited; and

23 (2) store alcoholic beverages in sealed containers of  
24 any size at any airport regularly served by the permittee, in  
25 accordance with rules and regulations promulgated by the  
26 commission.

27 (c) Only the holder of a package store permit may sell

1 liquor to the holder of a passenger transportation permit issued  
2 under this section. For the purposes of this code, a sale of liquor  
3 to a holder of a passenger transportation permit shall be  
4 considered as a sale at retail to a consumer.

5 (d) The holder of a package store permit may sell liquor in  
6 any size container authorized by Section 101.46 to holders of a  
7 passenger transportation permit issued under this section, and may  
8 purchase liquor in any size container for resale from the holders of  
9 a wholesaler's permit. A holder of a wholesaler's permit may  
10 import, sell, offer for sale, or possess for resale to package store  
11 permittees to resell to holders of a passenger transportation  
12 permit liquor in any authorized size containers.

13 (e) The preparation and service of alcoholic beverages by  
14 the holder of a passenger transportation permit issued under this  
15 section is exempt from a tax imposed by this code and from the tax  
16 imposed by Chapter 151, Tax Code.

17 (f) Section 109.53 does not apply to a passenger  
18 transportation permit issued under this section.

19 Sec. 48.04. PERMIT FOR PASSENGER TRAIN. (a) A passenger  
20 transportation permit may be issued to any corporation organized  
21 under the Business Organizations Code or former Title 112, Revised  
22 Statutes, or under the Rail Passenger Service Act of 1970, as  
23 amended (45 U.S.C.A. Section 501 et seq.), operating a commercial  
24 passenger train service in or through the state.

25 (b) The holder of a passenger transportation permit issued  
26 under this section may sell or serve alcoholic beverages in or from  
27 any size container on a passenger train even though the train, in

1 the course of its travel, may cross an area in which the sale of  
2 alcoholic beverages is prohibited [~~Application and payment of the~~  
3 ~~fee shall be made directly to the commission~~].

4 (c) [~~Sec. 48.04. EXEMPTION FROM TAXES.~~] The preparation  
5 and service of alcoholic beverages by the holder of a passenger  
6 transportation [~~train beverage~~] permit issued under this section is  
7 exempt from a tax imposed by this code [~~chapter~~] and from the tax  
8 imposed by Chapter 151, Tax Code.

9 (d) Section 109.53 does not apply to a passenger  
10 transportation permit issued under this section.

11 Sec. 48.05. PERMIT FOR PASSENGER BUS. (a) A [~~INAPPLICABLE~~  
12 ~~PROVISION.~~ Section 109.53 of this code does not apply to a  
13 passenger transportation [~~train beverage~~] permit may be issued to  
14 any corporation operating a commercial passenger bus service in or  
15 through the state using a passenger bus that:

16 (1) is designed and used for the regularly scheduled  
17 intercity transportation of passengers for compensation;

18 (2) is characterized by integral construction with:

19 (A) an elevated passenger deck over a baggage  
20 compartment;

21 (B) a passenger seating capacity of at least 16  
22 and not more than 36; and

23 (C) a separate galley area;

24 (3) is at least 35 feet in length; and

25 (4) while transporting passengers for compensation,  
26 also transports an attendant who:

27 (A) is not the operator of the bus; and

1           (B) has attended a commission-approved seller  
2 training program.

3           (b) The holder of a passenger transportation permit issued  
4 under this section may:

5                 (1) sell or serve alcoholic beverages in or from any  
6 size container on a passenger bus even though the bus, in the course  
7 of its drive, may cross an area in which the sale of alcoholic  
8 beverages is prohibited; and

9                 (2) store alcoholic beverages at the permitted  
10 location.

11           (c) The preparation and service of alcoholic beverages by  
12 the holder of a passenger transportation permit issued under this  
13 section is exempt from a tax imposed by this code and from the tax  
14 imposed by Chapter 151, Tax Code.

15           (d) Section 109.53 does not apply to a passenger  
16 transportation permit issued under this section.

17           (e) Only a holder of a wholesale permit may sell liquor to  
18 the holder of a passenger transportation permit issued under this  
19 section. A sale of liquor to the holder of a passenger  
20 transportation permit issued under this section shall be considered  
21 as a sale at retail to a consumer.

22           SECTION 143. Section 50.001, Alcoholic Beverage Code, is  
23 amended to read as follows:

24           Sec. 50.001. AUTHORIZED ACTIVITIES. The holder of a  
25 promotional permit may, on behalf of a distiller, brewer,  
26 rectifier, or ~~manufacturer,~~ winery~~[, or wine bottler]~~ with whom  
27 the promotional permit holder has entered into a contract for the

1 purposes of this chapter, engage in activities to promote and  
2 enhance the sale of an alcoholic beverage in this state, including  
3 activities that take place on the premises of the holder of a permit  
4 or license under this code.

5 SECTION 144. The heading to Chapter 51, Alcoholic Beverage  
6 Code, is amended to read as follows:

7 CHAPTER 51. OPERATION OF MINIBARS [~~MINIBAR PERMIT~~]

8 SECTION 145. Section 51.02, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 51.02. AUTHORIZED ACTIVITIES. The holder of a mixed  
11 beverage [~~minibar~~] permit issued for operation in a hotel may sell  
12 the following alcoholic beverages out of a minibar:

13 (1) distilled spirits in containers of not less than  
14 one ounce nor more than two ounces;

15 (2) wine and vinous liquors in containers of not more  
16 than 13 fluid ounces; and

17 (3) [~~beer, ale, and~~] malt beverages [~~liquor~~] in  
18 containers of not more than 12 fluid ounces.

19 SECTION 146. Section 51.03, Alcoholic Beverage Code, is  
20 amended to read as follows:

21 Sec. 51.03. LIMITED ACCESS TO MINIBAR. (a) Minibars shall  
22 be of such design as to prevent access to alcoholic beverages to all  
23 persons who do not have a minibar key. The minibar key shall be  
24 different from the hotel guestroom key, and the mixed beverage  
25 permittee may [~~shall~~] not provide the minibar key to any person who  
26 is not of legal drinking age.

27 (b) A mixed beverage permittee may not provide a minibar key

1 to any person other than an employee of the permittee or a  
2 registered guest of the hotel.

3 SECTION 147. Sections 51.04(a), (c), and (d), Alcoholic  
4 Beverage Code, are amended to read as follows:

5 (a) All employees handling distilled spirits, wine, [~~beer,~~  
6 ~~ale,~~] and malt beverages [~~liquor~~] being stocked in the minibar must  
7 be at least 18 years of age.

8 (c) A minibar may only be maintained, serviced, or stocked  
9 with alcoholic beverages by a person who is an employee of the  
10 holder of a mixed beverage [~~minibar~~] permit, and no other person  
11 shall be authorized to add alcoholic beverages to a minibar or, with  
12 the exception of a registered hotel guest consumer, to remove  
13 alcoholic beverages from a minibar.

14 (d) A mixed beverage permit [~~The~~] holder who operates [~~of~~] a  
15 minibar [~~permit~~] shall adhere to standards of quality and purity of  
16 alcoholic beverages prescribed by the commission and shall destroy  
17 any alcoholic beverages contained in a minibar on the date which is  
18 considered by the manufacturer of the alcoholic beverage to be the  
19 date the product becomes inappropriate for sale to a consumer.

20 SECTION 148. Section 51.06, Alcoholic Beverage Code, is  
21 amended to read as follows:

22 Sec. 51.06. PROHIBITED INTERESTS. The holder of a mixed  
23 beverage permit who operates a minibar [~~permit~~] may not have a  
24 direct or indirect interest in a package store permit, and a [~~no~~]  
25 package store may not be located on the premises of a hotel in which  
26 a mixed beverage permittee operates [~~holds~~] a minibar [~~permit~~].

27 SECTION 149. Section 51.07, Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 51.07. MIXED BEVERAGE PERMIT IS PRIMARY. All  
3 purchases made by a holder of a mixed beverage permit who operates a  
4 minibar [~~permittee~~] shall be made under the authority of and  
5 subject to the limitations imposed on the mixed beverage permit  
6 held by the permittee. All sales [~~made by a minibar permittee~~]  
7 shall, for tax purposes, be considered sales under the mixed  
8 beverage permit held by the permittee and shall be taxed  
9 accordingly. To ensure that the marketing of alcoholic beverages  
10 for stocking minibars is not used by suppliers for purposes of  
11 inducement or unauthorized or illegal advertising, it is further  
12 provided that:

13           (1) No person who holds a permit or license  
14 authorizing sale of any alcoholic beverage to mixed beverage  
15 permittees may sell or offer to sell alcoholic beverages to the  
16 mixed beverage [~~a minibar~~] permittee at a cost less than the  
17 seller's laid-in cost plus the customary and normal profit margin  
18 applicable to other container sizes. The laid-in cost shall be  
19 defined as the manufacturer's or supplier's invoice price, plus all  
20 applicable freight, taxes, and duties.

21           (2) Proof of laid-in cost shall become a part of the  
22 permanent records of each permittee or licensee supplying alcoholic  
23 beverages to a mixed beverage permittee who operates a minibar  
24 [~~permittees~~] and be available for a period of two years for  
25 inspection by the commission.

26           (3) No alcoholic beverages offered for use in a  
27 minibar may be sold in connection with or conveyed as part of any

1 promotional program providing a discount on the purchase of any  
2 other type, size, or brand of alcoholic beverage.

3 (4) Distilled spirits in containers with a capacity of  
4 more than one but less than two fluid ounces must be invoiced  
5 separately from any other alcoholic beverage, and the price must be  
6 shown on the invoice.

7 (5) Distilled spirits in containers with a capacity of  
8 more than one but less than two fluid ounces may not be returned by  
9 the mixed beverage permit holder [~~of a minibar permit~~]. Neither may  
10 the beverages be exchanged by the mixed beverage permit holder [~~of a~~  
11 ~~minibar permit~~] or redeemed for any reason other than damage noted  
12 at the time of delivery and approved by the commission. Claims for  
13 breakage or shortage after delivery to a mixed beverage permit  
14 holder who operates a minibar [~~permittee~~] shall not be allowed.

15 (6) No person holding a wholesaler's, local  
16 distributor's, or package store permit may participate in the cost  
17 of producing any room menu, beverage list, table tent, or any other  
18 device or novelty, written or printed, relating to the sale of  
19 distilled spirits in containers with a capacity of more than one but  
20 less than two fluid ounces. No permittee or licensee authorized to  
21 sell alcoholic beverages to a mixed beverage [~~minibar~~] permittee  
22 who operates a minibar may pay for or contribute to the cost of  
23 providing in-house television or radio announcements to be used by  
24 any holder of a mixed beverage permit who operates a minibar  
25 [~~permit~~] to promote the sale of alcoholic beverages.

26 SECTION 150. Sections 55.01(a), (b), and (c), Alcoholic  
27 Beverage Code, are amended to read as follows:



1 (a) The holder of a manufacturer's agent's warehousing  
2 permit may:

3 (1) receive [~~beer, ale, or~~] malt beverages [~~liquor~~]  
4 from the holder of a nonresident brewer's [~~permit or nonresident~~  
5 ~~manufacturer's~~] license and store the alcoholic beverages on the  
6 permitted premises;

7 (2) ship, cause to be shipped, sell, and otherwise  
8 transfer the [~~beer, ale, or~~] malt beverages [~~liquor~~] to licensed  
9 [~~or permitted~~] distributors [~~and wholesalers~~] in this state and to  
10 persons outside this state who are qualified to receive the [~~beer,~~  
11 ~~ale, or~~] malt beverages [~~liquor~~] under the regulatory laws of the  
12 state or other jurisdiction in which the [~~beer, ale, or~~] malt  
13 beverages are [~~liquor is~~] received; and

14 (3) return [~~beer, ale, or~~] malt beverages [~~liquor~~] to  
15 the [~~manufacturer or~~] brewer from which they were [~~it was~~]  
16 originally received.

17 (b) The holder of a manufacturer's agent's warehousing  
18 permit may ship only to [~~wholesalers and~~] distributors in this  
19 state who have been issued a territorial designation by the actual  
20 [~~manufacturer or~~] brewer of the brand or brands to be  
21 shipped. This territorial designation for the sale of malt  
22 beverages [~~beer~~] must be under and a part of the agreement entered  
23 into between the actual brewer [~~manufacturer~~] of the brand and the  
24 distributor under Subchapters C and D, Chapter 102. This chapter  
25 does not affect the requirement that the actual brewer  
26 [~~manufacturer~~], and the agreement between the actual brewer  
27 [~~manufacturer~~] and the distributor, comply with Subchapters C and

1 D, Chapter 102.

2 (c) Malt beverages [~~Beer, ale, or malt liquor~~] received at  
3 premises permitted under this chapter that are [~~is~~] not labeled and  
4 approved for sale in this state may be held and stored at the  
5 premises and may be shipped from the premises if the malt beverages  
6 are [~~it is~~] consigned and transported to qualified persons in other  
7 states or jurisdictions where their [~~its~~] sale is legal.

8 SECTION 151. Section 55.03, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 55.03. ELIGIBILITY FOR PERMIT. A manufacturer's  
11 agent's warehousing permit may be issued to an entity:

12 (1) that receives [~~beer, ale, or~~] malt beverages  
13 [~~liquor~~] from another entity, or that other entity's immediate  
14 successor in interest, that:

15 (A) is located and chartered in the United  
16 Mexican States;

17 (B) has held, for the two years preceding the  
18 date of the application:

19 (i) a nonresident manufacturer's license,  
20 nonresident brewer's permit, and a nonresident seller's permit;

21 (ii) a nonresident brewer's license and a  
22 nonresident seller's permit; or

23 (iii) a combination of Subparagraph (i) and  
24 Subparagraph (ii) [~~for the two years preceding the date of the~~  
25 application]; and

26 (C) during each of those two years has shipped or  
27 caused to be shipped into this state for ultimate sale to qualified

1 distributors and wholesalers in this state at least one-half  
2 million barrels of [~~beer, ale, or~~] malt beverages [~~liquor~~] of the  
3 various brands manufactured or brewed by the entity; and

4 (2) whose employees, located in this state or  
5 elsewhere, [~~hold permits and licenses issued under Chapters 36 and~~  
6 ~~73 to~~] perform the activities authorized under Chapters 36 and 73  
7 [~~those chapters~~] on behalf of the entity.

8 SECTION 152. Section 55.04, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 55.04. LOCATION OF PREMISES. The premises of a permit  
11 holder under this chapter must be located in an area that is wet for  
12 the sale of [~~beer, ale, and~~] malt beverages [~~liquor~~].

13 SECTION 153. Section 55.05, Alcoholic Beverage Code, is  
14 amended to read as follows:

15 Sec. 55.05. REPORTING REQUIREMENTS. The commission shall  
16 require monthly reports from a permit holder under this chapter  
17 showing the brands, types, sizes of containers, and quantities of  
18 [~~beer, ale, or~~] malt beverages [~~liquor~~] received at and shipped  
19 from the premises to persons authorized to receive them. The  
20 reports must conform in all respects to the requirements and forms  
21 prescribed by the commission and contain any other information  
22 required by the commission.

23 SECTION 154. Section 56.02, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 56.02. QUALIFICATIONS FOR PERMIT; ELIGIBLE PREMISES.

26 (a) A water park permit may be issued only to a person who:

27 (1) holds a wine and malt beverage [~~beer~~] retailer's

1 permit under Chapter 25; and

2 (2) operates a public venue that:

3 (A) involves waterslides, food service, music,  
4 and amusement activities; and

5 (B) is located primarily along the banks of the  
6 Comal River.

7 (b) A person described by Subsection (a) may be issued water  
8 park permits for not more than five premises:

9 (1) for which wine and malt beverage [~~beer~~] retailer's  
10 permits have been issued under Chapter 25; and

11 (2) that are located:

12 (A) in the public venue described in Subsection  
13 (a)(2); or

14 (B) not more than one mile from the boundary of  
15 that venue.

16 SECTION 155. Section 56.04, Alcoholic Beverage Code, is  
17 amended to read as follows:

18 Sec. 56.04. APPLICABILITY OF OTHER LAW. Except as  
19 otherwise provided in this chapter, the provisions of this code  
20 applicable to a wine and malt beverage [~~beer~~] retailer's permit  
21 apply to a water park permit.

22 SECTION 156. Section 61.01, Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 61.01. LICENSE REQUIRED. A [~~No~~] person may not  
25 [~~manufacture or~~] brew malt beverages [~~beer~~] for the purpose of  
26 sale, import malt beverages [~~it~~] into this state, distribute or  
27 sell malt beverages [~~it~~], or possess malt beverages [~~it~~] for the

1 purpose of sale without having first obtained an appropriate  
2 license or permit as provided in this code. Each licensee shall  
3 display the [~~his~~] license at all times in a conspicuous place at the  
4 licensed place of business.

5 SECTION 157. Sections 61.03(a) and (b), Alcoholic Beverage  
6 Code, are amended to read as follows:

7 (a) Except as provided by Subsections (d) and (e) or another  
8 provision of this code, any license except a branch[~~, importer's,~~  
9 ~~importer's carrier's, or temporary~~] license expires on the second  
10 anniversary of the date on which it is issued. [~~Notwithstanding~~  
11 ~~Section 5.50(b), the commission shall require double the amount of~~  
12 ~~fees and surcharges otherwise applicable under this code for a~~  
13 ~~license with a two-year term.]~~

14 (b) A secondary license or certificate which requires the  
15 holder of the license or certificate to first obtain another  
16 license, including a retailer late hours certificate [~~license or~~  
17 ~~temporary license~~], expires on the same date the basic or primary  
18 license expires. The commission may not prorate or refund any part  
19 of the fee for the secondary license or certificate if the  
20 application of this section results in the expiration of the  
21 license in less than two years.

22 SECTION 158. Section 61.05, Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 61.05. NAME OF BUSINESS. A [~~No~~] person may not conduct  
25 a business engaged in the brewing [~~manufacture~~], distribution,  
26 importation, or sale of malt beverages [~~beer~~] as owner or part owner  
27 except under the name to which the license covering the person's

1 ~~his~~ place of business is issued.

2 SECTION 159. Section 61.06, Alcoholic Beverage Code, is  
3 amended to read as follows:

4 Sec. 61.06. PRIVILEGES LIMITED TO LICENSED PREMISES;  
5 DELIVERIES. A ~~No~~ person licensed to sell malt beverages ~~beer~~,  
6 other than ~~except~~ a brewer ~~manufacturer~~ or distributor, may not  
7 use or display a license or exercise a privilege granted by the  
8 license except at the licensed premises. Deliveries of malt  
9 beverages ~~beer~~ and collections may be made off the licensed  
10 premises in areas where the sale of malt beverages ~~beer~~ is legal  
11 inside the county where the license is issued, but only in response  
12 to orders placed by the customer in person at the licensed premises  
13 or by mail or telephone to the licensed premises.

14 SECTION 160. Section 61.07, Alcoholic Beverage Code, is  
15 amended to read as follows:

16 Sec. 61.07. AGENT FOR SERVICE. Each brewer ~~manufacturer~~,  
17 distributor, or person shipping or delivering malt beverages ~~beer~~  
18 into this state shall file a certificate with the secretary of state  
19 designating the name, street address, and business of the person's  
20 ~~his~~ agent on whom process may be served. If a certificate is not  
21 filed, service may be had on the secretary of state in any cause of  
22 action arising out of a violation of this code, and the secretary of  
23 state shall send any citation served on the secretary ~~him~~ by  
24 registered mail, return receipt requested, to the person for whom  
25 the citation is intended. The receipt is prima facie evidence of  
26 service on the person.

27 SECTION 161. Effective December 31, 2020, Section 61.09,

1 Alcoholic Beverage Code, is amended to read as follows:

2       Sec. 61.09. CHANGE OF LOCATION. If a licensee desires to  
3 change the licensee's place of business, the licensee may do so by  
4 applying to the commission on a form prescribed by the commission  
5 and obtaining the commission's consent. The application may be  
6 subject to protest and hearing in the same way as an application for  
7 an original license. [~~In the case of a required protest hearing,~~  
8 ~~the county judge may deny the application for any cause for which an~~  
9 ~~original license application may be denied.~~] No additional license  
10 fee for the unexpired term of the license shall be required in the  
11 case of an application for a change of location.

12       SECTION 162. Section 61.111(a), Alcoholic Beverage Code, is  
13 amended to read as follows:

14       (a) The commission by rule shall require the holder of a  
15 license authorizing the sale of malt beverages [~~beer~~] for  
16 on-premises consumption to display a warning sign on the door to  
17 each restroom on the licensed premises that informs the public of  
18 the risks of drinking alcohol during pregnancy.

19       SECTION 163. Section 61.12, Alcoholic Beverage Code, is  
20 amended to read as follows:

21       Sec. 61.12. RESTRICTION ON CONSUMPTION. A [~~No~~] licensee  
22 other than [~~except~~] a holder of a license authorizing on-premises  
23 consumption of malt beverages [~~beer~~] may not permit malt beverages  
24 [~~beer~~] to be consumed on the premises where they are [~~it is~~] sold.

25       SECTION 164. (a) Effective December 31, 2020, Section  
26 61.31, Alcoholic Beverage Code, is amended to read as follows:

27       Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file

1 an application for a license to manufacture, distribute, store, or  
2 sell beer with the commission on forms prescribed by the  
3 commission.

4 (b) On receipt of an application for a license under this  
5 code, the commission [~~or administrator~~] shall follow the procedure  
6 under Section 11.43 [~~determine whether a protest has been filed~~  
7 ~~against the application. If a protest against the application has~~  
8 ~~been filed, the commission or administrator shall investigate the~~  
9 ~~protest. If the commission or administrator finds that no~~  
10 ~~reasonable grounds exist for the protest, or if no protest has been~~  
11 ~~filed, the commission or administrator shall issue a license if the~~  
12 ~~commission or administrator finds that all facts stated in the~~  
13 ~~application are true and no legal ground to refuse a license exists.~~  
14 ~~If the commission or administrator finds that reasonable grounds~~  
15 ~~exist for the protest, the commission or administrator shall reject~~  
16 ~~the protested application and require the applicant to file the~~  
17 ~~application with the county judge of the county in which the~~  
18 ~~applicant desires to conduct business and submit to a hearing].~~

19 [~~(b) The county judge shall set a protested application for~~  
20 ~~a hearing to be held not less than 5 nor more than 10 days after the~~  
21 ~~date the county judge receives the protested application.]~~

22 (c) Each applicant for an original license [~~, other than a~~  
23 ~~branch or temporary license,~~] shall pay [~~a hearing fee of \$25 to the~~  
24 ~~county clerk at the time of the hearing. The county clerk shall~~  
25 ~~deposit the fee in the county treasury. The applicant is liable for~~  
26 ~~no other fee except~~] the annual license fee prescribed by this code.

27 (d) A [~~No~~] person may not sell beer during the pendency of



1 the person's [~~his~~] original license application. An [~~No~~] official  
2 may not advise a person to the contrary.

3 (b) Effective September 1, 2021, Section 61.31, Alcoholic  
4 Beverage Code, is amended to read as follows:

5 Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file  
6 an application for a license to manufacture, distribute, store, or  
7 sell malt beverages [~~beer~~] with the commission on forms prescribed  
8 by the commission.

9 (b) On receipt of an application for a license under this  
10 code, the commission [~~or administrator~~] shall follow the procedure  
11 under Section 11.43 [~~determine whether a protest has been filed~~  
12 ~~against the application. If a protest against the application has~~  
13 ~~been filed, the commission or administrator shall investigate the~~  
14 ~~protest. If the commission or administrator finds that no~~  
15 ~~reasonable grounds exist for the protest, or if no protest has been~~  
16 ~~filed, the commission or administrator shall issue a license if the~~  
17 ~~commission or administrator finds that all facts stated in the~~  
18 ~~application are true and no legal ground to refuse a license exists.~~  
19 ~~If the commission or administrator finds that reasonable grounds~~  
20 ~~exist for the protest, the commission or administrator shall reject~~  
21 ~~the protested application and require the applicant to file the~~  
22 ~~application with the county judge of the county in which the~~  
23 ~~applicant desires to conduct business and submit to a hearing].~~

24 [~~(b) The county judge shall set a protested application for~~  
25 ~~a hearing to be held not less than 5 nor more than 10 days after the~~  
26 ~~date the county judge receives the protested application.]~~

27 (c) Each applicant for an original license[~~, other than a~~

1 ~~branch or temporary license,~~] shall pay [~~a hearing fee of \$25 to the~~  
2 ~~county clerk at the time of the hearing. The county clerk shall~~  
3 ~~deposit the fee in the county treasury. The applicant is liable for~~  
4 ~~no other fee except~~] the [~~annual~~] license fee authorized by  
5 commission rule [~~prescribed by this code~~].

6 (d) A [~~No~~] person may not sell malt beverages [~~beer~~] during  
7 the pendency of the person's [~~his~~] original license application.  
8 An [~~No~~] official may not advise a person to the contrary.

9 SECTION 165. Effective December 31, 2020, Subchapter B,  
10 Chapter 61, Alcoholic Beverage Code, is amended by adding Sections  
11 61.313 and 61.314 to read as follows:

12 Sec. 61.313. PROTEST BY MEMBER OF THE PUBLIC. (a) A member  
13 of the public may protest an application for:

14 (1) an original retail dealer's on-premise license if  
15 a sexually oriented business is to be operated on the premises to be  
16 covered by the license;

17 (2) any renewal of a retail dealer's on-premise  
18 license if a sexually oriented business is to be operated on the  
19 premises to be covered by the license and a petition is presented to  
20 the commission that is signed by 50 percent of the residents who  
21 reside within 300 feet of any property line of the affected  
22 premises; or

23 (3) a license authorizing the retail sale of malt  
24 beverages for on-premises consumption if the person resides within  
25 300 feet of any property line of the premises for which the license  
26 is sought.

27 (b) In addition to the situations described by Subsection

1 (a), the commission by rule may authorize a member of the public to  
2 protest other license applications the commission considers  
3 appropriate.

4 (c) A protest made under this section must include an  
5 allegation of grounds on which the original or renewal application,  
6 as applicable, should be denied.

7 Sec. 61.314. PROTEST BY GOVERNMENT OFFICIAL. (a) The  
8 following persons may protest an application for an alcoholic  
9 beverage license:

10 (1) the state senator, state representative, county  
11 commissioner, and city council member who represent the area in  
12 which the premises sought to be licensed are located;

13 (2) the commissioners court of the county in which the  
14 premises sought to be licensed are located;

15 (3) the county judge of the county in which the  
16 premises sought to be licensed are located;

17 (4) the sheriff or county or district attorney of the  
18 county in which the premises sought to be licensed are located;

19 (5) the mayor of the city or town in which the premises  
20 sought to be licensed are located; and

21 (6) the chief of police, city marshal, or city  
22 attorney of the city or town in which the premises sought to be  
23 permitted are located.

24 (b) The commission may give due consideration to the  
25 recommendations of a person listed under Subsection (a) when  
26 evaluating an application for a license under this code.

27 SECTION 166. Effective December 31, 2020, Section [61.34\(d\)](#),

1 Alcoholic Beverage Code, is amended to read as follows:

2 (d) A person appealing from an order denying a license  
3 ~~[under this section]~~ shall give bond for all costs incident to the  
4 appeal and shall be required to pay those costs if the judgment on  
5 appeal is unfavorable to the applicant, but not otherwise. A ~~[No]~~  
6 bond is not required on appeals filed on behalf of the state.

7 SECTION 167. Sections 61.35(a) and (b), Alcoholic Beverage  
8 Code, are amended to read as follows:

9 (a) A separate license fee is required for each place of  
10 business that brews ~~[manufactures]~~, imports, or sells malt  
11 beverages ~~[beer]~~.

12 (b) All license fees~~[, except those for temporary~~  
13 ~~licenses,]~~ shall be deposited as provided in Section 205.02. Each  
14 license application must be accompanied by a cashier's check, a  
15 teller's check, a check drawn on the account of a corporation  
16 applying for a license or on the account of a corporation that is an  
17 agent for the person applying for a license, a money order, or  
18 payment by credit card, charge card, or other electronic form of  
19 payment approved by commission rule for the amount of the state fee,  
20 payable to the order of the comptroller.

21 SECTION 168. Section 61.36(a), Alcoholic Beverage Code, is  
22 amended to read as follows:

23 (a) The governing body of an incorporated city or town may  
24 levy and collect a fee not to exceed one-half of the state fee for  
25 each license~~[, except a temporary or agent's beer license,]~~ issued  
26 for premises located within the city or town. The commissioners  
27 court of a county may levy and collect a fee equal to one-half the

1 state fee for each license[~~, except a temporary or agent's beer~~  
2 ~~license,~~] issued for premises located within the county. Those  
3 authorities may not levy or collect any other fee or tax from the  
4 licensee except general ad valorem taxes, the hotel occupancy tax  
5 levied under Chapter 351, Tax Code, and the local sales and use tax  
6 levied under Chapter 321, Tax Code.

7 SECTION 169. Effective December 31, 2020, Section 61.36(d),  
8 Alcoholic Beverage Code, is amended to read as follows:

9 (d) The commission or administrator may cancel or the  
10 commission may deny an application for a license for the retail sale  
11 of alcoholic beverages, including a license held by the holder of a  
12 food and beverage certificate, if it finds that the license holder  
13 or applicant has not paid delinquent ad valorem taxes due on that  
14 licensed premises or due from a business operated on that premises  
15 to any taxing authority in the county of the premises. For purposes  
16 of this subsection, a license holder or applicant is presumed  
17 delinquent in the payment of taxes due if the license holder or  
18 applicant:

19 (1) is placed on a delinquent tax roll prepared under  
20 Section 33.03, Tax Code;

21 (2) has received a notice of delinquency under Section  
22 33.04, Tax Code; and

23 (3) has not made a payment required under Section  
24 42.08, Tax Code.

25 SECTION 170. Effective September 1, 2019, Sections 61.37(a)  
26 and (b), Alcoholic Beverage Code, are amended to read as follows:

27 (a) The county clerk of the county in which an application

1 for a license is made shall certify whether the location or address  
2 given in the application is in a wet area and whether the sale of  
3 alcoholic beverages for which the license is sought is prohibited  
4 by any valid order of the commissioners court. The county clerk  
5 shall issue the certification not later than the 30th day after the  
6 date the county clerk receives the application for certification.

7 (b) The city secretary or clerk of the city in which an  
8 application for a license is made shall certify whether the  
9 location or address given in the application is in a wet area and  
10 whether the sale of alcoholic beverages for which the license is  
11 sought is prohibited by charter or ordinance. The city secretary or  
12 clerk of the city shall issue the certification not later than the  
13 30th day after the date the city secretary or clerk of the city  
14 receives the application for certification.

15 SECTION 171. Section 61.38(a), Alcoholic Beverage Code, is  
16 amended to read as follows:

17 (a) Every original applicant for a license to brew  
18 ~~[manufacture]~~, distribute, or sell malt beverages ~~[beer]~~ at retail  
19 shall give notice of the application by electronic or nonelectronic  
20 publication at the applicant's own expense in two consecutive  
21 issues of a newspaper of general circulation published in the city  
22 or town in which the applicant's place of business is located. If  
23 no newspaper is published in that city or town, the notice must be  
24 published in a newspaper of general circulation published in the  
25 county where the applicant's business is located. If no newspaper  
26 is published in that county, the notice must be published in a  
27 qualified newspaper published in the closest neighboring county and

1 circulated in the county where the applicant's business is located.

2 SECTION 172. Effective September 1, 2019, Section  
3 61.381(c), Alcoholic Beverage Code, is amended to read as follows:

4 (c) This section does not apply to an applicant for a  
5 license issued under Chapter 64, ~~[65]~~ 66, or 71.

6 SECTION 173. Section 61.382(a), Alcoholic Beverage Code, is  
7 amended to read as follows:

8 (a) Except as provided by Subsection (b), a person who  
9 submits an original application for a license authorizing the  
10 retail sale of malt beverages ~~[beer]~~ for on-premises consumption  
11 shall give written notice of the application to each residential  
12 address and established neighborhood association located within  
13 300 feet of any property line of the premises for which the license  
14 is sought.

15 SECTION 174. (a) Effective December 31, 2020, Section  
16 61.41(c), Alcoholic Beverage Code, is amended to read as follows:

17 (c) If the holder of the existing license has made a  
18 declaration required by the commission that the license holder will  
19 no longer use the license, the license holder may not manufacture or  
20 sell beer or possess it for the purpose of sale until the license  
21 has been reinstated. The holder may apply to the commission for the  
22 reinstatement of the license in the same manner and according to the  
23 same procedure as in the case of an original license application.  
24 The ~~[county judge or the]~~ commission ~~[or administrator]~~ may deny  
25 reinstatement of the license for any cause for which an original  
26 license application may be denied.

27 (b) Effective September 1, 2021, Sections 61.41(c) and (d),

1 Alcoholic Beverage Code, are amended to read as follows:

2 (c) If the holder of the existing license has made a  
3 declaration required by the commission that the license holder will  
4 no longer use the license, the license holder may not brew  
5 ~~[manufacture]~~ or sell malt beverages ~~[beer]~~ or possess malt  
6 beverages ~~[it]~~ for the purpose of sale until the license has been  
7 reinstated. The holder may apply to the commission for the  
8 reinstatement of the license in the same manner and according to the  
9 same procedure as in the case of an original license application.  
10 The ~~[county judge or the]~~ commission ~~[or administrator]~~ may deny  
11 reinstatement of the license for any cause for which an original  
12 license application may be denied.

13 (d) Notwithstanding Subsection (a) and Sections 11.49 and  
14 109.53, more than one brewer's ~~[manufacturer's]~~ or nonresident  
15 brewer's ~~[manufacturer's]~~ license may be issued for a single  
16 premises if the license holder for the premises has contracted with  
17 an entity under an alternating brewery proprietorship or contract  
18 brewing arrangement.

19 SECTION 175. (a) Effective September 1, 2019, Section  
20 61.42(a), Alcoholic Beverage Code, is amended to read as follows:

21 (a) The county judge shall refuse to approve an application  
22 for a license as a distributor or retailer if the county judge ~~[he]~~  
23 has reasonable grounds to believe and finds that:

- 24 (1) the applicant is a minor;
- 25 (2) the applicant is indebted to the state for any  
26 taxes, fees, or penalties imposed by this code or by rule of the  
27 commission;



1           (3) the place or manner in which the applicant for a  
2 retail dealer's license may conduct the applicant's [~~his~~] business  
3 warrants a refusal of the application for a license based on the  
4 general welfare, health, peace, morals, safety, and sense of  
5 decency of the people;

6           (4) the applicant has developed an incapacity that  
7 prevents or could prevent the applicant from conducting the  
8 applicant's business with reasonable skill, competence, and safety  
9 to the public [~~is in the habit of using alcoholic beverages to~~  
10 ~~excess or is mentally or physically incompetent~~];

11           (5) the applicant is not a United States citizen or has  
12 not been a citizen of Texas for a period of one year immediately  
13 preceding the filing of the applicant's [~~his~~] application, unless  
14 the applicant [~~he~~] was issued an original or renewal license on or  
15 before September 1, 1948;

16           (6) the applicant was finally convicted of a felony  
17 during the five years immediately preceding the filing of the  
18 applicant's [~~his~~] application;

19           (7) the applicant is not of good moral character or the  
20 applicant's [~~his~~] reputation for being a peaceable, law-abiding  
21 citizen in the community where the applicant [~~he~~] resides is bad; or

22           (8) as to a corporation, it is not incorporated under  
23 the laws of this state, or at least 51 percent of the corporate  
24 stock is not owned at all times by persons who individually are  
25 qualified to obtain a license, except that this subdivision does  
26 not apply to a holder of any renewal of a distributor's license  
27 which was in effect on January 1, 1953[~~, or to an applicant for a~~

1 ~~beer retailer's on-premise license for a railway car~~].

2 (b) Effective December 31, 2020, Section 61.42, Alcoholic  
3 Beverage Code, is amended to read as follows:

4 Sec. 61.42. MANDATORY GROUNDS FOR DENIAL [~~REFUSAL~~]:  
5 DISTRIBUTOR OR RETAILER. (a) The commission [~~county judge~~] shall  
6 deny [~~refuse to approve~~] an application for a license as a  
7 distributor or retailer if the commission [~~he~~] has reasonable  
8 grounds to believe and finds that:

9 (1) the applicant is a minor;

10 (2) the applicant is indebted to the state for any  
11 taxes, fees, or penalties imposed by this code or by rule of the  
12 commission;

13 (3) the place or manner in which the applicant for a  
14 retail dealer's license may conduct the applicant's [~~his~~] business  
15 warrants a denial [~~refusal~~] of the application for a license based  
16 on the general welfare, health, peace, morals, safety, and sense of  
17 decency of the people;

18 (4) the applicant has developed an incapacity that  
19 prevents or could prevent the applicant from conducting the  
20 applicant's business with reasonable skill, competence, and safety  
21 to the public [~~is in the habit of using alcoholic beverages to~~  
22 ~~excess or is mentally or physically incompetent~~];

23 (5) the applicant is not a United States citizen or has  
24 not been a citizen of Texas for a period of one year immediately  
25 preceding the filing of the applicant's [~~his~~] application, unless  
26 the applicant [~~he~~] was issued an original or renewal license on or  
27 before September 1, 1948;

1           (6) the applicant was finally convicted of a felony  
2 during the five years immediately preceding the filing of the  
3 applicant's [~~his~~] application;

4           (7) the applicant is not of good moral character or the  
5 applicant's [~~his~~] reputation for being a peaceable, law-abiding  
6 citizen in the community where the applicant [~~he~~] resides is bad; or

7           (8) as to a corporation, it is not incorporated under  
8 the laws of this state, or at least 51 percent of the corporate  
9 stock is not owned at all times by persons who individually are  
10 qualified to obtain a license, except that this subdivision does  
11 not apply to a holder of any renewal of a distributor's license  
12 which was in effect on January 1, 1953[~~, or to an applicant for a~~  
13 ~~beer retailer's on-premise license for a railway car~~].

14           (b) The [~~county judge,~~] commission[~~, or administrator~~]  
15 shall deny an application for [~~refuse to approve or issue~~] an  
16 original retail dealer's or retail dealer's on-premise license  
17 unless the applicant for the license files with the application a  
18 certificate issued by the comptroller of public accounts stating  
19 that the applicant holds, or has applied for and satisfies all legal  
20 requirements for the issuance of, a sales tax permit for the place  
21 of business for which the license is sought.

22           (c) The [~~county judge,~~] commission[~~, or administrator~~]  
23 shall deny [~~refuse to approve or issue~~] for a period of one year an  
24 application for a retail dealer's on-premise license or a wine and  
25 beer retailer's permit for a premises where a license or permit has  
26 been canceled during the preceding 12 months as a result of a  
27 shooting, stabbing, or other violent act, or as a result of an

1 offense involving drugs, prostitution, or trafficking of persons.

2 (d) The ~~[county judge,]~~ commission~~[, or administrator]~~  
3 shall deny an application for ~~[refuse to approve or issue]~~ a license  
4 of ~~[to]~~ a person convicted of an offense under Section 101.76 for a  
5 period of five years from the date of the conviction.

6 (c) Effective September 1, 2021, Section 61.42(c),  
7 Alcoholic Beverage Code, is amended to read as follows:

8 (c) The ~~[county judge,]~~ commission~~[, or administrator]~~  
9 shall deny ~~[refuse to approve or issue]~~ for a period of one year an  
10 application for a retail dealer's on-premise license or a wine and  
11 malt beverage ~~[beer]~~ retailer's permit for a premises where a  
12 license or permit has been canceled during the preceding 12 months  
13 as a result of a shooting, stabbing, or other violent act, or as a  
14 result of an offense involving drugs, prostitution, or trafficking  
15 of persons.

16 SECTION 176. Effective December 31, 2020, the heading to  
17 Section 61.421, Alcoholic Beverage Code, is amended to read as  
18 follows:

19 Sec. 61.421. DENIAL ~~[REFUSAL]~~ OF LICENSE AUTHORIZING  
20 ON-PREMISES CONSUMPTION.

21 SECTION 177. Effective December 31, 2020, Section  
22 61.421(b), Alcoholic Beverage Code, is amended to read as follows:

23 (b) The commission ~~[or administrator, with or without a~~  
24 ~~hearing, or the county judge,]~~ shall deny an application for  
25 ~~[refuse to issue or approve]~~ an original or renewal license  
26 authorizing on-premises consumption of alcoholic beverages if the  
27 commission~~[, administrator, or county judge]~~ has reasonable

1 grounds to believe and finds that, during the three years preceding  
2 the date the license application was filed, a license or permit  
3 previously held under this code by the applicant, a person who owns  
4 the premises for which the license is sought, or an officer of a  
5 person who owns the premises for which the license is sought was  
6 canceled or not renewed as a result of a shooting, stabbing, or  
7 other violent act.

8 SECTION 178. Section 61.421(c), Alcoholic Beverage Code, is  
9 amended to read as follows:

10 (c) This section does not apply to the issuance of an  
11 original or renewal license authorizing on-premises consumption  
12 for a location that holds a food and beverage certificate but does  
13 not hold a retailer late hours certificate [~~license~~].

14 SECTION 179. Effective December 31, 2020, Section 61.43,  
15 Alcoholic Beverage Code, is amended to read as follows:

16 Sec. 61.43. DISCRETIONARY GROUNDS FOR DENIAL  
17 [~~REFUSAL~~]: DISTRIBUTOR OR RETAILER. The commission [~~county~~  
18 ~~judge~~] may deny [~~refuse to approve~~] an application for a license as  
19 a distributor or retailer if the commission [~~county judge~~] has  
20 reasonable grounds to believe and finds that:

21 (1) the applicant has been finally convicted in a  
22 court of competent jurisdiction for the violation of a provision of  
23 this code during the two years immediately preceding the filing of  
24 an application;

25 (2) five years has not elapsed since the termination,  
26 by pardon or otherwise, of a sentence imposed for conviction of a  
27 felony;

1           (3) the applicant has violated or caused to be  
2 violated a provision of this code or a rule or regulation of the  
3 commission, for which a suspension was not imposed, during the  
4 12-month period immediately preceding the filing of an application;

5           (4) the applicant failed to answer or falsely or  
6 incorrectly answered a question in an original or renewal  
7 application;

8           (5) the applicant for a retail dealer's license does  
9 not have an adequate building available at the address for which the  
10 license is sought before conducting any activity authorized by the  
11 license;

12           (6) the applicant or a person with whom the applicant  
13 is residentially domiciled had an interest in a license or permit  
14 which was cancelled or revoked within the 12-month period  
15 immediately preceding the filing of an application;

16           (7) the applicant failed or refused to furnish a true  
17 copy of the application to the commission's district office in the  
18 district in which the premises sought to be licensed are located;

19           (8) the applicant for a retail dealer's license will  
20 conduct business in a manner contrary to law or in a place or manner  
21 conducive to a violation of the law; or

22           (9) the place, building, or premises for which the  
23 license is sought was used for selling alcoholic beverages in  
24 violation of the law at any time during the six months immediately  
25 preceding the filing of the application or was used, operated, or  
26 frequented during that time for a purpose or in a manner which was  
27 lewd, immoral, offensive to public decency, or contrary to this

1 code.

2 SECTION 180. (a) Effective December 31, 2020, Section  
3 [61.44](#), Alcoholic Beverage Code, is amended to read as follows:

4 Sec. 61.44. DENIAL [~~REFUSAL~~] OF DISTRIBUTOR'S OR RETAILER'S  
5 LICENSE: PROHIBITED INTERESTS. (a) The commission [~~county judge~~]  
6 may deny [~~refuse to approve~~] an application for a license as a  
7 distributor or retailer if the commission [~~he~~] has reasonable  
8 grounds to believe and finds that:

9 (1) the applicant has a financial interest in an  
10 establishment authorized to sell distilled spirits, except as  
11 authorized in Section [22.06](#), [24.05](#), or [102.05](#) [~~of this code~~];

12 (2) a person engaged in the business of selling  
13 distilled spirits has a financial interest in the business to be  
14 conducted under the license sought by the applicant, except as  
15 authorized in Section [22.06](#), [24.05](#), or [102.05](#) [~~of this code~~]; or

16 (3) the applicant is residentially domiciled with a  
17 person who has a financial interest in an establishment engaged in  
18 the business of selling distilled spirits, except as authorized in  
19 Section [22.06](#), [24.05](#), or [102.05](#) [~~of this code~~].

20 (b) The commission [~~county judge~~] may deny [~~refuse to~~  
21 ~~approve~~] an application for a retail dealer's license if the  
22 commission [~~he~~] has reasonable grounds to believe and finds that:

23 (1) the applicant has a real interest in the business  
24 or premises of the holder of a manufacturer's or distributor's  
25 license; or

26 (2) the premises sought to be licensed are owned in  
27 whole or part by the holder of a manufacturer's or distributor's

1 license.

2 (b) Effective September 1, 2021, Section 61.44(b),  
3 Alcoholic Beverage Code, is amended to read as follows:

4 (b) The commission [~~county judge~~] may deny [~~refuse to~~  
5 ~~approve~~] an application for a retail dealer's license if the  
6 commission [~~he~~] has reasonable grounds to believe and finds that:

7 (1) the applicant has a real interest in the business  
8 or premises of the holder of a brewer's [~~manufacturer's~~] or  
9 distributor's license; or

10 (2) the premises sought to be licensed are owned in  
11 whole or part by the holder of a brewer's [~~manufacturer's~~] or  
12 distributor's license.

13 SECTION 181. (a) Effective December 31, 2020, Section  
14 61.45, Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 61.45. DENIAL [~~REFUSAL~~] OF RETAILER'S OR DISTRIBUTOR'S  
16 LICENSE: PROHIBITED INTEREST IN PREMISES. (a) The commission  
17 [~~county judge~~] may deny [~~refuse to approve~~] an application for a  
18 retail dealer's license if the commission [~~he~~] has reasonable  
19 grounds to believe and finds that:

20 (1) the applicant owns or has an interest in the  
21 premises covered by a manufacturer's or distributor's license; or

22 (2) the holder of a manufacturer's or distributor's  
23 license owns or has an interest in the premises sought to be  
24 licensed.

25 (b) The commission [~~county judge~~] may deny [~~refuse to~~  
26 ~~approve~~] an application for a distributor's license if the  
27 commission [~~he~~] has reasonable grounds to believe and finds that:



1 (1) the applicant owns or has an interest in the  
2 premises covered by a retail dealer's license; or

3 (2) a holder of a retail dealer's license owns or has  
4 an interest in the premises sought to be licensed.

5 (b) Effective September 1, 2021, Section 61.45(a),  
6 Alcoholic Beverage Code, is amended to read as follows:

7 (a) The commission [~~county judge~~] may deny [~~refuse to~~  
8 ~~approve~~] an application for a retail dealer's license if the  
9 commission [~~he~~] has reasonable grounds to believe and finds that:

10 (1) the applicant owns or has an interest in the  
11 premises covered by a brewer's [~~manufacturer's~~] or distributor's  
12 license; or

13 (2) the holder of a brewer's [~~manufacturer's~~] or  
14 distributor's license owns or has an interest in the premises  
15 sought to be licensed.

16 SECTION 182. The heading to Section 61.46, Alcoholic  
17 Beverage Code, is amended to read as follows:

18 Sec. 61.46. BREWER'S [~~MANUFACTURER'S~~] LICENSE: GROUNDS FOR  
19 DENIAL [~~REFUSAL~~].

20 SECTION 183. Section 61.46(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) This section applies to any applicant for a brewer's  
23 [~~manufacturer's~~] license, including a domestic corporation or  
24 foreign corporation qualified to do business in Texas,  
25 administrator or executor, or other person. This section does not  
26 apply to a holder of a subsequent renewal of a [~~manufacturer's~~]  
27 license which was in effect on January 1, 1953, that authorized the

1 license holder to manufacture a type of malt beverage.

2 SECTION 184. (a) Effective December 31, 2020, Section  
3 61.46(b), Alcoholic Beverage Code, is amended to read as follows:

4 (b) The commission [~~county judge~~] shall deny [~~refuse to~~  
5 ~~approve~~] an application for a manufacturer's license if the  
6 commission [~~he~~] has reasonable grounds to believe and finds that  
7 the applicant has failed to state under oath that it will engage in  
8 the business of brewing and packaging beer in this state within  
9 three years after the issuance of its original license in  
10 sufficient quantities as to make its operation that of a bona fide  
11 brewing manufacturer.

12 (b) Effective September 1, 2021, Section 61.46(b),  
13 Alcoholic Beverage Code, is amended to read as follows:

14 (b) The commission [~~county judge~~] shall deny [~~refuse to~~  
15 ~~approve~~] an application for a brewer's [~~manufacturer's~~] license if  
16 the commission [~~he~~] has reasonable grounds to believe and finds  
17 that the applicant has failed to state under oath that it will  
18 engage in the business of brewing and packaging malt beverages  
19 [~~beer~~] in this state within three years after the issuance of its  
20 original license in sufficient quantities as to make its operation  
21 that of a bona fide brewer [~~brewing manufacturer~~].

22 SECTION 185. Effective December 31, 2020, Section 61.48,  
23 Alcoholic Beverage Code, is amended to read as follows:

24 Sec. 61.48. RENEWAL APPLICATION. An application to renew a  
25 license shall be filed with the commission not [~~no~~] earlier than the  
26 30th day [~~30 days~~] before the date the license expires but not after  
27 it expires. The application shall be signed by the applicant and

1 shall contain complete information required by the commission  
2 showing that the applicant is not disqualified from holding a  
3 license. The application shall be accompanied by the appropriate  
4 license fee. An ~~[No]~~ applicant for a renewal may not be required to  
5 pay any fee other than license fees and the filing fee [~~unless the~~  
6 ~~applicant is required by the commission or administrator to submit~~  
7 ~~to a renewal hearing before the county judge~~].

8 SECTION 186. Effective December 31, 2020, Section 61.49,  
9 Alcoholic Beverage Code, is amended to read as follows:

10 Sec. 61.49. ACTION ON RENEWAL APPLICATION BY COMMISSION;  
11 REFUND OF FEE. When the renewal application has been filed in  
12 accordance with Section 61.48, the commission shall follow the  
13 procedure under [~~or administrator may in its discretion issue a~~  
14 ~~renewal license or if an application for a renewal is protested~~  
15 ~~reject the application and require the applicant to file an~~  
16 ~~application with the county judge and submit to a hearing as is~~  
17 ~~required by~~] Section 11.43 [~~61.31~~].

18 SECTION 187. Effective December 31, 2020, Section 61.50,  
19 Alcoholic Beverage Code, is amended to read as follows:

20 Sec. 61.50. RENEWAL OF RETAIL DEALER'S LICENSE: GROUNDS FOR  
21 DENIAL [~~REFUSAL~~]. The commission [~~or administrator, without a~~  
22 ~~hearing,~~] may deny an application for [~~refuse to issue~~] a renewal of  
23 a retail dealer's license and require the applicant to make an  
24 original application if it is found that circumstances exist which  
25 would warrant the denial [~~refusal~~] of an original application under  
26 any pertinent provision of this code.

27 SECTION 188. (a) Effective September 1, 2019, Section

1 61.71(a), Alcoholic Beverage Code, is amended to read as follows:

2 (a) The commission or administrator may suspend for not more  
3 than 60 days or cancel an original or renewal retail dealer's on- or  
4 off-premise license if it is found, after notice and hearing, that  
5 the licensee:

6 (1) violated a provision of this code or a rule of the  
7 commission during the existence of the license sought to be  
8 cancelled or suspended or during the immediately preceding license  
9 period;

10 (2) was finally convicted for violating a penal  
11 provision of this code;

12 (3) was finally convicted of a felony while holding an  
13 original or renewal license;

14 (4) made a false statement or a misrepresentation in  
15 the licensee's original application or a renewal application;

16 (5) with criminal negligence sold, served, or  
17 delivered an alcoholic beverage to a minor;

18 (6) sold, served, or delivered an alcoholic beverage  
19 to an intoxicated person;

20 (7) sold, served, or delivered an alcoholic beverage  
21 at a time when its sale is prohibited;

22 (8) entered or offered to enter an agreement,  
23 condition, or system which would constitute the sale or possession  
24 of alcoholic beverages on consignment;

25 (9) possessed on the licensed premises, or on adjacent  
26 premises directly or indirectly under the licensee's control, an  
27 alcoholic beverage not authorized to be sold on the licensed

1 premises, or permitted an agent, servant, or employee to do so,  
2 except as permitted by Section 22.06, 24.05, or 102.05;

3 (10) permitted a person on the licensed premises to  
4 engage in conduct which is lewd, immoral, or offensive to public  
5 decency;

6 (11) employed a person under 18 years of age to sell,  
7 handle, or dispense beer, or to assist in doing so, in an  
8 establishment where beer is sold for on-premises consumption;

9 (12) conspired with a person to violate Section  
10 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or  
11 108.04-108.06, or a rule promulgated under Section 5.40, or  
12 accepted a benefit from an act prohibited by any of these sections  
13 or rules;

14 (13) refused to permit or interfered with an  
15 inspection of the licensed premises by an authorized representative  
16 of the commission or a peace officer;

17 (14) permitted the use or display of the licensee's  
18 license in the conduct of a business for the benefit of a person not  
19 authorized by law to have an interest in the license;

20 (15) maintained blinds or barriers at the licensee's  
21 place of business in violation of this code;

22 (16) conducted the licensee's business in a place or  
23 manner which warrants the cancellation or suspension of the license  
24 based on the general welfare, health, peace, morals, safety, and  
25 sense of decency of the people;

26 (17) consumed an alcoholic beverage or permitted one  
27 to be consumed on the licensed premises at a time when the

1 consumption of alcoholic beverages is prohibited by this code;

2 (18) purchased beer for the purpose of resale from a  
3 person other than the holder of a manufacturer's or distributor's  
4 license;

5 (19) acquired an alcoholic beverage for the purpose of  
6 resale from another retail dealer of alcoholic beverages;

7 (20) owned an interest of any kind in the business or  
8 premises of the holder of a distributor's license;

9 (21) purchased, sold, offered for sale, distributed,  
10 or delivered an alcoholic beverage, or consumed an alcoholic  
11 beverage or permitted one to be consumed on the licensed premises  
12 while the licensee's license was under suspension;

13 (22) purchased, possessed, stored, sold, or offered  
14 for sale beer in or from an original package bearing a brand or  
15 trade name of a manufacturer other than the brand or trade name  
16 shown on the container;

17 (23) has developed an incapacity that prevents or  
18 could prevent the license holder from managing the license holder's  
19 establishment with reasonable skill, competence, and safety to the  
20 public [~~habitually uses alcoholic beverages to excess, is mentally~~  
21 ~~incompetent, or is physically unable to manage the licensee's~~  
22 ~~establishment~~];

23 (24) imported beer into this state except as  
24 authorized by Section 107.07;

25 (25) occupied premises in which the holder of a  
26 manufacturer's or distributor's license had an interest of any  
27 kind;

1           (26) knowingly permitted a person who had an interest  
2 in a permit or license which was cancelled for cause to sell,  
3 handle, or assist in selling or handling alcoholic beverages on the  
4 licensed premises within one year after the cancellation;

5           (27) was financially interested in a place of business  
6 engaged in the selling of distilled spirits or permitted a person  
7 having an interest in that type of business to have a financial  
8 interest in the business authorized by the licensee's license,  
9 except as permitted by Section 22.06, 24.05, or 102.05;

10           (28) is residentially domiciled with or related to a  
11 person engaged in selling distilled spirits, except as permitted by  
12 Section 22.06, 24.05, or 102.05, so that there is a community of  
13 interests which the commission or administrator finds contrary to  
14 the purposes of this code;

15           (29) is residentially domiciled with or related to a  
16 person whose license has been cancelled within the preceding 12  
17 months so that there is a community of interests which the  
18 commission or administrator finds contrary to the purposes of this  
19 code; or

20           (30) failed to promptly report to the commission a  
21 breach of the peace occurring on the licensee's licensed premises.

22           (b) Effective September 1, 2021, Section 61.71(a),  
23 Alcoholic Beverage Code, is amended to read as follows:

24           (a) The commission or administrator may suspend for not more  
25 than 60 days or cancel an original or renewal retail dealer's on- or  
26 off-premise license if it is found, after notice and hearing, that  
27 the licensee:

1           (1) violated a provision of this code or a rule of the  
2 commission during the existence of the license sought to be  
3 cancelled or suspended or during the immediately preceding license  
4 period;

5           (2) was finally convicted for violating a penal  
6 provision of this code;

7           (3) was finally convicted of a felony while holding an  
8 original or renewal license;

9           (4) made a false statement or a misrepresentation in  
10 the licensee's original application or a renewal application;

11           (5) with criminal negligence sold, served, or  
12 delivered an alcoholic beverage to a minor;

13           (6) sold, served, or delivered an alcoholic beverage  
14 to an intoxicated person;

15           (7) sold, served, or delivered an alcoholic beverage  
16 at a time when its sale is prohibited;

17           (8) entered or offered to enter an agreement,  
18 condition, or system which would constitute the sale or possession  
19 of alcoholic beverages on consignment;

20           (9) possessed on the licensed premises, or on adjacent  
21 premises directly or indirectly under the licensee's control, an  
22 alcoholic beverage not authorized to be sold on the licensed  
23 premises, or permitted an agent, servant, or employee to do so,  
24 except as permitted by Section [22.06](#), [24.05](#), or [102.05](#);

25           (10) permitted a person on the licensed premises to  
26 engage in conduct which is lewd, immoral, or offensive to public  
27 decency;



1           (11) employed a person under 18 years of age to sell,  
2 handle, or dispense malt beverages [~~beer~~], or to assist in doing so,  
3 in an establishment where malt beverages are [~~beer is~~] sold for  
4 on-premises consumption;

5           (12) conspired with a person to violate Section  
6 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or  
7 108.04-108.06, or a rule promulgated under Section 5.40, or  
8 accepted a benefit from an act prohibited by any of these sections  
9 or rules;

10           (13) refused to permit or interfered with an  
11 inspection of the licensed premises by an authorized representative  
12 of the commission or a peace officer;

13           (14) permitted the use or display of the licensee's  
14 license in the conduct of a business for the benefit of a person not  
15 authorized by law to have an interest in the license;

16           (15) maintained blinds or barriers at the licensee's  
17 place of business in violation of this code;

18           (16) conducted the licensee's business in a place or  
19 manner which warrants the cancellation or suspension of the license  
20 based on the general welfare, health, peace, morals, safety, and  
21 sense of decency of the people;

22           (17) consumed an alcoholic beverage or permitted one  
23 to be consumed on the licensed premises at a time when the  
24 consumption of alcoholic beverages is prohibited by this code;

25           (18) purchased malt beverages [~~beer~~] for the purpose  
26 of resale from a person other than the holder of a brewer's  
27 [~~manufacturer's~~] or distributor's license;

1 (19) acquired an alcoholic beverage for the purpose of  
2 resale from another retail dealer of alcoholic beverages;

3 (20) owned an interest of any kind in the business or  
4 premises of the holder of a distributor's license;

5 (21) purchased, sold, offered for sale, distributed,  
6 or delivered an alcoholic beverage, or consumed an alcoholic  
7 beverage or permitted one to be consumed on the licensed premises  
8 while the licensee's license was under suspension;

9 (22) purchased, possessed, stored, sold, or offered  
10 for sale malt beverages [~~beer~~] in or from an original package  
11 bearing a brand or trade name of a manufacturer other than the brand  
12 or trade name shown on the container;

13 (23) has developed an incapacity that prevents or  
14 could prevent the license holder from managing the license holder's  
15 establishment with reasonable skill, competence, and safety to the  
16 public [~~habitually uses alcoholic beverages to excess, is mentally~~  
17 ~~incompetent, or is physically unable to manage the licensee's~~  
18 ~~establishment~~];

19 (24) imported malt beverages [~~beer~~] into this state  
20 except as authorized by Section 107.07;

21 (25) occupied premises in which the holder of a  
22 brewer's [~~manufacturer's~~] or distributor's license had an interest  
23 of any kind;

24 (26) knowingly permitted a person who had an interest  
25 in a permit or license which was cancelled for cause to sell,  
26 handle, or assist in selling or handling alcoholic beverages on the  
27 licensed premises within one year after the cancellation;

1           (27) was financially interested in a place of business  
2 engaged in the selling of distilled spirits or permitted a person  
3 having an interest in that type of business to have a financial  
4 interest in the business authorized by the licensee's license,  
5 except as permitted by Section 22.06, 24.05, or 102.05;

6           (28) is residentially domiciled with or related to a  
7 person engaged in selling distilled spirits, except as permitted by  
8 Section 22.06, 24.05, or 102.05, so that there is a community of  
9 interests which the commission or administrator finds contrary to  
10 the purposes of this code;

11           (29) is residentially domiciled with or related to a  
12 person whose license has been cancelled within the preceding 12  
13 months so that there is a community of interests which the  
14 commission or administrator finds contrary to the purposes of this  
15 code; or

16           (30) failed to promptly report to the commission a  
17 breach of the peace occurring on the licensee's licensed premises.

18           SECTION 189. Effective December 31, 2020, Section 61.712,  
19 Alcoholic Beverage Code, is amended to read as follows:

20           Sec. 61.712. GROUNDS FOR CANCELLATION OR SUSPENSION: SALES  
21 TAX. The commission [~~or administrator~~] may deny an application for  
22 a renewal license [~~refuse to renew~~] or, after notice and hearing,  
23 the commission or administrator may suspend for not more than 60  
24 days or cancel a license if the commission or administrator finds  
25 that the licensee:

26           (1) no longer holds a sales tax permit, if required,  
27 for the place of business covered by the license; or

1           (2) is shown on the records of the comptroller of  
2 public accounts as being subject to a final determination of taxes  
3 due and payable under the Limited Sales, Excise and Use Tax Act  
4 (Chapter 151, Tax Code), or is shown on the records of the  
5 comptroller of public accounts as being subject to a final  
6 determination of taxes due and payable under Chapter 321, Tax Code.

7           SECTION 190. (a) Effective December 31, 2020, Section  
8 61.721, Alcoholic Beverage Code, is amended to read as follows:

9           Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN  
10 MUNICIPALITIES. The commission or administrator may cancel an  
11 original or a renewal wine and beer retailer's permit or retail  
12 dealer's on-premise license and the commission may deny an  
13 application for ~~[refuse to issue]~~ any new alcoholic beverage permit  
14 or license for the same premises for one year after the date of  
15 cancellation if:

16           (1) the chief of police of the city or the sheriff of  
17 the county in which the premises are located has submitted a sworn  
18 statement to the commission stating specific allegations that the  
19 place or manner in which the permittee or licensee conducts its  
20 business endangers the general welfare, health, peace, morals, or  
21 safety of the community and further stating that there is a  
22 reasonable likelihood that such conduct would continue at the same  
23 location under another licensee or permittee; and

24           (2) the commission ~~[or administrator]~~ finds, after  
25 notice and hearing within the county where the premises are  
26 located, that the place or manner in which the permittee or licensee  
27 conducts its business does in fact endanger the general welfare,

1 health, peace, morals, or safety of the community and that there is  
2 a reasonable likelihood that such conduct would continue at the  
3 same location under another licensee or permittee.

4 (b) Effective September 1, 2021, Section 61.721, Alcoholic  
5 Beverage Code, is amended to read as follows:

6 Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN  
7 MUNICIPALITIES. The commission or administrator may cancel an  
8 original or a renewal wine and malt beverage ~~[beer]~~ retailer's  
9 permit or retail dealer's on-premise license and the commission may  
10 deny an application for ~~[refuse to issue]~~ any new alcoholic  
11 beverage permit or license for the same premises for one year after  
12 the date of cancellation if:

13 (1) the chief of police of the city or the sheriff of  
14 the county in which the premises are located has submitted a sworn  
15 statement to the commission stating specific allegations that the  
16 place or manner in which the permittee or licensee conducts its  
17 business endangers the general welfare, health, peace, morals, or  
18 safety of the community and further stating that there is a  
19 reasonable likelihood that such conduct would continue at the same  
20 location under another licensee or permittee; and

21 (2) the commission ~~[or administrator]~~ finds, after  
22 notice and hearing within the county where the premises are  
23 located, that the place or manner in which the permittee or licensee  
24 conducts its business does in fact endanger the general welfare,  
25 health, peace, morals, or safety of the community and that there is  
26 a reasonable likelihood that such conduct would continue at the  
27 same location under another licensee or permittee.

1 SECTION 191. Section 61.73, Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 61.73. RETAIL DEALER: CREDIT PURCHASE OR DISHONORED  
4 CHECK. (a) The commission or administrator may suspend for not  
5 more than 60 days or cancel an original or renewal retail dealer's  
6 on- or off-premise license if it is found, after notice and hearing,  
7 that the licensee purchased malt beverages [~~beer~~] or the containers  
8 or original packages in which they are [~~it is~~] contained or packaged  
9 except by cash payment to the seller on or before delivery. No  
10 holder of either type of license may use a maneuver, device,  
11 subterfuge, or shift by which credit is accepted, including payment  
12 or attempted payment by a postdated check or draft. Credit for the  
13 return of unbroken or undamaged containers or original packages  
14 previously paid for by the purchaser may be accepted as cash by the  
15 seller in an amount not more than the amount originally paid for  
16 them by the purchaser.

17 (b) The commission or administrator may suspend for not more  
18 than 60 days or cancel an original or renewal retail dealer's on- or  
19 off-premise license if it is found, after notice and hearing, that  
20 the licensee gave a check, as maker or endorser, or a draft, as  
21 drawer or endorser, as full or partial payment for malt beverages  
22 [~~beer~~] or the containers or packages in which they are [~~it is~~]  
23 contained or packaged, which is dishonored when presented for  
24 payment.

25 SECTION 192. (a) Effective September 1, 2019, Section  
26 61.74(a), Alcoholic Beverage Code, is amended to read as follows:

27 (a) The commission or administrator may suspend for not more

1 than 60 days or cancel an original or renewal general~~[, local,]~~ or  
2 branch distributor's license if it is found, after notice and  
3 hearing, that the licensee:

4 (1) violated a provision of this code or a rule of the  
5 commission during the existence of the license sought to be  
6 cancelled or suspended or during the immediately preceding license  
7 period;

8 (2) was finally convicted for violating a penal  
9 provision of this code;

10 (3) was finally convicted of a felony while holding an  
11 original or renewal license;

12 (4) violated Section 101.41-101.43, 101.68,  
13 102.11-102.15, 104.04, 108.01, or 108.04-108.06 ~~[of this code]~~, or  
14 a rule or regulation promulgated under Section 5.40 ~~[of this code]~~;

15 (5) failed to comply with a requirement of the  
16 commission relating to the keeping of records or making of reports;

17 (6) failed to pay any tax due the state on any beer the  
18 licensee ~~[he]~~ sold, stored, or transported;

19 (7) refused to permit or interfered with an inspection  
20 of the licensee's ~~[his licensed]~~ premises, vehicles, books, or  
21 records by an authorized representative of the commission;

22 (8) consummated a sale of beer outside the county or  
23 counties in which the licensee ~~[he]~~ was authorized to sell beer  
24 under the ~~[by his]~~ license;

25 (9) purchased, sold, offered for sale, distributed, or  
26 delivered beer while the ~~[his]~~ license was under suspension;

27 (10) permitted the use of the licensee's ~~[his]~~ license

1 in the operation of a business conducted for the benefit of a person  
2 not authorized by law to have an interest in the business;

3 (11) made a false or misleading representation or  
4 statement in the licensee's ~~[his]~~ original application or a renewal  
5 application;

6 (12) has developed an incapacity that prevents or  
7 could prevent the license holder from managing the license holder's  
8 establishment with reasonable skill, competence, and safety to the  
9 public ~~[habitually uses alcoholic beverages to excess, is mentally~~  
10 ~~incompetent, or is physically unable to manage his establishment]~~;

11 (13) misrepresented any beer sold by the licensee  
12 ~~[him]~~ to a retailer or to the public;

13 (14) with criminal negligence sold or delivered beer  
14 to a minor; or

15 (15) purchased, possessed, stored, sold, or offered  
16 for sale beer in an original package bearing a brand or trade name  
17 of a manufacturer other than the brand or trade name of the  
18 manufacturer shown on the container.

19 (b) Effective September 1, 2021, Section 61.74(a),  
20 Alcoholic Beverage Code, is amended to read as follows:

21 (a) The commission or administrator may suspend for not more  
22 than 60 days or cancel an original or renewal general~~[, local]~~ or  
23 branch distributor's license if it is found, after notice and  
24 hearing, that the licensee:

25 (1) violated a provision of this code or a rule of the  
26 commission during the existence of the license sought to be  
27 cancelled or suspended or during the immediately preceding license



1 period;

2 (2) was finally convicted for violating a penal  
3 provision of this code;

4 (3) was finally convicted of a felony while holding an  
5 original or renewal license;

6 (4) violated Section 101.41-101.43, 101.68,  
7 102.11-102.15, 104.04, 108.01, or 108.04-108.06 [~~of this code~~], or  
8 a rule or regulation promulgated under Section 5.40 [~~of this code~~];

9 (5) failed to comply with a requirement of the  
10 commission relating to the keeping of records or making of reports;

11 (6) failed to pay any tax due the state on any malt  
12 beverages the licensee [~~beer he~~] sold, stored, or transported;

13 (7) refused to permit or interfered with an inspection  
14 of the licensee's [~~his licensed~~] premises, vehicles, books, or  
15 records by an authorized representative of the commission;

16 (8) consummated a sale of malt beverages [~~beer~~]  
17 outside the county or counties in which the licensee [~~he~~] was  
18 authorized to sell malt beverages under the [~~beer by his~~] license;

19 (9) purchased, sold, offered for sale, distributed, or  
20 delivered malt beverages [~~beer~~] while the [~~his~~] license was under  
21 suspension;

22 (10) permitted the use of the licensee's [~~his~~] license  
23 in the operation of a business conducted for the benefit of a person  
24 not authorized by law to have an interest in the business;

25 (11) made a false or misleading representation or  
26 statement in the licensee's [~~his~~] original application or a renewal  
27 application;

1           (12) has developed an incapacity that prevents or  
2 could prevent the license holder from managing the license holder's  
3 establishment with reasonable skill, competence, and safety to the  
4 public [~~habitually uses alcoholic beverages to excess, is mentally~~  
5 ~~incompetent, or is physically unable to manage his establishment~~];

6           (13) misrepresented any malt beverages [~~beer~~] sold by  
7 the licensee [~~him~~] to a retailer or to the public;

8           (14) with criminal negligence sold or delivered malt  
9 beverages [~~beer~~] to a minor; or

10          (15) purchased, possessed, stored, sold, or offered  
11 for sale malt beverages [~~beer~~] in an original package bearing a  
12 brand or trade name of a brewer [~~manufacturer~~] other than the brand  
13 or trade name of the brewer [~~manufacturer~~] shown on the container.

14          SECTION 193. Section 61.75, Alcoholic Beverage Code, is  
15 amended to read as follows:

16          Sec. 61.75. SUSPENSION OF BREWER'S [~~MANUFACTURER'S~~]  
17 LICENSE. If a brewer [~~manufacturer~~] violates a provision of this  
18 code or a rule of the commission, the commission or administrator  
19 may order the brewer [~~manufacturer~~] to cease and desist from the  
20 violation and may suspend its license, after notice and hearing,  
21 until the licensee obeys the order.

22          SECTION 194. Effective December 31, 2020, Section 61.79,  
23 Alcoholic Beverage Code, is amended to read as follows:

24          Sec. 61.79. NOTICE OF HEARING: DENIAL [~~REFUSAL~~],  
25 CANCELLATION, OR SUSPENSION OF LICENSE. Section 11.63 applies [~~of~~  
26 ~~this code relates~~] to notice of a hearing for the denial [~~refusal~~],  
27 cancellation, or suspension of a license.

1 SECTION 195. Effective December 31, 2020, Section 61.81,  
2 Alcoholic Beverage Code, is amended to read as follows:

3 Sec. 61.81. APPEAL FROM CANCELLATION OR [7] SUSPENSION [~~7~~ OR  
4 ~~REFUSAL~~] OF LICENSE. Section 11.67 [~~of this code~~] applies to an  
5 appeal from a decision or order of the commission or administrator  
6 [~~refusing~~] cancelling [7] or suspending a license.

7 SECTION 196. Section 61.84(a), Alcoholic Beverage Code, is  
8 amended to read as follows:

9 (a) A [~~No~~] person whose license is cancelled may not sell or  
10 offer for sale malt beverages [~~beer~~] for a period of one year  
11 immediately following the cancellation, unless the order of  
12 cancellation is superseded pending trial or unless the person [~~he~~]  
13 prevails in a final judgment rendered on an appeal prosecuted in  
14 accordance with this code.

15 SECTION 197. Section 61.85(a), Alcoholic Beverage Code, is  
16 amended to read as follows:

17 (a) A person whose license is cancelled or forfeited may,  
18 within 30 days of the cancellation or forfeiture, make a bulk sale  
19 or disposal of any stock of malt beverages [~~beer~~] on hand at the  
20 time of the cancellation or forfeiture.

21 SECTION 198. Effective September 1, 2019, Section 61.86,  
22 Alcoholic Beverage Code, is amended to read as follows:

23 Sec. 61.86. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS  
24 RETENTION. (a) The commission or administrator may suspend or  
25 revoke the license of a person who is the employer of or represented  
26 by [~~the holder of~~] an agent [~~agent's beer license~~] as described by  
27 Section 73.01 or otherwise discipline the person based on an act or

1 omission of [~~the holder of~~] the agent [~~agent's beer license~~] only if  
2 an individual employed by the person in a supervisory position:

3 (1) was directly involved in the act or omission of the  
4 agent [~~holder of the agent's beer license~~];

5 (2) had notice or knowledge of the act or omission; or

6 (3) failed to take reasonable steps to prevent the act  
7 or omission.

8 (b) The holder of a license who is represented by an agent  
9 shall maintain records relating to the agent's activities,  
10 including any representation agreement, employment records, or  
11 similar documents for not less than four years from the date the  
12 record is created.

13 SECTION 199. Effective September 1, 2019, Section 61.87,  
14 Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 61.87. AFFIRMATION OF COMPLIANCE. A person who holds a  
16 license under Chapter 64[~~7-65~~] or 66 may not be subject to an  
17 administrative sanction for selling or delivering an alcoholic  
18 beverage to a retailer not authorized to purchase and receive the  
19 alcoholic beverage if the license holder:

20 (1) reasonably believes that the retailer is  
21 authorized to purchase and receive that type of alcoholic beverage;  
22 and

23 (2) obtains from the retailer at the time of delivery a  
24 written affirmation, which may be printed or stamped on a sales  
25 invoice evidencing the sale or delivery of alcoholic beverages by  
26 the license holder, that the retailer is authorized to purchase and  
27 receive the type of alcoholic beverage sold and delivered by the

1 license holder.

2 SECTION 200. The heading to Chapter 62, Alcoholic Beverage  
3 Code, is amended to read as follows:

4 CHAPTER 62. BREWER'S [~~MANUFACTURER'S~~] LICENSE

5 SECTION 201. Section 62.01, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 62.01. AUTHORIZED ACTIVITIES. (a) The holder of a  
8 brewer's [~~manufacturer's~~] license may:

9 (1) [~~manufacture or~~] brew malt beverages [~~beer~~] and  
10 distribute and sell the malt beverages [~~it~~] in this state to the  
11 holders of general[~~, local,~~] and branch distributor's licenses and  
12 to qualified persons outside the state;

13 (2) dispense malt beverages [~~beer~~] for consumption on  
14 the premises;

15 (3) bottle and can malt beverages [~~beer~~] and pack malt  
16 beverages [~~it~~] into containers for resale in this state, regardless  
17 of whether the malt beverages are [~~beer is manufactured or~~] brewed  
18 in this state or in another state and imported into Texas;

19 (4) conduct samplings of malt beverages [~~beer~~],  
20 including tastings, at a retailer's premises; and

21 (5) enter into an alternating brewery proprietorship  
22 or contract brewing arrangement as provided by Section 62.14.

23 (b) An agent or employee of the holder of a brewer's  
24 [~~manufacturer's~~] license may open, touch, or pour malt beverages  
25 [~~beer~~], make a presentation, or answer questions at a sampling  
26 event.

27 SECTION 202. (a) Effective December 31, 2020, Section

1 62.03(a), Alcoholic Beverage Code, is amended to read as follows:

2 (a) Except as provided by Section 62.14, each applicant for  
3 a manufacturer's license shall file with an application a sworn  
4 statement that the applicant will be engaged in the business of  
5 brewing and packaging beer in this state in quantities sufficient  
6 to make the applicant's operation a bona fide brewing manufacturer  
7 within three years of the issuance of the original license. If the  
8 applicant is a corporation, the statement must be signed by one of  
9 its principal officers. The commission[~~, administrator, or county~~  
10 ~~judge~~] may not approve an application unless it is accompanied by  
11 the required sworn statement.

12 (b) Effective September 1, 2021, Section 62.03, Alcoholic  
13 Beverage Code, is amended to read as follows:

14 Sec. 62.03. STATEMENT OF INTENTION. (a) Except as provided  
15 by Section 62.14, each applicant for a brewer's [~~manufacturer's~~]  
16 license shall file with an application a sworn statement that the  
17 applicant will be engaged in the business of brewing and packaging  
18 malt beverages [~~beer~~] in this state in quantities sufficient to  
19 make the applicant's operation a bona fide brewer [~~brewing~~  
20 ~~manufacturer~~] within three years of the issuance of the original  
21 license. If the applicant is a corporation, the statement must be  
22 signed by one of its principal officers. The commission[~~,~~  
23 ~~administrator, or county judge~~] may not approve an application  
24 unless it is accompanied by the required sworn statement.

25 (b) This section does not apply to the holder of a  
26 [~~manufacturer's~~] license which was in effect on January 1, 1953,  
27 that authorized the license holder to manufacture a type of malt

1 beverage.

2 SECTION 203. Sections 62.04(a), (b), and (c), Alcoholic  
3 Beverage Code, are amended to read as follows:

4 (a) A renewal of a brewer's [~~manufacturer's~~] license may not  
5 be denied during the two-year period following the issuance of the  
6 original license on the ground that the licensee has not brewed and  
7 packaged malt beverages [~~beer~~] in this state if the licensee is  
8 engaged in good faith in constructing a brewing plant on the  
9 licensed premises or is engaged in one of the following preparatory  
10 stages of construction:

- 11 (1) preliminary engineering;  
12 (2) preparing drawings and specifications;  
13 (3) conducting engineering, architectural, or  
14 equipment studies; or  
15 (4) preparing for the taking of bids from contractors.

16 (b) During the three-year period following the issuance of a  
17 brewer's [~~manufacturer's~~] license, as long as the licensee is  
18 engaged in construction or in a preliminary stage of construction  
19 enumerated in Subsection (a) [~~of this section~~], the commission  
20 shall issue each renewal license to take effect immediately on the  
21 expiration of the expiring license and shall not require the  
22 licensee to make an original application.

23 (c) After two years and 11 months has expired following the  
24 issuance of an original brewer's [~~manufacturer's~~] license, the  
25 commission may [~~shall~~] not issue a renewal license if it finds that  
26 the licensee has not complied with the licensee's [~~his~~] sworn  
27 statement filed with the [~~his~~] original application or that the

1 licensee [~~he~~] has not begun construction of a plant or initiated any  
 2 of the preliminary stages of construction enumerated in Subsection  
 3 (a) unless the commission also finds that the licensee [~~applicant~~]  
 4 has been prevented from doing so by causes beyond the licensee's  
 5 [~~his~~] reasonable control. If the commission finds that the  
 6 licensee has been prevented from complying by causes beyond the  
 7 licensee's [~~his~~] reasonable control, it may grant one additional  
 8 renewal for the licensee to comply with the terms of the licensee's  
 9 [~~his~~] sworn statement. Otherwise, the commission shall deny the  
 10 renewal application and may not grant a subsequent original  
 11 application by the licensee for a period of two years following the  
 12 date of the denial.

13 SECTION 204. Section 62.05(a), Alcoholic Beverage Code, is  
 14 amended to read as follows:

15 (a) The holder of a brewer's [~~manufacturer's~~] license shall  
 16 make and keep a record of each day's production or receipt of malt  
 17 beverages [~~beer~~] and of every sale of malt beverages [~~beer~~],  
 18 including the name of each purchaser. Each transaction shall be  
 19 recorded on the day it occurs. The licensee shall make and keep any  
 20 other records that the commission or administrator requires.

21 SECTION 205. Section 62.07, Alcoholic Beverage Code, is  
 22 amended to read as follows:

23 Sec. 62.07. IMPORTATION OF MALT BEVERAGES [~~BEER~~]:  
 24 CONTAINERS, USE OF TANK CARS. The holder of a brewer's  
 25 [~~manufacturer's~~] license may import malt beverages [~~beer~~] into this  
 26 state in barrels or other containers in accordance with the  
 27 provisions of this code. A [~~No~~] person may not ship malt beverages



1 [~~beer~~] into the state in tank cars.

2 SECTION 206. (a) Effective September 1, 2019, Section  
3 62.08, Alcoholic Beverage Code, is amended by adding Subsection (e)  
4 to read as follows:

5 (e) The holder of a manufacturer's or distributor's license  
6 shall register with the commission each warehouse used by the  
7 manufacturer or distributor to store beer. The commission by rule  
8 shall determine the information that is required to register a  
9 warehouse under this subsection.

10 (b) Effective September 1, 2021, Section 62.08, Alcoholic  
11 Beverage Code, is amended to read as follows:

12 Sec. 62.08. WAREHOUSES; DELIVERY TRUCKS. (a) The holder  
13 of a brewer's [~~manufacturer's~~] or distributor's license may  
14 maintain or engage necessary warehouses for storage purposes in  
15 areas where the sale of malt beverages [~~beer~~] is lawful and may make  
16 deliveries from the warehouses without obtaining licenses for them.  
17 The licensee may not import malt beverages [~~beer~~] from outside the  
18 state directly or indirectly to an unlicensed warehouse.

19 (b) A warehouse or railway car in which malt beverages are  
20 served, orders for the sale of malt beverages [~~beer~~] are taken, or  
21 money from the sale of malt beverages [~~beer~~] is collected is a  
22 separate place of business for which a license is required.

23 (c) A truck operated by a licensed distributor for the sale  
24 and delivery of malt beverages [~~beer~~] to a licensed retail dealer at  
25 the dealer's place of business is not a separate place of business  
26 for which a license is required.

27 (d) The commission shall promulgate rules governing the

1 transportation of malt beverages [~~beer~~], the sale of which is to be  
2 consummated at a licensed retailer's place of business.

3 (e) The holder of a brewer's or distributor's license shall  
4 register with the commission each warehouse used by the brewer or  
5 distributor to store malt beverages. The commission by rule shall  
6 determine the information that is required to register a warehouse  
7 under this subsection.

8 SECTION 207. Section 62.09, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 62.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. Regardless  
11 of any other provision of this code, a holder of a brewer's  
12 [~~manufacturer's~~] license may brew and package malt beverages or  
13 import them from outside the state, for shipment out of the state,  
14 even though the alcohol content, containers, packages, or labels  
15 make the beverages illegal to sell within the state. The licensee  
16 may export the beverages out of state or deliver them at the  
17 licensee's [~~his~~] premises for shipment out of the state without  
18 being liable for any state tax on [~~beer, ale, or~~] malt beverages  
19 [~~liquor~~] sold for resale in the state.

20 SECTION 208. Section 62.11, Alcoholic Beverage Code, is  
21 amended to read as follows:

22 Sec. 62.11. CONTINUANCE OF OPERATION AFTER LOCAL OPTION  
23 ELECTION. The right of a brewer's [~~manufacturer's~~] licensee to  
24 continue operation after a prohibitory local option election is  
25 covered by Section 251.75 [~~of this code~~].

26 SECTION 209. Sections 62.122(a), (b), (c), and (e),  
27 Alcoholic Beverage Code, are amended to read as follows:

1 (a) A brewer's [~~manufacturer's~~] licensee whose annual  
2 production of malt beverages [~~beer, together with the annual~~  
3 ~~production of ale by the holder of a brewer's permit~~] at all  
4 premises wholly or partly owned, directly or indirectly, by the  
5 license holder or an affiliate or subsidiary of the license holder,  
6 does not exceed 225,000 barrels may sell malt beverages [~~beer~~]  
7 produced on the brewer's [~~manufacturer's~~] premises under the  
8 license to ultimate consumers on the brewer's [~~manufacturer's~~]  
9 premises for responsible consumption on the brewer's  
10 [~~manufacturer's~~] premises.

11 (b) The total [~~combined~~] sales of malt beverages [~~beer~~] to  
12 ultimate consumers under this section[~~, together with the sales of~~  
13 ~~ale to ultimate consumers by the holder of a brewer's permit under~~  
14 ~~Section 12.052~~] at the same premises[~~,~~] may not exceed 5,000  
15 barrels annually.

16 (c) Subject to Subsections (b), (d), and (e), the holder of  
17 a brewer's [~~manufacturer's~~] license may sell malt beverages [~~beer~~]  
18 produced on the brewer's [~~manufacturer's~~] premises under the  
19 license to ultimate consumers on the brewer's [~~manufacturer's~~]  
20 premises for responsible consumption on the brewer's  
21 [~~manufacturer's~~] premises even if the annual production limit  
22 prescribed by Subsection (a) is exceeded if:

23 (1) the license holder:

24 (A) was legally operating a manufacturing  
25 facility with on-premise sales under Subsection (a) on February 1,  
26 2017; or

27 (B) purchased an ownership interest in, or was

1 purchased by the holder of, a permit or license issued under Chapter  
2 [12](#), [13](#), [62](#), or [63](#); and

3 (2) the license holder has annual production that does  
4 not exceed 175,000 barrels at the brewer's [~~manufacturer's~~]  
5 premises.

6 (e) A holder of a brewer's [~~manufacturer's~~] license who  
7 under Subsection (c) sells malt beverages [~~beer~~] produced on the  
8 brewer's [~~manufacturer's~~] premises under the license to ultimate  
9 consumers on the brewer's [~~manufacturer's~~] premises for responsible  
10 consumption on the brewer's [~~manufacturer's~~] premises:

11 (1) shall file a territorial agreement with the  
12 commission under Subchapters C and D, Chapter [102](#);

13 (2) must purchase any malt beverages [~~beer~~] the  
14 license holder sells on the brewer's [~~manufacturer's~~] premises from  
15 the holder of a license issued under Chapter [64](#) [~~7-65~~] or [66](#); and

16 (3) with respect to those purchases, must comply with  
17 the requirements of this code governing dealings between a  
18 distributor [~~or wholesaler~~] and a member of the retail tier,  
19 including Sections [61.73](#) and [102.31](#).

20 SECTION 210. Sections [62.14](#)(a), (b), (b-1), (c), and (e),  
21 Alcoholic Beverage Code, are amended to read as follows:

22 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident  
23 brewer's [~~manufacturer's~~] license may contract with the holder of a  
24 brewer's [~~manufacturer's~~] license:

25 (1) to provide manufacturing services; or

26 (2) for the use of the license holder's manufacturing  
27 facilities under an alternating brewery proprietorship if each

1 party to the proprietorship:

2 (A) has filed the appropriate Brewer's Notice and  
3 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade  
4 Bureau of the United States Department of the Treasury; and

5 (B) if applicable, has posted with the commission  
6 a bond in an amount determined by the commission under Subsection  
7 (d) or (e).

8 (b) An entity is not required to own its brewing  
9 [~~manufacturing~~] facilities if the entity operates under an  
10 alternating brewery proprietorship as provided by Subsection (a).

11 (b-1) Each entity that is a party to an alternating brewery  
12 proprietorship or contract brewing arrangement must hold a license  
13 at the location where brewing [~~manufacturing~~] services are  
14 conducted under the arrangement.

15 (c) This section does not authorize a person acting as an  
16 agent for a brewer [~~manufacturer~~] located outside of this state to  
17 contract with the holder of a brewer's [~~manufacturer's~~] license to  
18 brew malt beverages [~~manufacture beer~~] on the person's behalf. A  
19 contract described by this subsection may only be entered into by  
20 the holder of a brewer's [~~manufacturer's~~] license and another  
21 person holding a license under this code.

22 (e) An entity that is a party to an alternating brewery  
23 proprietorship or contract brewing arrangement must post with the  
24 commission a bond in an amount determined by the commission of not  
25 less than \$30,000 if the entity does not own a fee interest in a  
26 brewing [~~manufacturing~~] facility.

27 SECTION 211. Chapter 62, Alcoholic Beverage Code, is

1 amended by adding Section 62.15 to read as follows:

2 Sec. 62.15. IMPORTING MALT BEVERAGES. (a) In this  
3 subtitle, "importer" means a person who imports malt beverages into  
4 the state in quantities in excess of 288 fluid ounces in any one  
5 day.

6 (b) The holder of a brewer's license may import malt  
7 beverages into this state only from the holder of a nonresident  
8 brewer's license and may transport those beverages into this state  
9 only:

10 (1) in a motor vehicle that is:

11 (A) owned or leased in good faith by the license  
12 holder; and

13 (B) printed or painted with the designation  
14 required by the commission; or

15 (2) by a railway carrier or by a motor carrier  
16 registered under Chapter 643, Transportation Code, or with the  
17 Federal Motor Carrier Safety Administration.

18 (c) The holder of a brewer's license transporting malt  
19 beverages under Subsection (b)(1) shall provide to the commission:

20 (1) a full description of each motor vehicle used by  
21 the license holder for transporting malt beverages; and

22 (2) any other information the commission requires.

23 (d) A carrier transporting malt beverages as authorized by  
24 Subsection (b)(2) must hold a carrier permit issued under Chapter  
25 41 and the provisions of Chapter 41 relating to the transportation  
26 of liquor apply to the transportation of the malt beverages. A  
27 carrier may not transport malt beverages into the state unless it is

1 consigned to an importer.

2 SECTION 212. The heading to Chapter 62A, Alcoholic Beverage  
3 Code, is amended to read as follows:

4 CHAPTER 62A. BREWER'S ~~[MANUFACTURER'S]~~ SELF-DISTRIBUTION LICENSE

5 SECTION 213. Section 62A.01, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 62A.01. ELIGIBILITY FOR LICENSE. A brewer's  
8 ~~[manufacturer's]~~ self-distribution license may be issued only to  
9 the holder of a brewer's ~~[manufacturer's]~~ license under Chapter 62  
10 or the holder of a nonresident brewer's ~~[manufacturer's]~~ license  
11 under Chapter 63.

12 SECTION 214. Section 62A.02, Alcoholic Beverage Code, is  
13 amended to read as follows:

14 Sec. 62A.02. AUTHORIZED ACTIVITIES. (a) A holder of a  
15 brewer's ~~[manufacturer's]~~ self-distribution license whose annual  
16 production of malt beverages ~~[beer]~~ under the brewer's  
17 ~~[manufacturer's]~~ or nonresident brewer's ~~[manufacturer's]~~  
18 license~~[, together with the annual production of ale by the holder~~  
19 ~~of a brewer's or nonresident brewer's permit]~~ at all premises owned  
20 directly or indirectly by the license holder or an affiliate or  
21 subsidiary of the license holder, does not exceed 125,000 barrels  
22 may sell malt beverages ~~[beer]~~ produced under the brewer's  
23 ~~[manufacturer's]~~ or nonresident brewer's ~~[manufacturer's]~~ license  
24 to those persons to whom the holder of a general distributor's  
25 license may sell malt beverages ~~[beer]~~ under Section 64.01(a)(2).

26 (b) The total ~~[combined]~~ sales of malt beverages ~~[beer]~~  
27 under this section~~[, together with the sales of ale by the holder of~~

1 ~~a brewer's self-distribution permit under Section 12A.02~~ at all  
2 premises owned directly or indirectly by the license holder or an  
3 affiliate or subsidiary of the license holder~~[7]~~ may not exceed  
4 40,000 barrels annually.

5 (c) With regard to a sale under this section, the holder of a  
6 brewer's ~~[manufacturer's]~~ self-distribution license has the same  
7 authority and is subject to the same requirements that apply to a  
8 sale made by the holder of a general distributor's license.

9 (d) Malt beverages ~~[Beer]~~ sold under this section may be  
10 shipped only from a manufacturing facility in this state.

11 SECTION 215. Section 62A.04(a), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (a) Not later than the 15th day of each month, the holder of  
14 a brewer's ~~[manufacturer's]~~ self-distribution license shall file a  
15 report with the commission that contains information relating to  
16 the sales made by the license holder to a retailer during the  
17 preceding calendar month.

18 SECTION 216. The heading to Chapter 63, Alcoholic Beverage  
19 Code, is amended to read as follows:

20 CHAPTER 63. NONRESIDENT BREWER'S ~~[MANUFACTURER'S]~~ LICENSE

21 SECTION 217. Section 63.01, Alcoholic Beverage Code, is  
22 amended to read as follows:

23 Sec. 63.01. AUTHORIZED ACTIVITIES. The holder of a  
24 nonresident brewer's ~~[manufacturer's]~~ license may transport malt  
25 beverages ~~[beer]~~ into Texas only to holders of brewer's or  
26 distributor's ~~[importer's]~~ licenses. The nonresident brewer's  
27 ~~[manufacturer's]~~ licensee may transport the malt beverages ~~[beer]~~



1 in carriers or vehicles operated by holders of carrier's permits or  
2 in motor vehicles owned or leased by the nonresident brewer  
3 [~~manufacturer~~]. The malt beverages [~~beer~~] must be shipped in  
4 barrels or other containers in accordance with the provisions of  
5 this code and may not be shipped into the state in tank cars.

6 SECTION 218. Section 63.03, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 63.03. LIABILITY FOR TAXES; BOND. The holder of a  
9 nonresident brewer's [~~manufacturer's~~] license that transports malt  
10 beverages [~~beer~~] into Texas in a motor vehicle owned or leased by  
11 the licensee [~~him~~] is not primarily responsible for the payment of  
12 the taxes on the malt beverages [~~beer~~], which remains the  
13 responsibility of the holder of the brewer's or distributor's  
14 [~~importer's~~] license. However, the nonresident brewer  
15 [~~manufacturer~~] shall furnish the commission with a bond in an  
16 amount which, in the commission's judgment, will protect the  
17 revenue of the state from the tax due on the malt beverages [~~beer~~]  
18 over any six-week period.

19 SECTION 219. Section 63.04, Alcoholic Beverage Code, is  
20 amended to read as follows:

21 Sec. 63.04. APPLICATION OF CODE PROVISIONS AND RULES. A  
22 holder of a nonresident brewer's [~~manufacturer's~~] license is  
23 subject to all applicable provisions of this code and all  
24 applicable rules of the commission which apply to holders of  
25 brewer's [~~manufacturer's~~] licenses, including rules relating to the  
26 quality, purity, and identity of malt beverages [~~beer~~] and to  
27 protecting the public health. The commission may suspend or cancel

1 a nonresident brewer's [~~manufacturer's~~] license and apply penalties  
2 in the same manner as it does with respect to a brewer's  
3 [~~manufacturer's~~] license.

4 SECTION 220. Sections 63.05(a), (b), (b-1), (c), and (e),  
5 Alcoholic Beverage Code, are amended to read as follows:

6 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident  
7 brewer's [~~manufacturer's~~] license may contract with the holder of a  
8 nonresident brewer's [~~manufacturer's~~] license:

9 (1) to provide brewing [~~manufacturing~~] services; or

10 (2) for the use of the license holder's brewing  
11 [~~manufacturing~~] facilities under an alternating brewery  
12 proprietorship if each party to the proprietorship:

13 (A) has filed the appropriate Brewer's Notice and  
14 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade  
15 Bureau of the United States Department of the Treasury; and

16 (B) if applicable, has posted with the commission  
17 a bond in an amount determined by the commission under Subsection  
18 (d) or (e).

19 (b) An entity is not required to own its brewing  
20 [~~manufacturing~~] facilities if the entity operates under an  
21 alternating brewery proprietorship as provided by Subsection (a).

22 (b-1) Each entity that is a party to an alternating brewery  
23 proprietorship or contract brewing arrangement must hold a license  
24 at the location where brewing [~~manufacturing~~] services are  
25 conducted under the arrangement.

26 (c) This section does not authorize a person acting as an  
27 agent for a brewer [~~manufacturer~~] located outside of this state to

1 contract with the holder of a nonresident brewer's [~~manufacturer's~~]  
2 license to brew malt beverages [~~manufacture beer~~] on the person's  
3 behalf. A contract described by this subsection may only be entered  
4 into by the holder of a nonresident brewer's [~~manufacturer's~~]  
5 license and another person holding a license under this code.

6 (e) An entity that is a party to an alternating brewery  
7 proprietorship or contract brewing arrangement must post with the  
8 commission a bond in an amount determined by the commission of not  
9 less than \$30,000 if the entity does not own a fee interest in a  
10 brewing [~~manufacturing~~] facility.

11 SECTION 221. Section 64.01(a), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (a) The holder of a general distributor's license may:

14 (1) receive malt beverages [~~beer~~] in unbroken original  
15 packages from brewers [~~manufacturers~~] and brewpubs and from  
16 general[~~, local~~] or branch distributors;

17 (2) distribute or sell malt beverages [~~beer~~] in the  
18 unbroken original packages in which they are [~~it is~~] received to  
19 general or [~~,~~] branch[~~, or local~~] distributors, to local distributor  
20 permittees, to permittees or licensees authorized to sell to  
21 ultimate consumers, to private club registration permittees, to  
22 authorized outlets located on any installation of the national  
23 military establishment, or to qualified persons for shipment and  
24 consumption outside the state; and

25 (3) serve free malt beverages [~~beer~~] for consumption  
26 on the licensed premises.

27 SECTION 222. Section 64.03, Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 64.03. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.  
3 The holder of a general distributor's license may sell and deliver  
4 malt beverages [~~beer~~] to private clubs located in wet areas without  
5 having to secure a prior order. All sales made under the authority  
6 of this section must be made in accordance with Sections 61.73 and  
7 102.31 [~~of this code~~].

8           SECTION 223. Section 64.04(a), Alcoholic Beverage Code, is  
9 amended to read as follows:

10           (a) Each holder of a general[~~, local,~~] or branch  
11 distributor's license shall make and keep a daily record of every  
12 receipt of malt beverages [~~beer~~] and of every sale of malt beverages  
13 [~~beer~~], including the name of each purchaser. Each transaction  
14 shall be recorded on the day it occurs. The licensee shall make and  
15 keep any other records that the commission or administrator  
16 requires.

17           SECTION 224. Section 64.07, Alcoholic Beverage Code, is  
18 amended to read as follows:

19           Sec. 64.07. MAY SHARE PREMISES. (a) Any number of  
20 general[~~, local,~~] and branch distributors may use the same delivery  
21 vehicles, premises, location, or place of business as licensed  
22 premises if the malt beverages [~~beer~~] owned and stored by each of  
23 the distributors are [~~is~~] segregated.

24           (b) If delivery vehicles are shared by any number of  
25 distributors who also hold any class of wholesaler's permits,  
26 liquor or malt beverages [~~beer~~] may be transported. [~~The~~  
27 ~~provisions of Section 42.03 of this code do not apply and no~~

1 ~~distributor or wholesaler shall be required to obtain the~~  
2 ~~certificate or permit described by that section to share a delivery~~  
3 ~~vehicle for the transportation of liquor or beer.]~~

4 (c) The provisions of Subsections (a) and (b) [~~of this~~  
5 ~~section~~] that relate to shared delivery vehicles apply only to  
6 those general[~~, local,~~] or branch distributors who hold a  
7 territorial designation from a brewer [~~manufacturer~~] under Section  
8 [102.51](#) [~~of this code~~].

9 SECTION 225. (a) Effective September 1, 2019, Sections  
10 [64.08](#)(a) and (c), Alcoholic Beverage Code, are amended to read as  
11 follows:

12 (a) The holder of a general distributor's license may sell  
13 beer [~~to the holder of an industrial permit~~] for use as an  
14 ingredient in the manufacturing and processing of food products.

15 (c) A person [~~The industrial permittee~~] may not resell beer  
16 purchased under this section, divert the beer to use for beverage  
17 purposes, possess the beer with intent that it be used for beverage  
18 purposes, or possess the beer under circumstances from which it may  
19 reasonably be deduced that the beer is to be used for beverage  
20 purposes.

21 (b) Effective September 1, 2021, Section [64.08](#), Alcoholic  
22 Beverage Code, is amended to read as follows:

23 Sec. 64.08. MALT BEVERAGES [~~BEER~~] FOR USE IN FOOD PRODUCTS  
24 INDUSTRY. (a) The holder of a general distributor's license may  
25 sell malt beverages [~~beer to the holder of an industrial permit~~] for  
26 use as an ingredient in the manufacturing and processing of food  
27 products.

1 (b) The malt beverages [~~beer~~] must be sold in containers of  
2 not less than one-half barrel. The sale is subject to the  
3 requirements of Section 102.31 [~~of this code~~]. The seller shall  
4 keep records of shipments and sales of malt beverages [~~beer~~] in a  
5 manner prescribed by the commission or administrator.

6 (c) A person [~~The industrial permittee~~] may not resell malt  
7 beverages [~~beer~~] purchased under this section, divert the malt  
8 beverages [~~beer~~] to use for beverage purposes, possess the malt  
9 beverages [~~beer~~] with intent that the malt beverages [~~it~~] be used  
10 for beverage purposes, or possess the malt beverages [~~beer~~] under  
11 circumstances from which it may reasonably be deduced that the malt  
12 beverages are [~~beer is~~] to be used for beverage purposes.

13 (d) Taxes imposed by this code do not apply to malt  
14 beverages [~~beer~~] sold under this section.

15 SECTION 226. Section 64.09, Alcoholic Beverage Code, is  
16 amended to read as follows:

17 Sec. 64.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this  
18 section "malt beverages [~~beer~~] for export" means malt beverages  
19 [~~beer~~] a distributor holds for export to another state in which the  
20 distributor has been assigned a territory for the distribution and  
21 sale of the malt beverages [~~beer~~]. The term includes malt beverages  
22 [~~beer~~] that are [~~is~~] illegal to sell in this state because of  
23 alcohol content, containers, packages, or labels.

24 (b) The holder of a general distributor's license who  
25 receives malt beverages [~~beer~~] for export from the holder of a  
26 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]  
27 license may:

1           (1) store the malt beverages [~~beer~~] for export at the  
2 distributor's premises;

3           (2) transport the malt beverages [~~beer~~] for export  
4 outside the state in the distributor's own vehicles; or

5           (3) deliver the malt beverages [~~beer~~] for export to a  
6 common carrier for export and delivery outside the state.

7           (c) The holder of a general distributor's license is not  
8 liable for any state tax on the malt beverages [~~beer~~] for export.

9           (d) Section 101.67 does not apply to malt beverages [~~beer~~]  
10 for export.

11           SECTION 227. Chapter 64, Alcoholic Beverage Code, is  
12 amended by adding Section 64.10 to read as follows:

13           Sec. 64.10. IMPORTING MALT BEVERAGES. (a) In this section,  
14 "importer" means a person who imports malt beverages into the state  
15 in quantities in excess of 288 fluid ounces in any one day.

16           (b) The holder of a general distributor's license may import  
17 malt beverages into this state only from the holder of a nonresident  
18 brewer's license and may transport those beverages into this state  
19 only:

20                   (1) in a motor vehicle that is:

21                           (A) owned or leased in good faith by the license  
22 holder; and

23                           (B) printed or painted with the designation  
24 required by the commission; or

25                   (2) by a railway carrier or by a motor carrier  
26 registered under Chapter 643, Transportation Code, or with the  
27 Federal Motor Carrier Safety Administration.

1       (c) The holder of a general distributor's license  
2 transporting malt beverages under Subsection (b)(1) shall provide  
3 to the commission:

4           (1) a full description of each motor vehicle used by  
5 the license holder for transporting malt beverages; and

6           (2) any other information the commission requires.

7       (d) A carrier transporting malt beverages as authorized by  
8 Subsection (b)(2) must hold a carrier permit issued under Chapter  
9 41 and the provisions of Chapter 41 relating to the transportation  
10 of liquor apply to the transportation of the malt beverages. A  
11 carrier may not transport malt beverages into the state unless it is  
12 consigned to an importer.

13       SECTION 228. Section 66.03(a), Alcoholic Beverage Code, is  
14 amended to read as follows:

15       (a) Except as provided in Subsection (b) [~~of this section~~],  
16 a branch distributor's license may be issued only to the holder of a  
17 general distributor's license who first has obtained the primary  
18 license in the county of the licensee's [~~his~~] residence or  
19 domicile. The branch distributor's license may be issued for  
20 premises in any county where the sale of malt beverages [~~beer~~] is  
21 legal.

22       SECTION 229. Section 66.07, Alcoholic Beverage Code, is  
23 amended to read as follows:

24       Sec. 66.07. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.  
25 The holder of a branch distributor's license may sell and deliver  
26 malt beverages [~~beer~~] to private clubs located in wet areas without  
27 having to secure a prior order. All sales made under the authority



1 of this section must be made in accordance with Sections 61.73 and  
2 102.31 [~~of this code~~].

3 SECTION 230. Section 66.11, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 66.11. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this  
6 section "malt beverages [~~beer~~] for export" means malt beverages  
7 [~~beer~~] a distributor holds for export to another state in which the  
8 distributor has been assigned a territory for the distribution and  
9 sale of the malt beverages [~~beer~~]. The term includes malt beverages  
10 [~~beer~~] that are [~~is~~] illegal to sell in this state because of  
11 alcohol content, containers, packages, or labels.

12 (b) The holder of a branch distributor's license who  
13 receives malt beverages [~~beer~~] for export from the holder of a  
14 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]  
15 license may:

16 (1) store the malt beverages [~~beer~~] for export at the  
17 distributor's premises;

18 (2) transport the malt beverages [~~beer~~] for export  
19 outside the state in the distributor's own vehicles; or

20 (3) deliver the malt beverages [~~beer~~] for export to a  
21 common carrier for export and delivery outside the state.

22 (c) The holder of a branch distributor's license is not  
23 liable for any state tax on the malt beverages [~~beer~~] for export.

24 (d) Section 101.67 does not apply to malt beverages [~~beer~~]  
25 for export.

26 SECTION 231. Section 69.01, Alcoholic Beverage Code, is  
27 amended to read as follows:

1           Sec. 69.01. AUTHORIZED ACTIVITIES. The holder of a retail  
2 dealer's on-premise license may sell malt beverages [~~beer~~] in or  
3 from any lawful container to the ultimate consumer for consumption  
4 on or off the premises where sold. The licensee may not sell malt  
5 beverages [~~beer~~] for resale.

6           SECTION 232. Section 69.04, Alcoholic Beverage Code, is  
7 amended to read as follows:

8           Sec. 69.04. HOTELS NOT DISQUALIFIED. The fact that a hotel  
9 holds a permit to sell distilled spirits in unbroken packages does  
10 not disqualify the hotel from also obtaining a license to sell malt  
11 beverages [~~beer~~] for on-premises consumption.

12           SECTION 233. Effective December 31, 2020, Sections  
13 69.06(a), (b), and (c), Alcoholic Beverage Code, are amended to  
14 read as follows:

15           (a) The commission [~~county judge~~] shall deny an original  
16 application for a retail dealer's on-premise license if the  
17 commission [~~county judge~~] finds that the applicant or the  
18 applicant's spouse, during the five years immediately preceding the  
19 application, was finally convicted of a felony or one of the  
20 following offenses:

- 21                   (1) prostitution;
- 22                   (2) a vagrancy offense involving moral turpitude;
- 23                   (3) bookmaking;
- 24                   (4) gambling or gaming;
- 25                   (5) an offense involving controlled substances as
- 26 defined in the Texas Controlled Substances Act, including an
- 27 offense involving a synthetic cannabinoid, or an offense involving

1 other dangerous drugs;

2 (6) a violation of this code resulting in the  
3 cancellation of a license or permit, or a fine of not less than  
4 \$500;

5 (7) more than three violations of this code relating  
6 to minors;

7 (8) bootlegging; or

8 (9) an offense involving firearms or a deadly weapon.

9 (b) The commission [~~county judge~~] shall also deny an  
10 original application for a license if the commission [~~he~~] finds  
11 that five years has not elapsed since the termination of a sentence,  
12 parole, or probation served by the applicant or the applicant's  
13 spouse because of a felony conviction or conviction of any of the  
14 offenses described in Subsection (a) [~~of this section~~].

15 (c) The commission shall deny an application for [~~refuse to~~  
16 ~~issue~~] a renewal of a retail dealer's on-premise license if it  
17 finds:

18 (1) that the applicant or the applicant's spouse has  
19 been finally convicted of a felony or one of the offenses listed in  
20 Subsection (a) [~~of this section~~] at any time during the five years  
21 immediately preceding the filing of the application for renewal; or

22 (2) that five years has not elapsed since the  
23 termination of a sentence, parole, or probation served by the  
24 applicant or the applicant's spouse because of a felony prosecution  
25 or prosecution for any of the offenses described in Subsection (a)  
26 [~~of this section~~].

27 SECTION 234. Section [69.10](#), Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 69.10. STORING OR POSSESSING MALT BEVERAGES [~~BEER~~] OFF  
3 PREMISES PROHIBITED. No holder of a retail dealer's on-premise  
4 license may own, possess, or store malt beverages [~~beer~~] for the  
5 purpose of resale except on the licensed premises.

6           SECTION 235. Section 69.11, Alcoholic Beverage Code, is  
7 amended to read as follows:

8           Sec. 69.11. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES  
9 [~~BEER~~] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. The owner  
10 of two or more licensed retail premises may not exchange or  
11 transport malt beverages [~~beer~~] between them unless all of the  
12 conditions set out in Section 24.04 [~~of this code~~] are met, except  
13 that malt beverages [~~beer~~] may be transferred between two licensed  
14 retail premises that are both covered by package store permits as  
15 provided in Section 22.08 [~~of this code~~].

16           SECTION 236. Section 69.13, Alcoholic Beverage Code, is  
17 amended to read as follows:

18           Sec. 69.13. BREACH OF PEACE: RETAIL ESTABLISHMENT. The  
19 commission or administrator may suspend or cancel the license of a  
20 retail malt beverage [~~beer~~] dealer after giving the licensee notice  
21 and the opportunity to show compliance with all requirements of law  
22 for retention of the license if it finds that a breach of the peace  
23 has occurred on the licensed premises or on premises under the  
24 licensee's control and that the breach of the peace was not beyond  
25 the control of the licensee and resulted from the licensee's [~~his~~]  
26 improper supervision of persons permitted to be on the licensed  
27 premises or on premises under the licensee's [~~his~~] control.

1 SECTION 237. Section 69.17(a), Alcoholic Beverage Code, is  
2 amended to read as follows:

3 (a) Notwithstanding any other provision of this code, a  
4 license under this chapter may be issued for a premises in an area  
5 in which the voters have approved the following alcoholic beverage  
6 ballot issues in a local option election:

7 (1) "The legal sale of malt beverages [~~beer~~] and wine  
8 for off-premise consumption only."; and

9 (2) either:

10 (A) "The legal sale of mixed beverages."; or

11 (B) "The legal sale of mixed beverages in  
12 restaurants by food and beverage certificate holders only."

13 SECTION 238. Chapter 69, Alcoholic Beverage Code, is  
14 amended by adding Section 69.18 to read as follows:

15 Sec. 69.18. SALES AT TEMPORARY LOCATION. (a) The holder of  
16 a retail dealer's on-premise license may temporarily sell malt  
17 beverages in or from any lawful container to ultimate consumers:

18 (1) at a picnic, celebration, or similar event; and

19 (2) in the county where the license is issued.

20 (b) The holder of a retail dealer's on-premise license may  
21 temporarily sell malt beverages under this section for not more  
22 than four consecutive days at the same location.

23 (c) The commission shall adopt rules to implement this  
24 section, including rules that:

25 (1) require the license holder to notify the  
26 commission of the dates on which and location where the license  
27 holder will temporarily offer malt beverages for sale under this

1 section;

2 (2) establish a procedure to verify the wet or dry  
3 status of the location where the license holder intends to  
4 temporarily sell malt beverages under this section;

5 (3) detail the circumstances when a license holder may  
6 temporarily sell malt beverages under this section with just a  
7 notification to the commission and the circumstances that require  
8 the commission's preapproval before a license holder may  
9 temporarily sell malt beverages under this section; and

10 (4) require the license holder to provide any other  
11 information the commission determines necessary.

12 SECTION 239. Section 71.01, Alcoholic Beverage Code, is  
13 amended to read as follows:

14 Sec. 71.01. AUTHORIZED ACTIVITIES. The holder of a retail  
15 dealer's off-premise license may sell malt beverages [~~beer~~] in  
16 lawful containers to consumers, but not for resale and not to be  
17 opened or consumed on or near the premises where sold.

18 SECTION 240. Section 71.06, Alcoholic Beverage Code, is  
19 amended to read as follows:

20 Sec. 71.06. STORING OR POSSESSING MALT BEVERAGES [~~BEER~~] OFF  
21 PREMISES PROHIBITED. A [~~No~~] holder of a retail dealer's  
22 off-premise license may not own, possess, or store malt beverages  
23 [~~beer~~] for the purpose of resale except on the licensed premises.

24 SECTION 241. Section 71.07, Alcoholic Beverage Code, is  
25 amended to read as follows:

26 Sec. 71.07. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES  
27 [~~BEER~~] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. Section

1 69.11 [~~of this code~~] relates to the exchange or transportation of  
2 malt beverages [~~beer~~] between licensed premises by retail dealers.

3 SECTION 242. Section 71.09, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 71.09. BREACH OF PEACE: RETAIL ESTABLISHMENT. The  
6 application of sanctions for the occurrence of a breach of the peace  
7 at a retail malt beverage [~~beer~~] establishment is covered by  
8 Section 69.13 [~~of this code~~].

9 SECTION 243. Section 71.10(a), Alcoholic Beverage Code, is  
10 amended to read as follows:

11 (a) Each holder of a retail dealer's off-premise license  
12 shall display in a prominent place on the licensee's [~~his~~] premises  
13 a sign stating in letters at least two inches high: IT IS A CRIME  
14 (MISDEMEANOR) TO CONSUME LIQUOR OR MALT BEVERAGES [~~BEER~~] ON THESE  
15 PREMISES.

16 SECTION 244. Section 71.11, Alcoholic Beverage Code, is  
17 amended to read as follows:

18 Sec. 71.11. MALT BEVERAGE [~~BEER~~] SAMPLING. (a) The holder  
19 of a retail dealer's off-premise license may conduct free product  
20 samplings of malt beverages [~~beer~~] on the license holder's premises  
21 during regular business hours as provided by this section.

22 (b) An agent or employee of the holder of a retail dealer's  
23 off-premise license may open, touch, or pour malt beverages [~~beer~~],  
24 make a presentation, or answer questions at a sampling event.

25 (c) For the purposes of this code and any other law or  
26 ordinance:

27 (1) a retail dealer's off-premise license does not

1 authorize the sale of alcoholic beverages for on-premise  
2 consumption; and

3 (2) none of the license holder's income may be  
4 considered to be income from the sale of alcoholic beverages for  
5 on-premise consumption.

6 (d) Any malt beverages [~~beer~~] used in a sampling event under  
7 this section must be purchased from or provided by the retailer on  
8 whose premises the sampling event is held.

9 SECTION 245. (a) Effective September 1, 2019, the heading  
10 to Chapter 73, Alcoholic Beverage Code, is amended to read as  
11 follows:

12 CHAPTER 73. [~~AGENT'S~~] BEER AGENT [~~LICENSE~~]

13 (b) Effective September 1, 2021, the heading to Chapter 73,  
14 Alcoholic Beverage Code, is amended to read as follows:

15 CHAPTER 73. MALT BEVERAGE AGENT [~~AGENT'S BEER LICENSE~~]

16 SECTION 246. (a) Effective September 1, 2019, Section  
17 73.01, Alcoholic Beverage Code, is amended to read as follows:

18 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the  
19 limitations imposed in Section 73.011 [~~of this code~~] or elsewhere  
20 in this code, a person [~~the holder of an agent's beer license,~~]  
21 acting as an employee or representative of a licensed manufacturer  
22 of beer located inside or outside the state or as an employee or  
23 representative of a licensed distributor[~~7~~] may:

24 (1) promote the sale of beer through methods such as  
25 solicitation, display, advertising, and personal contact with  
26 licensed retailers of beer and their agents, servants, and  
27 employees, and with consumers of beer; and



1 (2) sell beer and offer it for sale.

2 (b) A person acting as a beer agent may represent only one  
3 permitted or licensed business at a time while soliciting or taking  
4 orders.

5 (b) Effective September 1, 2021, Section 73.01, Alcoholic  
6 Beverage Code, is amended to read as follows:

7 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the  
8 limitations imposed in Section 73.011 [~~of this code~~] or elsewhere  
9 in this code, a person [~~the holder of an agent's beer license,~~]  
10 acting as an employee or representative of a licensed brewer  
11 [~~manufacturer~~] of malt beverages [~~beer~~] located inside or outside  
12 the state or as an employee or representative of a licensed  
13 distributor[~~r~~] may:

14 (1) promote the sale of malt beverages [~~beer~~] through  
15 methods such as solicitation, display, advertising, and personal  
16 contact with licensed retailers of malt beverages [~~beer~~] and their  
17 agents, servants, and employees, and with consumers of malt  
18 beverages [~~beer~~]; and

19 (2) sell malt beverages [~~beer~~] and offer them [~~it~~] for  
20 sale.

21 (b) A person acting as a malt beverage agent may represent  
22 only one permitted or licensed business at a time while soliciting  
23 or taking orders.

24 SECTION 247. (a) Effective September 1, 2019, Section  
25 73.011, Alcoholic Beverage Code, is amended to read as follows:

26 Sec. 73.011. LIMITATIONS ON AUTHORITY OF [~~AGENT'S~~] BEER  
27 AGENT [~~LICENSEE~~]. (a) A person [~~holder of an agent's beer license~~]

1 who is an employee or agent of a manufacturer's licensee or a  
2 nonresident manufacturer's licensee may not represent that the  
3 person [~~holder~~] is the agent of or is acting on behalf of a licensed  
4 distributor. An agent may not engage in conduct that is prohibited  
5 by Section 102.75 [~~of this code~~] or other provisions of this code.

6 (b) A [~~holder of an agent's~~] beer agent [~~license~~] may not  
7 make a representation, solicitation, or offer that this code or the  
8 rules of the commission prohibits the agent's employer from  
9 offering, making, or fulfilling.

10 (b) Effective September 1, 2021, Section 73.011, Alcoholic  
11 Beverage Code, is amended to read as follows:

12 Sec. 73.011. LIMITATIONS ON AUTHORITY OF MALT BEVERAGE  
13 AGENT [~~AGENT'S BEER LICENSEE~~]. (a) A person [~~holder of an agent's~~  
14 ~~beer license~~] who is an employee or agent of a brewer's  
15 [~~manufacturer's~~] licensee or a nonresident brewer's  
16 [~~manufacturer's~~] licensee may not represent that the person  
17 [~~holder~~] is the agent of or is acting on behalf of a licensed  
18 distributor. A malt beverage [~~An~~] agent may not engage in conduct  
19 that is prohibited by Section 102.75 [~~of this code~~] or other  
20 provisions of this code.

21 (b) A malt beverage agent [~~A holder of an agent's beer~~  
22 ~~license~~] may not make a representation, solicitation, or offer that  
23 this code or the rules of the commission prohibits the agent's  
24 employer from offering, making, or fulfilling.

25 SECTION 248. Section 74.01, Alcoholic Beverage Code, is  
26 amended to read as follows:

27 Sec. 74.01. AUTHORIZED ACTIVITIES. (a) A holder of a

1 brewpub license for a brewpub located in a wet area, as that term is  
2 described by Section 251.71 [~~of this code~~], may:

3 (1) [~~manufacture,~~] brew, bottle, can, package, and  
4 label malt beverages [~~liquor, ale, and beer~~];

5 (2) sell or offer without charge, on the premises of  
6 the brewpub, to ultimate consumers for consumption on or off those  
7 premises, malt beverages [~~liquor, ale, or beer~~] produced by the  
8 holder, in or from a lawful container, to the extent the sales or  
9 offers are allowed under the holder's other permits or licenses;  
10 and

11 (3) sell food on the premises of the holder's  
12 breweries.

13 (b) The holder of a brewpub license may establish, operate,  
14 or maintain one or more licensed brewpubs in this state under the  
15 same general management or ownership. The holder shall pay the fee  
16 assessed by the commission for each establishment. For the  
17 purposes of this subsection, two or more establishments are under  
18 the same general management or ownership if:

19 (1) the establishments bottle the same brand of malt  
20 beverage [~~liquor, beer, or ale~~] or bottle malt beverages [~~liquor,~~  
21 ~~beer, or ale~~] brewed by the same brewer [~~manufacturer~~]; or

22 (2) the person, regardless of domicile, who  
23 establishes, operates, or maintains the establishments is  
24 controlled or directed by one management or by an association of  
25 ultimate management.

26 (c) A holder of a brewpub license must also hold a wine and  
27 malt beverage [~~beer~~] retailer's permit, a mixed beverage permit, or

1 a retail dealer's on-premise license.

2 (d) The holder of a brewpub license may not hold or have an  
3 interest either directly or indirectly, or through a subsidiary,  
4 affiliate, agent, employee, officer, director, or other person, in  
5 a brewer's [~~manufacturer's~~] or distributor's license or any other  
6 license or permit in the manufacturing or wholesaling levels of the  
7 alcoholic beverage industry regardless of the specific names given  
8 to permits or licenses in Title 3 of this code. The holder shall be  
9 considered a "retailer" for purposes of Section 102.01 [~~of this~~  
10 ~~code~~].

11 (~~e~~) [~~A holder of a retail dealer's on-premise license who~~  
12 ~~obtains a brewpub license may not manufacture, brew, bottle, can,~~  
13 ~~package, label, sell, or offer without charge malt liquor or ale.~~

14 [~~(g)~~] The holder of a brewpub license may deliver malt  
15 beverages brewed [~~liquor, ale, or beer manufactured~~] by the holder  
16 to a location other than the holder's premises for the purpose of  
17 submitting the malt beverages [~~liquor, ale, or beer~~] for an  
18 evaluation at an organized malt beverage [~~liquor, ale, or beer~~]  
19 tasting, competition, or review. At a tasting, competition, or  
20 review, a holder of a brewpub license may:

21 (1) dispense without charge malt beverages brewed  
22 [~~liquor, ale, or beer manufactured~~] by the holder to a person  
23 attending the event for consumption on the premises of the event;  
24 and

25 (2) discuss with a person attending the event the  
26 brewing [~~manufacturing~~] and characteristics of the malt beverages  
27 [~~liquor, ale, or beer~~].

1 SECTION 249. Section 74.03, Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 74.03. PRODUCTION LIMIT. The total annual production  
4 of malt beverages [~~liquor, ale, and beer~~] by a holder of a brewpub  
5 license may not exceed 10,000 barrels for each licensed brewpub.

6 SECTION 250. Section 74.04, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 74.04. LICENSE APPLICATION, RENEWAL, AND MAINTENANCE;  
9 RECORDS; LICENSE ISSUANCE. All provisions of this code that apply  
10 to a brewpub licensee's wine and malt beverage [~~beer~~] retailer's  
11 permit, mixed beverage permit, or retail dealer's on-premise  
12 license also apply to the brewpub license.

13 SECTION 251. (a) Effective December 31, 2020, Section  
14 74.05, Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 74.05. STATEMENT OF INTENT. An applicant for a  
16 brewpub license shall file with the application a sworn statement  
17 that the applicant shall be engaged in the business of brewing and  
18 packaging malt liquor, ale, or beer in this state in quantities  
19 sufficient to operate a brewpub not later than six months after the  
20 date of issuance of the original license. If the applicant is a  
21 corporation, the statement must be signed by a principal corporate  
22 officer. The commission[~~, administrator, or county judge~~] may not  
23 issue a brewpub license to an applicant who does not submit the  
24 required sworn statement with the application for a license.

25 (b) Effective September 1, 2021, Section 74.05, Alcoholic  
26 Beverage Code, is amended to read as follows:

27 Sec. 74.05. STATEMENT OF INTENT. An applicant for a

1 brewpub license shall file with the application a sworn statement  
2 that the applicant shall be engaged in the business of brewing and  
3 packaging malt beverages [~~liquor, ale, or beer~~] in this state in  
4 quantities sufficient to operate a brewpub not later than six  
5 months after the date of issuance of the original license. If the  
6 applicant is a corporation, the statement must be signed by a  
7 principal corporate officer. The commission[~~, administrator, or~~  
8 ~~county judge~~] may not issue a brewpub license to an applicant who  
9 does not submit the required sworn statement with the application  
10 for a license.

11 SECTION 252. Section 74.06, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 74.06. QUALITY STANDARDS. Brewing [~~Manufacturing or~~  
14 ~~brewing~~] equipment used by a holder of a brewpub license, and  
15 process, labeling, and packaging conducted by a holder of a brewpub  
16 license, shall conform to standards and tax requirements imposed by  
17 this code and the commission's rules for the brewing [~~manufacture~~]  
18 of malt beverages [~~beer and the brewing of ale and malt liquor~~] and  
19 shall conform to any standards that may be applied by the agency of  
20 the United States charged with supervising and inspecting the  
21 [~~manufacture and~~] brewing of alcoholic beverages.

22 SECTION 253. Section 74.07, Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 74.07. CONTAINER SIZE. In addition to any other  
25 container for [~~beer, ale, or~~] malt beverages [~~liquor~~] authorized  
26 elsewhere in this code, a holder of a brewpub license may store or  
27 serve to consumers [~~beer, ale, or~~] malt beverages brewed [~~liquor~~

1 ~~manufactured~~] by the holder of the license at the premises of the  
2 brewpub license from any container having the capacity of one  
3 barrel or whole multiples of one barrel.

4 SECTION 254. Sections 74.08(a) and (d), Alcoholic Beverage  
5 Code, are amended to read as follows:

6 (a) In addition to the activities authorized by Section  
7 74.01, the holder of a brewpub license who holds a wine and malt  
8 beverage [~~beer~~] retailer's permit and whose sale of [~~beer, ale, or~~]  
9 malt beverages [~~liquor~~] consists only of [~~beer, ale, or~~] malt  
10 beverages brewed [~~liquor manufactured~~] on the brewpub's premises  
11 may[+]

12 [~~(1) sell malt liquor or ale produced under the~~  
13 ~~license to those retailers or qualified persons to whom the holder~~  
14 ~~of a general class B wholesaler's permit may sell malt liquor or ale~~  
15 ~~under Section 20.01; and~~

16 [~~(2)~~] sell malt beverages [~~beer~~] produced under the  
17 license to:

18 (1) [~~(A)~~] those retailers to whom the holder of a  
19 general distributor's license may sell malt beverages [~~beer~~] under  
20 Section 64.01; or

21 (2) [~~(B)~~] qualified persons to whom the holder of a  
22 general distributor's license may sell malt beverages [~~beer~~] for  
23 shipment and consumption outside the state under Section 64.01.

24 (d) The total amount of malt beverages [~~liquor, ale, and~~  
25 ~~beer~~] sold under this section to persons in this state may not  
26 exceed 1,000 barrels annually for each licensed brewpub location or  
27 2,500 barrels annually for all brewpubs operated by the same

1 licensee.

2 SECTION 255. Section 74.09, Alcoholic Beverage Code, is  
3 amended to read as follows:

4 Sec. 74.09. SALES TO DISTRIBUTORS. (a) In addition to the  
5 activities authorized by Section 74.01, the holder of a brewpub  
6 license may sell malt beverages [~~beer~~] produced under the license  
7 to the holder of a general[~~, local,~~] or branch distributor's  
8 license.

9 (b) The holder of a brewpub license who sells malt beverages  
10 [~~beer~~] under Subsection (a) shall comply with the requirements of  
11 Section 102.51.

12 SECTION 256. Effective December 1, 2020, Section 81.003,  
13 Alcoholic Beverage Code, is amended to read as follows:

14 Sec. 81.003. SUBMISSION OF INFORMATION BY CERTAIN  
15 OFFICIALS. For the purposes of Section 81.004 or 81.005, the  
16 district or county attorney of the county or the city attorney of  
17 the city in which the premises are located may provide information  
18 to the commission[~~, administrator, or county judge, as~~  
19 ~~appropriate,~~] indicating that the holder of, or applicant for, a  
20 permit or license covering the premises has used or can reasonably  
21 be expected to use or allow others to use the premises in a manner  
22 that constitutes a common nuisance.

23 SECTION 257. Effective December 31, 2020, Section 81.004,  
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 81.004. APPLICATION FOR ORIGINAL OR RENEWAL PERMIT OR  
26 LICENSE. The commission[~~, administrator, or county judge, as~~  
27 ~~applicable,~~] may deny an application for [~~refuse to issue~~] an



1 original or renewal permit or license as provided by Section  
2 11.43~~[, after notice and an opportunity for a hearing,]~~ if the  
3 commission~~[, administrator, or county judge]~~ finds that, at any  
4 time during the 12 months preceding the permit or license  
5 application, a common nuisance existed on the premises for which  
6 the permit or license is sought, regardless of whether the acts  
7 constituting the common nuisance were engaged in by the applicant  
8 or whether the applicant controlled the premises at the time the  
9 common nuisance existed. The commission~~[, administrator, or~~  
10 ~~county judge, as applicable,]~~ may issue an original or renewal  
11 permit or license if~~[, at the hearing,]~~ it is found that the  
12 applicant did not control the premises at the time the common  
13 nuisance existed and the applicant has taken reasonable measures to  
14 abate the common nuisance.

15 SECTION 258. Effective December 31, 2020, Section 81.006,  
16 Alcoholic Beverage Code, is amended to read as follows:

17 Sec. 81.006. ORDER IMPOSING ADDITIONAL CONDITIONS ON PERMIT  
18 OR LICENSE HOLDER. (a) The commission~~[, administrator, or county~~  
19 ~~judge, as applicable,]~~ may, after notice and hearing [~~under Section~~  
20 81.004 or 81.005], issue an order imposing any condition on a permit  
21 or license holder that is reasonably necessary to abate a common  
22 nuisance on the premises.

23 (b) The commission [~~or administrator~~] may suspend for not  
24 more than 60 days or cancel the permit or license of a permit or  
25 license holder who violates an order issued under this  
26 section. The commission [~~or administrator~~] may offer the permit or  
27 license holder the opportunity to pay a civil penalty rather than

1 have the permit or license suspended.

2 SECTION 259. Effective December 31, 2020, Sections  
3 81.007(a), (b), (b-1), and (c), Alcoholic Beverage Code, are  
4 amended to read as follows:

5 (a) Before holding a hearing and making a determination  
6 under Section 81.004 or 81.005, the commission~~[, administrator, or~~  
7 ~~county judge, as applicable,]~~ may, if there is evidence showing a  
8 reasonable likelihood that a common nuisance exists on the premises  
9 for which the permit or license is held or sought, issue an order  
10 imposing any condition on the permit or license holder or the  
11 applicant for the permit or license that is reasonably necessary to  
12 abate a common nuisance on the premises. An order issued under  
13 this section is effective until:

14 (1) the expiration of the time for appealing the  
15 determination under Section 81.004 or 81.005; or

16 (2) if the determination is appealed, until all  
17 appeals are finally decided.

18 (b) A hearings officer ~~[or county judge]~~ may issue an order  
19 under this section on the hearings officer's ~~[or county judge's]~~ own  
20 motion or the motion of a person listed in Section 81.003 or, for an  
21 original or renewal permit or license application, any individual  
22 entitled to protest the issuance of the original or renewal permit  
23 or license.

24 (b-1) If an individual ~~[other than a person described in~~  
25 ~~subsection (b)]~~ who is entitled to protest the issuance of the  
26 original or renewal permit or license files a motion for a temporary  
27 order under this section, the commission~~[, administrator, or county~~

1 ~~judge, as applicable,~~] may not issue a temporary order without  
2 conducting a hearing.

3 (c) The commission [~~hearings officer or county judge~~] may  
4 impose any sanction on a person who violates an order issued under  
5 Subsection (a) that is necessary to secure compliance with the  
6 order.

7 SECTION 260. Effective December 31, 2020, Sections  
8 101.01(c) and (d), Alcoholic Beverage Code, are amended to read as  
9 follows:

10 (c) If the court finds that a person has violated a  
11 restraining order or injunction issued under this section, it shall  
12 enter a judgment to that effect. The judgment operates to cancel  
13 without further proceedings any license or permit held by the  
14 person. The district clerk [~~shall notify the county judge of the  
15 county where the premises covered by the permit or license are  
16 located and~~] shall notify the commission when a judgment is entered  
17 that operates to cancel a license or permit.

18 (d) A A [~~No~~] license or permit may not be issued to a person  
19 whose license or permit is cancelled under Subsection (c) until the  
20 first anniversary of the date the license or permit is cancelled [~~of~~  
21 ~~this section for one year after the cancellation~~].

22 SECTION 261. Section 101.32(b), Alcoholic Beverage Code, is  
23 amended to read as follows:

24 (b) Possession in a dry area of more than 24 twelve-ounce  
25 bottles of malt beverages [~~beer~~], or an equivalent amount, is prima  
26 facie evidence of possession with intent to sell.

27 SECTION 262. Section 101.41, Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 101.41. CONTAINERS, PACKAGING, AND DISPENSING  
3 EQUIPMENT OF MALT BEVERAGES [~~BEER~~]: LABELS. (a) A brewer [~~No~~  
4 ~~manufacturer~~] or distributor, directly or indirectly or through a  
5 subsidiary, affiliate, agent, employee, officer, director, or firm  
6 member, may not brew [~~manufacture~~], sell, or otherwise introduce  
7 into commerce any container, packaging, or dispensing equipment of  
8 malt beverages [~~beer~~] that does not meet the requirements of this  
9 section.

10           (b) Every container of malt beverages [~~beer~~] must have a  
11 label or imprint in legible type showing the full name and address  
12 of the brewer [~~manufacturer~~] and, if it contains a special brand  
13 brewed for a distributor, of the distributor. Any box, crate,  
14 carton, or similar device in which containers of malt beverages  
15 [~~beer~~] are sold or transported must have a label meeting the same  
16 requirements.

17           (c) The label of a container of malt beverages [~~beer~~] must  
18 state:

19                   (1) the net contents in terms of United States liquor  
20 measure; and

21                   (2) the alcohol content by volume.

22           (d) A [~~No~~] container, packaging material, or dispensing  
23 equipment may not bear a label or imprint that:

24                   (1) by wording, lettering, numbering, or  
25 illustration, or in any other manner refers or alludes to or  
26 suggests a brewing [~~manufacturing~~] process, aging, analysis, or a  
27 scientific fact;

1 (2) refers or alludes to the "proof," "balling," or  
2 "extract" of the product;

3 (3) is untrue in any respect; or

4 (4) by ambiguity, omission, or inference tends to  
5 create a misleading impression, or causes or is calculated to cause  
6 deception of the consumer with respect to the product.

7 SECTION 263. Section 101.42, Alcoholic Beverage Code, is  
8 amended to read as follows:

9 Sec. 101.42. RETURNABLE CONTAINER: ACCEPTANCE BY ANOTHER  
10 BREWER [~~MANUFACTURER~~]. A brewer [~~No manufacturer~~] of malt  
11 beverages [~~beer~~] may not purchase, accept as a return, or use a  
12 barrel, half-barrel, keg, case, or bottle permanently branded or  
13 imprinted with the name of another brewer [~~manufacturer~~].

14 SECTION 264. Section 101.43(a), Alcoholic Beverage Code, is  
15 amended to read as follows:

16 (a) A brewer [~~No manufacturer~~] or distributor, directly or  
17 indirectly, or through a subsidiary, affiliate, agent, employee,  
18 officer, director, or firm member, may not sell or otherwise  
19 introduce into commerce a brewery product that is misbranded.

20 SECTION 265. Section 101.46(b), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (b) Subsection (a) [~~of this section~~] does not apply to  
23 permittees or licensees while engaged in supplying [~~airline~~  
24 ~~beverage~~], mixed beverage permittees[~~7~~] or passenger  
25 transportation [~~bus beverage~~] permittees under Section 48.03 or  
26 48.05, nor to the possession or sale of liquor by a [~~an airline~~  
27 ~~beverage~~], mixed beverage permittee[~~7~~] or a passenger

1 transportation [~~bus beverage~~] permittee under Section 48.03 or  
2 48.05, but none of the permittees or licensees covered by this  
3 subsection may possess liquor in a container with a capacity of less  
4 than one fluid ounce.

5 SECTION 266. Section 101.48, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 101.48. COMMISSION'S REGULATORY AUTHORITY. Sections  
8 5.39 and 5.40 [~~of this code~~] relate to the commission's authority to  
9 regulate liquor containers and malt beverage [~~beer~~] container  
10 deposits.

11 SECTION 267. Section 101.66, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 101.66. BEVERAGES OF CERTAIN ALCOHOL CONTENT  
14 PROHIBITED. A [~~No~~] person may not manufacture, sell, barter, or  
15 exchange a beverage that contains more than [~~alcohol in excess of~~]  
16 one-half of one percent alcohol by volume and not more than five  
17 [~~four~~] percent [~~of~~] alcohol by volume [~~weight~~], except malt  
18 beverages [~~beer~~], wine coolers, and spirit coolers.

19 SECTION 268. (a) Effective December 31, 2020, Section  
20 101.67, Alcoholic Beverage Code, is amended to read as follows:

21 Sec. 101.67. PRIOR APPROVAL OF MALT BEVERAGES. (a) Before  
22 an authorized licensee [~~No person~~] may ship or cause to be shipped  
23 into the state, import into the state, manufacture and offer for  
24 sale in the state, or distribute, sell, or store in the state any  
25 [~~beer, ale, or~~] malt beverages, the licensee must register the malt  
26 beverages with the commission. The registration application must  
27 include a certificate of label approval issued by the United States

1 Alcohol and Tobacco Tax and Trade Bureau for the product [~~liquor~~  
2 ~~unless:~~

3 [~~(1) a sample of the beverage or a sample of the same~~  
4 ~~type and quality of beverage has been first tested to verify the~~  
5 ~~alcohol content of the beverage by:~~

6 [~~(A) an independent laboratory;~~

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

10 [~~(C) the commission; and~~

11 [~~(2) the label of the beverage has been first~~  
12 ~~submitted to the commission or its representative and found to~~  
13 ~~comply with all provisions of this code relating to the labeling of~~  
14 ~~the particular type of beverage].~~

15 (b) Only a brewer's or nonresident brewer's permittee, a  
16 manufacturer's or nonresident manufacturer's licensee, or a brewpub  
17 licensee may apply to register [~~for and receive label approval on~~  
18 ~~beer, ale, or]~~ malt beverages with the commission [~~liquor~~].

19 (c) This section does not apply to the importation of beer  
20 for personal consumption and not for sale.

21 (d) On registration of a certificate of label approval  
22 issued by the United States Alcohol and Tobacco Tax and Trade  
23 Bureau, the commission shall approve the product under this section  
24 and issue a letter to that effect to the licensee unless the  
25 commission determines the product, despite having a valid federal  
26 certificate of label approval, would create a public safety  
27 concern, create a cross-tier violation, or otherwise violate this

1 code. [~~If the commission determines that the product tested and~~  
2 ~~label submitted under Subsection (a) comply with the provisions of~~  
3 ~~this code and the rules of the commission,~~]

4 (d-1) If the commission approves the product, the  
5 commission shall issue a certificate of approval upon receipt of a  
6 fee in an amount that is sufficient to cover the cost of  
7 administering this section. A copy of the certificate shall be kept  
8 on file in the office of the commission.

9 (e) Not later than the 30th day after the date the  
10 commission receives an application for registration of a product  
11 under this section, the commission shall either approve or deny the  
12 registration application. If the commission denies the application  
13 for a product with a valid federal certificate of label approval or  
14 fails to act on the application within the time required by this  
15 subsection, the licensee submitting the application is entitled to  
16 an administrative hearing before the State Office of Administrative  
17 Hearings [~~The commission may require proof by affidavit or~~  
18 ~~otherwise that a laboratory performing a test under Subsection~~  
19 ~~(a)(1)(A) is independent].~~

20 (f) The commission by rule shall establish procedures for:

21 (1) accepting federal certificates of label approval  
22 for registration under this section;

23 (2) registering alcoholic beverage products that are  
24 not eligible to receive a certificate of label approval issued by  
25 the United States Alcohol and Tobacco Tax and Trade Bureau; and

26 (3) registering alcoholic beverage products during  
27 periods when the United States Alcohol and Tobacco Tax and Trade



1 Bureau has ceased processing applications for a certificate of  
2 label approval.

3 (g) The commission shall consider the nutrition label  
4 requirements of the United States Food and Drug Administration and  
5 the alcohol label requirements of the United States Alcohol and  
6 Tobacco Tax and Trade Bureau in developing the label requirements  
7 to register products described by Subsection (f)(2).

8 (h) The rules adopted under this section may not require  
9 testing for alcohol content as part of the process for registering  
10 an alcoholic beverage with the commission.

11 (b) Effective September 1, 2021, Sections 101.67(b) and (c),  
12 Alcoholic Beverage Code, are amended to read as follows:

13 (b) Only a brewer's [~~or nonresident brewer's permittee, a~~  
14 ~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~] licensee,  
15 or a brewpub licensee may apply to register [~~for and receive label~~  
16 ~~approval on beer, ale, or~~] malt beverages with the commission  
17 [~~liquor~~].

18 (c) This section does not apply to the importation of malt  
19 beverages [~~beer~~] for personal consumption and not for sale.

20 SECTION 269. Effective December 31, 2020, Section 101.671,  
21 Alcoholic Beverage Code, is amended by amending Subsections (b) and  
22 (d) and adding Subsections (c-1), (e), and (f) to read as follows:

23 (b) On registration of a certificate of label approval  
24 issued by the United States Alcohol and Tobacco Tax and Trade  
25 Bureau, the commission shall approve the product under this section  
26 and issue a letter to that effect to the permittee unless the  
27 commission determines the product, despite having a valid federal

1 certificate of label approval, would create a public safety  
2 concern, create a cross-tier violation, or otherwise violate this  
3 code. The commission may not require additional approval for the  
4 product unless there is a change to the label or product that  
5 requires reissuance of the federal certificate of label approval.  
6 The commission shall accept the certificate of label approval as  
7 constituting full compliance only with any applicable standards  
8 adopted under Section 5.38 regarding quality, purity, and identity  
9 of distilled spirits or wine.

10 (c-1) Not later than the 30th day after the date the  
11 commission receives an application for registration of a product  
12 under this section, the commission shall either approve or deny the  
13 registration application. If the commission denies the application  
14 for a product with a valid federal certificate of label approval or  
15 fails to act on the application within the time required by this  
16 subsection, the permittee submitting the application is entitled to  
17 an administrative hearing before the State Office of Administrative  
18 Hearings.

19 (d) The commission by rule shall ~~may~~ establish procedures  
20 for:

21 (1) accepting:

22 (A) [~~(1)~~] federal certificates of label approval  
23 for registration under this section; and

24 (B) [~~(2)~~] proof, such as a letter of  
25 authorization, that a permittee is the primary American source of  
26 supply of the product or brand for purposes of Section 37.10; and

27 (2) registering alcoholic beverage products that are

1 not eligible to receive a certificate of label approval issued by  
2 the United States Alcohol and Tobacco Tax and Trade Bureau.

3 (e) The commission shall consider the nutrition label  
4 requirements of the United States Food and Drug Administration and  
5 the alcohol label requirements of the United States Alcohol and  
6 Tobacco Tax and Trade Bureau in developing the label requirements  
7 to register products described by Subsection (d)(2).

8 (f) The rules adopted under this section may not require  
9 testing for alcohol content as part of the process for registering  
10 an alcoholic beverage with the commission.

11 SECTION 270. Section 101.72(a), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (a) A person commits an offense if the person knowingly  
14 consumes liquor or malt beverages [~~beer~~] on the premises of a holder  
15 of a wine and malt beverage [~~beer~~] retailer's off-premise permit or  
16 a retail dealer's off-premise license.

17 SECTION 271. Section 102.03(a), Alcoholic Beverage Code, is  
18 amended to read as follows:

19 (a) This section applies to the holder of a [~~brewer's,~~]  
20 distiller's and rectifier's, winery, wholesaler's, or class B  
21 wholesaler's[~~, or wine bottler's~~] permit.

22 SECTION 272. Section 102.04(a), Alcoholic Beverage Code, is  
23 amended to read as follows:

24 (a) This section applies to any person who has an interest  
25 in the business of a distiller-rectifier, [~~brewer,~~] wholesaler,  
26 class B wholesaler, winery, [~~wine bottler,~~] or local distributor's  
27 permittee. This section also applies to the agent, servant, or

1 employee of a person who has an interest in one of those businesses.

2 SECTION 273. Section [102.05](#), Alcoholic Beverage Code, is  
3 amended to read as follows:

4 Sec. 102.05. HOTEL: MULTIPLE INTERESTS AUTHORIZED. A  
5 hotel may hold a package store permit, mixed beverage permit, wine  
6 and malt beverage [~~beer~~] retailer's permit, and retail dealer's  
7 license if the businesses are completely segregated from each  
8 other.

9 SECTION 274. Effective September 1, 2019, Section [102.06](#),  
10 Alcoholic Beverage Code, is amended to read as follows:

11 Sec. 102.06. RELATIONSHIP BETWEEN AGENT [~~OR MANUFACTURER'S~~  
12 ~~AGENT~~] AND PACKAGE STORE. An agent acting under Chapter 35 or 36 [~~No~~  
13 ~~holder of an agent's or manufacturer's agent's permit~~] may not  
14 directly or indirectly have an interest in a package store permit or  
15 wine only package store permit or be residentially domiciled with a  
16 person who has a financial interest in a package store permit or  
17 wine only package store permit.

18 SECTION 275. Section [102.07](#)(a), Alcoholic Beverage Code, is  
19 amended to read as follows:

20 (a) Except as provided in Subsections (b), (d), and (g), a  
21 [~~no~~] person who owns or has an interest in the business of a  
22 distiller, [~~brewer,~~] rectifier, wholesaler, class B wholesaler, or  
23 winery, or [~~wine bottler, nor~~] the agent, servant, or employee of  
24 such a person, may not:

25 (1) own or have a direct or indirect interest in the  
26 business, premises, equipment, or fixtures of a retailer;

27 (2) furnish, give, or lend any money, service, or

1 thing of value to a retailer;

2 (3) guarantee a financial obligation of a retailer;

3 (4) make or offer to enter an agreement, condition, or  
4 system which will in effect amount to the shipment and delivery of  
5 alcoholic beverages on consignment;

6 (5) furnish, give, rent, lend, or sell to a retail  
7 dealer any equipment, fixtures, or supplies to be used in selling or  
8 dispensing alcoholic beverages, except that alcoholic beverages  
9 may be packaged in combination with other items if the package is  
10 designed to be delivered intact to the ultimate consumer and the  
11 additional items have no value or benefit to the retailer other than  
12 that of having the potential of attracting purchases and promoting  
13 sales;

14 (6) pay or make an allowance to a retailer for a  
15 special advertising or distribution service;

16 (7) allow an excessive discount to a retailer; or

17 (8) offer a prize, premium, gift, or similar  
18 inducement to a retailer or to the agent, servant, or employee of a  
19 retailer.

20 SECTION 276. Section 102.07(f), Alcoholic Beverage Code, as  
21 effective April 1, 2019, is amended to read as follows:

22 (f) Notwithstanding Subsection (a) [~~of this section~~],  
23 Section 108.05, or any other provision of this code, a holder of a  
24 [~~brewer's permit, nonresident brewer's permit,~~] distiller's and  
25 rectifier's permit, winery permit, nonresident seller's permit,  
26 brewer's [~~manufacturer's~~] license, or nonresident brewer's  
27 [~~manufacturer's~~] license may, in order to promote the brand name of

1 the permittee's or licensee's products, contract with a person  
 2 licensed under Subtitle A-1, Title 13, Occupations Code (Texas  
 3 Racing Act), for on-site advertising signs, for advertising in  
 4 programs, and to supplement purses for races even though the  
 5 licensees under that subtitle or the owners or operators of the  
 6 racing facilities also hold a mixed beverage permit or other permit  
 7 or license under this code. In addition, a permittee or licensee  
 8 described by this subsection may contract for off-site advertising  
 9 promoting specific races. A part of the cost of an advertisement or  
 10 promotion authorized by this section may not be charged to or paid,  
 11 directly or indirectly, by the holder of a wholesaler's [~~wholesale~~  
 12 permit, general class B wholesaler's permit, [~~local class B~~  
 13 ~~wholesaler's permit,~~] local distributor's permit, or general  
 14 distributor's license[~~, or local distributor's license~~], except  
 15 through the price paid by that holder for products purchased from  
 16 the holder's supplier.

17 SECTION 277. Section 102.07(g), Alcoholic Beverage Code, is  
 18 amended to read as follows:

19 (g) Subsection (a) does not prohibit a permittee covered  
 20 under Subsection (a) from prearranging or preannouncing a  
 21 promotional activity otherwise permitted by this code with a  
 22 retailer about a promotional activity to be held on the retailer's  
 23 premises. Notwithstanding any other provision, a permittee may:

- 24 (1) preannounce a promotion to a consumer; or  
 25 (2) preannounce the purchase of wine or [~~7~~] distilled  
 26 spirits[~~, ale, or malt liquor~~] to a consumer.

27 SECTION 278. Sections 102.071(d) and (e), Alcoholic

1 Beverage Code, are amended to read as follows:

2 (d) Sections 61.73 and 102.31 apply to payment for glassware  
3 bearing the name, emblem, or logo of a brand of malt beverage by the  
4 holder of [~~a wholesaler's permit or~~] a distributor's license.

5 (e) For the purposes of Subchapters C and D, the sale, by the  
6 holder of a distributor's license, of a nonalcoholic beverage  
7 produced or sold by a brewer [~~manufacturer~~] of malt beverages and  
8 that bears the name, emblem, logo, or brand of a brewer  
9 [~~manufacturer~~] of malt beverages is the same as a sale of malt  
10 beverages [~~beer~~].

11 SECTION 279. Section 102.11, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 102.11. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:  
14 PROHIBITED INTERESTS. A brewer [~~No manufacturer~~] or distributor  
15 directly or indirectly, or through a subsidiary, affiliate, agent,  
16 employee, officer, director, or firm member, may not:

17 (1) own any interest in the business or premises of a  
18 retail dealer of malt beverages [~~beer~~]; or

19 (2) hold or have an interest in a license to sell  
20 brewery products for on-premises consumption, except to the extent  
21 that a brewer's [~~manufacturer's~~] license permits on-premises  
22 consumption.

23 SECTION 280. Section 102.12, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 102.12. COMMERCIAL BRIBERY BY BREWER [~~MANUFACTURER~~] OR  
26 DISTRIBUTOR. A brewer [~~No manufacturer~~] or distributor directly or  
27 indirectly, or through a subsidiary, affiliate, agent, employee,

1 officer, director, or firm member, may not give or permit to be  
2 given money or any thing of value in an effort to induce agents,  
3 employees, or representatives of customers or prospective  
4 customers to influence their employers or principals to purchase or  
5 contract to purchase brewery products from the brewer  
6 [~~manufacturer~~] or distributor or to refrain from buying those  
7 products from other persons.

8 SECTION 281. Section 102.13, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 102.13. EXCLUSIVE OUTLET AGREEMENT AS TO BREWERY  
11 PRODUCTS. A brewer [~~No manufacturer~~] or distributor directly or  
12 indirectly, or through a subsidiary, affiliate, agent, employee,  
13 officer, director, or firm member, may not require, by agreement or  
14 otherwise, that a retailer engaged in the sale of brewery products  
15 purchase any of those products from the brewer [~~him~~] to the total or  
16 partial exclusion of the products sold or offered for sale by a  
17 competitor or require the retailer to take or dispose of a certain  
18 quota of the product.

19 SECTION 282. Section 102.14, Alcoholic Beverage Code, is  
20 amended to read as follows:

21 Sec. 102.14. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:  
22 FURNISHING EQUIPMENT OR FIXTURES. (a) A brewer [~~No manufacturer~~]  
23 or distributor directly or indirectly, or through a subsidiary,  
24 affiliate, agent, employee, officer, director, or firm member, may  
25 not furnish, give, rent, lend, or sell any equipment, fixtures, or  
26 supplies to a person engaged in selling brewery products for  
27 on-premises consumption.



1           (b) This section does not apply to equipment, fixtures, or  
2 supplies furnished, given, loaned, rented, or sold before November  
3 16, 1935, except that transactions made before that date may not be  
4 used as consideration for an agreement made after that date with  
5 respect to the purchase of brewery products. If a brewer  
6 [~~manufacturer~~] or distributor of brewery products or an agent or  
7 employee of one of them removes the equipment, fixtures, or  
8 supplies from the premises of the person to whom they were  
9 furnished, given, loaned, rented, or sold, the exemption granted by  
10 this subsection no longer applies to the equipment, fixtures, or  
11 supplies.

12           (c) Notwithstanding any other provision of this code, a  
13 brewer [~~manufacturer~~] or distributor may, with written approval of  
14 the administrator, sell for cash devices designed to extract  
15 brewery products from legal containers subject to the following  
16 conditions:

17           (1) the legal containers must not exceed a one-eighth  
18 barrel capacity and must not be reused or refilled;

19           (2) the selling price of such devices may be no less  
20 than the cost of acquisition to the brewer [~~manufacturer~~] or  
21 distributor; and

22           (3) such devices which extract brewery products from  
23 legal containers covered by this section may not be furnished,  
24 given, rented, or sold by the brewer [~~manufacturer~~] or distributor  
25 to a licensee or permittee authorized to sell or serve brewery  
26 products for on-premise consumption, or to the ultimate consumer.

27           SECTION 283. Section [102.15](#), Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 102.15. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:  
3 PROHIBITED DEALINGS WITH RETAILER. (a) Except as provided by  
4 Subsection (b), a brewer [~~no manufacturer~~] or distributor directly  
5 or indirectly, or through a subsidiary, affiliate, agent, employee,  
6 officer, director, or firm member, may not:

7           (1) furnish, give, or lend any money or other thing of  
8 value to a person engaged or about to be engaged in selling brewery  
9 products for on-premises or off-premises consumption, or give the  
10 person any money or thing of value for the person's [~~his~~] use,  
11 benefit, or relief; or

12           (2) guarantee the repayment of a loan or the  
13 fulfillment of a financial obligation of a person engaged in or  
14 about to be engaged in selling malt beverages [~~beer~~] at retail.

15           (b) Subsection (a) does not prohibit a brewer  
16 [~~manufacturer~~] or distributor from prearranging or preannouncing a  
17 promotional activity otherwise permitted by this code with a  
18 retailer about a promotional activity to be held on the retailer's  
19 premises. Notwithstanding any other provision, a brewer  
20 [~~manufacturer~~] or distributor may:

21           (1) preannounce a promotion to a consumer; or

22           (2) preannounce the purchase of malt beverages [~~beer~~]  
23 to a consumer.

24           SECTION 284. Section 102.17, Alcoholic Beverage Code, is  
25 amended to read as follows:

26           Sec. 102.17. CONTRACT FOR SALE OF LIQUOR. A [~~brewer,~~]  
27 distiller and rectifier, winery permittee, [~~manufacturer,~~] or

1 nonresident seller of liquor and the holder of a wholesaler's  
2 permit may enter into a contract for the sale and purchase of a  
3 specified quantity of liquor to be delivered over an agreed period  
4 of time, but only if the contract is first submitted to the  
5 commission or administrator and found by the commission or  
6 administrator not to be calculated to induce a violation of this  
7 code.

8 SECTION 285. Section 102.18, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 102.18. BREWER [~~MANUFACTURER~~]: PROHIBITED INTERESTS.

11 (a) This section applies to the following:

12 (1) a holder of a brewer's [~~manufacturer's~~] or  
13 nonresident brewer's [~~manufacturer's~~] license;

14 (2) an officer, director, agent, or employee of an  
15 entity named in Subdivision (1) [~~of this subsection~~]; or

16 (3) an affiliate of an entity named in Subdivision (1)  
17 [~~of this subsection~~], regardless of whether the affiliation is  
18 corporate or by management, direction, or control.

19 (b) An [~~No~~] entity named in Subsection (a) [~~of this section~~]  
20 may not have any interest in the license, business, assets, or  
21 corporate stock of a holder of a general[~~, local,~~] or branch  
22 distributor's license.

23 SECTION 286. Section 102.21, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 102.21. CONTINUITY OF CERTAIN PROTECTIONS FOR MALT  
26 BEVERAGE [~~BEER~~] DISTRIBUTORS. The protections provided to malt  
27 beverage [~~beer~~] distributors by Subchapters C and D apply

1 regardless of whether there is a transfer or change of ownership of  
2 a brand at the manufacturing level.

3 SECTION 287. Section 102.22(a), Alcoholic Beverage Code, is  
4 amended to read as follows:

5 (a) A person who holds [~~a permit issued under Chapter 12 or~~  
6 ~~13 or~~] a license issued under Chapter 62 or 63 shall verify to the  
7 commission on an annual basis that a brewing [~~or manufacturing~~]  
8 facility owned or controlled by the [~~permit or~~] license holder is  
9 not used to produce malt beverages primarily for a specific  
10 retailer or the retailer's affiliates.

11 SECTION 288. Section 102.31(a), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (a) This section applies to:

14 (1) the sale of malt beverages [~~beer~~] or malt beverage  
15 [~~its~~] containers or the original packages in which malt beverages  
16 are [~~it is~~] received, packaged, or contained by a distributor's  
17 licensee to a retail dealer's on-premise or off-premise licensee, a  
18 wine and malt beverage [~~beer~~] retailer's permittee, or a wine and  
19 malt beverage [~~beer~~] retailer's off-premise permittee; and

20 (2) the sale of malt beverages by a local distributor's  
21 permittee, or by any licensee authorized to sell those beverages  
22 for resale, to a mixed beverage [~~or daily temporary mixed beverage~~]  
23 permittee.

24 SECTION 289. Sections 102.32(a)(1) and (2), Alcoholic  
25 Beverage Code, are amended to read as follows:

26 (1) "Wholesale dealer" means a wholesaler, class B  
27 wholesaler, winery, [~~wine bottler,~~] or local distributor's

1 permittee.

2           (2) "Retailer" means a package store, wine only  
3 package store, wine and malt beverage [~~beer~~] retailers, wine and  
4 malt beverage [~~beer~~] retailer's off-premise, or mixed beverage  
5 permittee, any other retailer, or a private club registration  
6 permittee. For purposes of this section, the holder of a winery  
7 permit issued under Chapter 16 is a retailer when the winery permit  
8 holder purchases wine from the holder of a wholesaler's permit  
9 issued under Chapter 19 for resale to ultimate consumers in  
10 unbroken packages.

11           SECTION 290. The heading to Subchapter C, Chapter 102,  
12 Alcoholic Beverage Code, is amended to read as follows:

13           SUBCHAPTER C. TERRITORIAL LIMITS ON SALE OF MALT BEVERAGES [~~BEER~~]

14           SECTION 291. Section 102.51, Alcoholic Beverage Code, is  
15 amended to read as follows:

16           Sec. 102.51. SETTING OF TERRITORIAL LIMITS. (a) Each  
17 holder of a brewer's [~~manufacturer's~~] or nonresident brewer's  
18 [~~manufacturer's~~] license shall designate territorial limits in  
19 this state within which the brands of malt beverages [~~beer~~] the  
20 licensee brews [~~manufactures~~] may be sold by general[~~7-local~~] or  
21 branch distributor's licensees.

22           (b) Each holder of a general[~~7-local~~] or branch  
23 distributor's license shall enter into a written agreement with  
24 each brewer [~~manufacturer~~] from which the distributor purchases  
25 malt beverages [~~beer~~] for distribution and sale in this state  
26 setting forth the sales territory within which each brand of malt  
27 beverage [~~beer~~] purchased by that distributor may be distributed

1 and sold. No holder of a general~~[, local,]~~ or branch distributor's  
2 license shall make any sales of any brand of malt beverage ~~[beer]~~  
3 outside the sales territory specified in the written agreement. No  
4 such agreement shall interfere with the rights of retailers to  
5 purchase malt beverages ~~[beer]~~ as provided in Section 102.53. A  
6 brewer ~~[manufacturer]~~ may not assign all or any part of the same  
7 sales territory to more than one distributor. A copy of the  
8 agreement and any amendments to it shall be filed with the  
9 administrator.

10 (c) This Act is promulgated pursuant to the authority of the  
11 state under the provisions of the Twenty-first Amendment to the  
12 United States Constitution to promote the public interest in the  
13 fair, efficient, and competitive distribution of malt beverages  
14 ~~[beer]~~, to increase competition in such areas, and to assure  
15 product quality control and accountability by allowing brewers  
16 ~~[manufacturers]~~ to assign sales territories within this state.

17 SECTION 292. Section 102.52, Alcoholic Beverage Code, is  
18 amended to read as follows:

19 Sec. 102.52. RIGHTS OF DISTRIBUTORS. Nothing in Section  
20 102.51 ~~[of this code]~~ limits or alters the right of a holder of a  
21 general~~[, local,]~~ or branch distributor's license to sell malt  
22 beverages ~~[beer]~~ to any other holder of a general~~[, local,]~~ or  
23 branch distributor's license, except that a distributor who has  
24 purchased malt beverages ~~[beer]~~ from another distributor may  
25 distribute and sell the malt beverages ~~[beer]~~ only within a  
26 territory for which the brewer ~~[manufacturer]~~ of the brand has  
27 designated that it may be sold by the general~~[, local,]~~ or branch

1 distributor making the purchase.

2 SECTION 293. Section 102.53, Alcoholic Beverage Code, is  
3 amended to read as follows:

4 Sec. 102.53. RIGHTS OF RETAILERS. Nothing in Section  
5 102.51 or 102.52 [~~of this code~~] limits or alters the right of a  
6 holder of a retail license or permit to purchase malt beverages  
7 [~~beer~~] at the licensed premises of any general[~~, local,~~] or branch  
8 distributor's licensee in the state and transport those malt  
9 beverages [~~that beer~~] to the licensee's [~~his~~] licensed premises,  
10 except that the retailer may sell the malt beverages [~~beer~~] only  
11 within a territory for which the brewer [~~manufacturer~~] of the brand  
12 has designated that the malt beverages [~~it~~] may be sold by a  
13 distributor.

14 SECTION 294. (a) Effective December 31, 2020, Sections  
15 102.54(a) and (b), Alcoholic Beverage Code, are amended to read as  
16 follows:

17 (a) In addition to any other requirements necessary for  
18 issuance or renewal of a distributor's license, the commission [~~ex~~  
19 ~~administrator~~] shall require an applicant for a license or a holder  
20 of a license to show that the applicant or holder:

21 (1) has entered into or will acquire a written  
22 agreement designating an assigned territory from a manufacturer in  
23 accordance with this subchapter and Subchapter D;

24 (2) has received or has applied for and will maintain  
25 all licenses or permits required to engage in business in the  
26 assigned territory as a holder of a distributor's license,  
27 including any state or federal licenses or permits;

1           (3) has ordered, received, and stored or has committed  
2 to order, receive, and store a sufficient amount of beer that the  
3 distributor is authorized to sell to ensure that the distributor  
4 can supply the reasonable needs of all retailers in the assigned  
5 territory;

6           (4) has received and stored or has committed to  
7 receive and store beer received from a manufacturer in a manner  
8 complying with a product quality control standard established by  
9 the manufacturer or the commission; and

10          (5) has or will have the ability to sell, deliver, and  
11 promote each brand of beer sold by the distributor to all retailers  
12 in the assigned territory:

13                 (A) in a manner that complies with the product  
14 quality control standards of the manufacturer or of the commission;  
15 and

16                 (B) on a continuing and recurring basis in  
17 response to reasonable market demand for a brand of beer by the  
18 retailer or the retailer's customers in the assigned territory.

19          (b) In determining whether an applicant for or holder of a  
20 distributor's license meets the requirement of Subsection (a)(5),  
21 the commission [~~or administrator~~] may require the applicant or  
22 holder to show that the applicant or holder has or will have:

23                 (1) storage facilities of a sufficient size to store  
24 each brand of beer in an amount equal to the demand for the product  
25 from all retailers in the holder's or applicant's assigned  
26 territory;

27                 (2) an inventory or a commitment to acquire an



1 inventory of each brand of beer in an amount equal to the demand for  
2 the brand from all retailers in the holder's or applicant's assigned  
3 territory;

4 (3) a sufficient number of employees to provide the  
5 holder or applicant with the ability:

6 (A) to sell, deliver on a reasonably prompt  
7 basis, and promote each brand of beer to all retailers in the  
8 holder's or applicant's assigned territory; and

9 (B) to prepare and submit in a timely manner any  
10 fee or tax payments or reports required by any authorized  
11 governmental regulatory authority, including the Bureau of  
12 Alcohol, Tobacco, and Firearms and the commission; and

13 (4) a sufficient number of delivery vehicles and  
14 rolling stock to provide the holder or the applicant with the  
15 capability of transporting, selling, delivering, or promoting each  
16 brand of beer to all retailers in the assigned territory.

17 (b) Effective September 1, 2021, Sections [102.54](#)(a) and  
18 (b), Alcoholic Beverage Code, are amended to read as follows:

19 (a) In addition to any other requirements necessary for  
20 issuance or renewal of a distributor's license, the commission [~~or~~  
21 ~~administrator~~] shall require an applicant for a license or a holder  
22 of a license to show that the applicant or holder:

23 (1) has entered into or will acquire a written  
24 agreement designating an assigned territory from a brewer  
25 [~~manufacturer~~] in accordance with this subchapter and Subchapter D;

26 (2) has received or has applied for and will maintain  
27 all licenses or permits required to engage in business in the

1 assigned territory as a holder of a distributor's license,  
2 including any state or federal licenses or permits;

3 (3) has ordered, received, and stored or has committed  
4 to order, receive, and store a sufficient amount of malt beverages  
5 [~~beer~~] that the distributor is authorized to sell to ensure that the  
6 distributor can supply the reasonable needs of all retailers in the  
7 assigned territory;

8 (4) has received and stored or has committed to  
9 receive and store malt beverages [~~beer~~] received from a brewer  
10 [~~manufacturer~~] in a manner complying with a product quality control  
11 standard established by the brewer [~~manufacturer~~] or the  
12 commission; and

13 (5) has or will have the ability to sell, deliver, and  
14 promote each brand of malt beverage [~~beer~~] sold by the distributor  
15 to all retailers in the assigned territory:

16 (A) in a manner that complies with the product  
17 quality control standards of the brewer [~~manufacturer~~] or of the  
18 commission; and

19 (B) on a continuing and recurring basis in  
20 response to reasonable market demand for a brand of malt beverage  
21 [~~beer~~] by the retailer or the retailer's customers in the assigned  
22 territory.

23 (b) In determining whether an applicant for or holder of a  
24 distributor's license meets the requirement of Subsection (a)(5),  
25 the commission [~~or administrator~~] may require the applicant or  
26 holder to show that the applicant or holder has or will have:

27 (1) storage facilities of a sufficient size to store

1 each brand of malt beverage [~~beer~~] in an amount equal to the demand  
2 for the product from all retailers in the holder's or applicant's  
3 assigned territory;

4 (2) an inventory or a commitment to acquire an  
5 inventory of each brand of malt beverage [~~beer~~] in an amount equal  
6 to the demand for the brand from all retailers in the holder's or  
7 applicant's assigned territory;

8 (3) a sufficient number of employees to provide the  
9 holder or applicant with the ability:

10 (A) to sell, deliver on a reasonably prompt  
11 basis, and promote each brand of malt beverage [~~beer~~] to all  
12 retailers in the holder's or applicant's assigned territory; and

13 (B) to prepare and submit in a timely manner any  
14 fee or tax payments or reports required by any authorized  
15 governmental regulatory authority, including the Bureau of  
16 Alcohol, Tobacco, and Firearms and the commission; and

17 (4) a sufficient number of delivery vehicles and  
18 rolling stock to provide the holder or the applicant with the  
19 capability of transporting, selling, delivering, or promoting each  
20 brand of malt beverage [~~beer~~] to all retailers in the assigned  
21 territory.

22 SECTION 295. Section 102.54(d)(2), Alcoholic Beverage  
23 Code, is amended to read as follows:

24 (2) "Brewer [~~Manufacturer~~]" means a person who holds a  
25 license issued under Chapter 62, 63, or 74.

26 SECTION 296. Sections 102.55(a) and (c), Alcoholic Beverage  
27 Code, are amended to read as follows:

1 (a) In this subchapter and Subchapter D, and as the terms  
2 relate to an agreement between a brewer [~~manufacturer~~] and a  
3 distributor describing the sales territory in which a distributor  
4 may sell the malt beverages [~~beer~~] of a brewer [~~manufacturer~~]:

5 (1) "Brand" means any word, name, group of letters,  
6 symbol, or trademark or a combination of any word, name, group of  
7 letters, symbol, or trademark that is adopted and used by a brewer  
8 [~~manufacturer~~] on a label or on packaging to identify a specific  
9 [~~beer or~~] malt beverage and to distinguish the [~~beer or~~] malt  
10 beverage product from the label or packaging of another [~~beer or~~]  
11 malt beverage produced or marketed by any brewer [~~manufacturer~~].  
12 The term does not include the name of the brewer [~~manufacturer~~]  
13 unless the name of the brewer [~~manufacturer~~] is included in the name  
14 of the brand.

15 (2) "Brand extension" means a brand that incorporates  
16 a brand name or brand logo, or a substantial part of an existing  
17 brand name or brand logo, of the same brewer [~~manufacturer~~].

18 (3) "Brewer" [~~"Manufacturer"~~] means a person who holds  
19 a license issued under Chapter 62, 63, or 74.

20 (c) A brewer [~~manufacturer~~] shall assign a brand extension  
21 to the distributor to whom the brand was originally assigned, if the  
22 distributor elects to distribute and sell the brand extension.

23 SECTION 297. Section 102.56, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 102.56. APPLICATION OF TERRITORIAL LIMITS TO CERTAIN  
26 PERMIT HOLDERS. (a) This section applies only to a holder of a  
27 local distributor's permit under Chapter 23 that operates in a

1 county in which 8,000 or more alcoholic beverage licenses or  
2 permits of any type have been issued under this code and are in  
3 effect. Subsections (b) and (d) apply only to the delivery of a  
4 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a  
5 mixed beverage permit or a private club permit whose premises is  
6 located in a county in which 8,000 or more alcoholic beverage  
7 licenses or permits of any type have been issued under this code and  
8 are in effect.

9 (b) A holder of a local distributor's permit under Chapter  
10 23 who has purchased a brand of [~~ale, beer, or~~] malt beverage  
11 [~~liquor~~] from the holder of a general[~~, local,~~] or branch  
12 distributor's license [~~or from the holder of a general class B~~  
13 ~~wholesaler's or local class B wholesaler's permit~~] may not deliver  
14 the brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to any holder of  
15 a mixed beverage permit or private club permit whose premises is  
16 located inside that county and outside the territory assigned to  
17 the distributor [~~or wholesaler~~] who sold the product under a  
18 territorial limit agreement authorized by this subchapter.

19 (c) Except as provided by Subsection (d), a holder of a  
20 local distributor's permit may purchase a brand of [~~ale, beer, or~~]  
21 malt beverage [~~liquor~~] only from a distributor [~~or wholesaler~~] who  
22 has been assigned the territory where the premises of the holder of  
23 the local distributor's permit is located.

24 (d) A holder of a local distributor's permit who delivers a  
25 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a  
26 mixed beverage permit or private club permit whose premises is  
27 located inside that county and outside the assigned territory where

1 the premises of the holder of a local distributor's permit is  
2 located must purchase the brand of [~~ale, beer, or~~] malt beverage  
3 [~~liquor~~] from a distributor [~~or wholesaler~~] who has been assigned  
4 the territory where the premises of the holder of the mixed beverage  
5 or private club permit is located.

6 SECTION 298. The heading to Subchapter D, Chapter 102,  
7 Alcoholic Beverage Code, is amended to read as follows:

8 SUBCHAPTER D. MALT BEVERAGE [~~BEER~~] INDUSTRY FAIR DEALING LAW

9 SECTION 299. Sections 102.71(1), (2), (4), and (5),  
10 Alcoholic Beverage Code, are amended to read as follows:

11 (1) "This Act" means this subchapter which shall have  
12 the short title and may be cited as the "Malt Beverage [~~Beer~~]  
13 Industry Fair Dealing Law."

14 (2) "Agreement" means any contract, agreement, or  
15 arrangement, whether expressed or implied, whether oral or written,  
16 for a definite or indefinite period between a brewer [~~manufacturer~~]  
17 and a distributor pursuant to which a distributor has the right to  
18 purchase, resell, and distribute any brand or brands of malt  
19 beverage [~~beer~~] offered by a brewer [~~manufacturer~~].

20 (4) "Brewer [~~Manufacturer~~]" means those persons  
21 licensed under Section 62.01, 63.01, or 74.01.

22 (5) "Territory" or "sales territory" means the  
23 geographic area of distribution and sale responsibility designated  
24 by an agreement between a distributor and brewer [~~manufacturer~~], as  
25 provided in Section 102.51 of this code, for any brands of the  
26 brewer [~~manufacturer~~].

27 SECTION 300. Sections 102.72(a) and (b), Alcoholic Beverage

1 Code, are amended to read as follows:

2 (a) This Act is promulgated pursuant to authority of the  
3 state under the provisions of the 21st amendment to the United  
4 States Constitution to promote the public's interest in the fair,  
5 efficient, and competitive distribution of malt beverages [~~beer~~]  
6 within this state by requiring brewers [~~manufacturers~~] and  
7 distributors to conduct their business relations so as to assure:

8 (1) that the malt beverage [~~beer~~] distributor is free  
9 to manage its business enterprise, including the right to  
10 independently establish its selling prices; and

11 (2) that the public, retailers, and brewers  
12 [~~manufacturers~~] are served by distributors who will devote their  
13 reasonable efforts and resources to the sales and distribution of  
14 all the brewer's [~~manufacturer's~~] products which the distributor  
15 has the right to sell and distribute and maintain satisfactory  
16 sales levels in the sales territory assigned the distributor.

17 (b) This Act shall govern all relations between brewers  
18 [~~manufacturers~~] and their distributors, including any renewals or  
19 amendments to agreements between them, to the full extent  
20 consistent with the constitutions and laws of this state and the  
21 United States.

22 SECTION 301. Sections [102.73](#)(a) and (c), Alcoholic Beverage  
23 Code, are amended to read as follows:

24 (a) Except as provided in Subsection (c) [~~of this section~~],  
25 and except as may be specifically agreed upon at the time by the  
26 parties, a brewer [~~no manufacturer~~] or beer distributor may not  
27 cancel, fail to renew, or otherwise terminate an agreement unless

1 the brewer [~~manufacturer~~] or distributor furnishes prior  
2 notification in accordance with Subsection (b) [~~of this section~~] to  
3 the affected party.

4 (c) A brewer [~~manufacturer~~] or distributor may cancel, fail  
5 to renew, or otherwise terminate an agreement without furnishing  
6 any prior notification for any of the following reasons:

7 (1) in the event of insolvency or bankruptcy or  
8 dissolution or liquidation of the other party;

9 (2) in the event the other party shall make an  
10 assignment for the benefit of creditors or similar disposition of  
11 substantially all of the assets of such party's business;

12 (3) in the event of a conviction or plea of guilty or  
13 no contest to a charge of violating a law or regulation or the  
14 revocation or suspension of a license or permit for a period of 30  
15 days or more relating to the business and which materially and  
16 adversely affects the party's ability to continue in business; or

17 (4) in the event of the failure to pay amounts owing  
18 the other when due, upon demand therefor, in accordance with agreed  
19 payment terms.

20 SECTION 302. Section 102.74, Alcoholic Beverage Code, is  
21 amended to read as follows:

22 Sec. 102.74. CANCELLATION. A malt beverage brewer [~~No~~  
23 ~~manufacturer~~] or [~~beer~~] distributor may not cancel, fail to renew,  
24 or otherwise terminate an agreement unless the party intending such  
25 action has good cause for such cancellation, failure to renew, or  
26 termination and, in any case in which prior notification is  
27 required under Section 102.73 [~~of this code~~], the party intending



1 to act has furnished said prior notification and the affected party  
2 has not eliminated the reasons specified in such notification as  
3 the reasons for cancellation, failure to renew, or termination  
4 within 90 days after the receipt of such notification.

5 SECTION 303. Sections 102.75(a) and (b), Alcoholic Beverage  
6 Code, are amended to read as follows:

7 (a) A brewer may not [~~No manufacturer shall~~]:

8 (1) induce or coerce, or attempt to induce or coerce,  
9 any distributor to engage in any illegal act or course of conduct;

10 (2) require a distributor to assent to any  
11 unreasonable requirement, condition, understanding, or term of an  
12 agreement prohibiting a distributor from selling the product of any  
13 other brewer [~~manufacturer or manufacturers~~];

14 (3) fix or maintain the price at which a distributor  
15 may resell malt beverages [~~beer~~];

16 (4) fail to provide to each distributor of its brands a  
17 written contract which embodies the brewer's [~~manufacturer's~~]  
18 agreement with its distributor;

19 (5) require any distributor to accept delivery of any  
20 malt beverages [~~beer~~] or any other item or commodity which shall not  
21 have been ordered by the distributor;

22 (6) adjust the price at which the brewer  
23 [~~manufacturer~~] sells malt beverages [~~beer~~] to a distributor based  
24 on the price at which a distributor resells malt beverages [~~beer~~] to  
25 a retailer, but a brewer [~~manufacturer~~] is free to set its own price  
26 so long as any price adjustment is based on factors other than a  
27 distributor's increase in the price it charges to a retailer and not

1 intended to otherwise coerce illegal behavior under this section;  
2 or

3 (7) accept payment in exchange for an agreement  
4 setting forth territorial rights.

5 (b) Nothing in this section shall interfere with the rights  
6 of a brewer [~~manufacturer~~] or distributor to enter into contractual  
7 agreements that could be construed as governing ordinary business  
8 transactions, including, but not limited to, agreements concerning  
9 allowances, rebates, refunds, services, capacity, advertising  
10 funds, promotional funds, or sports marketing funds.

11 SECTION 304. Section 102.76, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 102.76. TRANSFER OF BUSINESS ASSETS OR STOCK. (a) A  
14 brewer may not [~~No manufacturer shall~~] unreasonably withhold or  
15 delay its approval of any assignment, sale, or transfer of the stock  
16 of a distributor or all or any portion of a distributor's assets,  
17 distributor's voting stock, the voting stock of any parent  
18 corporation, or the beneficial ownership or control of any other  
19 entity owning or controlling the distributor, including the  
20 distributor's rights and obligations under the terms of an  
21 agreement whenever the person or persons to be substituted meet  
22 reasonable standards imposed not only upon the distributor but upon  
23 all other distributors of that brewer [~~manufacturer~~] of the same  
24 general class, taking into account the size and location of the  
25 sales territory and market to be served. Upon the death of one of  
26 the partners of a partnership operating the business of a  
27 distributor, a brewer may not [~~no manufacturer shall~~] deny the

1 surviving partner or partners of such partnership the right to  
2 become a successor-in-interest to the agreement between the brewer  
3 [~~manufacturer~~] and such partnership. Provided that the survivor  
4 has been active in the management of the partnership or [~~and/or~~] is  
5 otherwise capable of carrying on the business of the partnership.

6 (b) Notwithstanding the provisions of Subsection (a) [~~of~~  
7 ~~this section~~], upon the death of a distributor a brewer may not [~~no~~  
8 ~~manufacturer shall~~] deny approval for any transfer of ownership to  
9 a surviving spouse or adult child of an owner of a distributor;  
10 provided, however, that such subsequent transfers of such ownership  
11 by such surviving spouse or adult child shall thereafter be subject  
12 to the provisions of Subsection (a) [~~of this section~~].

13 SECTION 305. Section 102.77, Alcoholic Beverage Code, is  
14 amended to read as follows:

15 Sec. 102.77. REASONABLE COMPENSATION. (a) Any brewer  
16 [~~manufacturer~~] who, without good cause, cancels, terminates, or  
17 fails to renew any agreement, or unlawfully denies approval of, or  
18 unreasonably withholds consent, to any assignment, transfer, or  
19 sale of a distributor's business assets or voting stock or other  
20 equity securities, shall pay such distributor with whom it has an  
21 agreement pursuant to Section 102.51 [~~of this code~~] the fair market  
22 value of the distributor's business with relation to the affected  
23 brand or brands. In determining fair market value, consideration  
24 shall be given to all elements of value, including [~~but not limited~~  
25 ~~to~~] goodwill and going concern value.

26 (b) In the event that the brewer [~~manufacturer~~] and the  
27 distributor are unable to mutually agree on whether or not good

1 cause exists for cancellation under Section 102.74 ~~[of this code]~~  
2 or on the reasonable compensation to be paid for the value of the  
3 distributor's business, as defined herein, the matter may, at the  
4 option of either the distributor or brewer ~~[manufacturer]~~, be  
5 submitted to three arbitrators, one of whom shall be named in  
6 writing by each party and the third of whom shall be chosen by the  
7 two arbiters so selected. Should the arbiters selected fail to  
8 choose a third arbiter within 10 days, a judge of a district court  
9 in the county in which the distributor's principal place of  
10 business is located shall select the third arbiter. Arbitration  
11 shall be conducted in accordance with Chapter 171, Civil Practice  
12 and Remedies Code ~~[the Texas General Arbitration Act, as amended~~  
13 ~~(Article 224, Revised Civil Statutes of Texas, 1925)]~~. Arbitration  
14 costs shall be paid one-half by the distributor and one-half by the  
15 brewer ~~[manufacturer]~~. The award of the arbitrators shall be  
16 binding on the parties unless appealed within 10 days from the date  
17 of the award. All proceedings on appeal shall be in accordance with  
18 and governed by Chapter 171, Civil Practice and Remedies Code ~~[the~~  
19 ~~Texas General Arbitration Act, as amended (Article 224, Revised~~  
20 ~~Civil Statutes of Texas, 1925)]~~.

21 SECTION 306. Section 102.78, Alcoholic Beverage Code, is  
22 amended to read as follows:

23 Sec. 102.78. RIGHT OF FREE ASSOCIATION. A brewer ~~[No~~  
24 ~~manufacturer]~~ or distributor may not ~~[shall]~~ restrict or inhibit,  
25 directly or indirectly, the right of free association among brewers  
26 ~~[manufacturers]~~ or distributors for any lawful purpose.

27 SECTION 307. Section 102.79(a), Alcoholic Beverage Code, is

1 amended to read as follows:

2 (a) If a brewer [~~manufacturer~~] or distributor who is a party  
3 to an agreement pursuant to Section 102.51 [~~of this code~~] fails to  
4 comply with this Act or otherwise engages in conduct prohibited  
5 under this Act, or if a brewer [~~manufacturer~~] and distributor are  
6 not able to mutually agree on reasonable compensation under Section  
7 102.77 [~~of this code~~] and the matter is not to be submitted to  
8 arbitration, the aggrieved brewer [~~manufacturer~~] or distributor  
9 may maintain a civil action in a court of competent jurisdiction in  
10 the county in which the distributor's principal place of business  
11 is located.

12 SECTION 308. Section 102.81, Alcoholic Beverage Code, is  
13 amended to read as follows:

14 Sec. 102.81. [~~ALE AND~~] MALT BEVERAGES [~~LIQUOR~~]. This  
15 subchapter and Subchapter C [~~of this chapter~~] apply to agreements  
16 concerning all [~~ale and~~] malt beverages [~~liquor~~] in the same manner  
17 [~~as they apply to agreements concerning beer, and each particular~~  
18 ~~class of permittee dealing with ale and malt liquor is subject to~~  
19 ~~those provisions that apply to functionally corresponding~~  
20 ~~licensees within the beer industry]~~.

21 SECTION 309. Section 103.08, Alcoholic Beverage Code, is  
22 amended to read as follows:

23 Sec. 103.08. SALE OF MALT BEVERAGE [~~BEER~~]. (a) Any malt  
24 beverage [~~beer~~], its container, or its packaging which is seized  
25 under the terms of this chapter shall be disposed of in accordance  
26 with this section.

27 (b) On notification that the malt beverage has [~~beer has~~]

1 been seized, the commission shall promptly notify a holder of a  
2 general[~~, local,~~] or branch distributor's license who handles the  
3 brand of malt beverage [~~beer~~] seized and who operates in the county  
4 in which it was seized. If the malt beverage [~~beer~~] was seized in a  
5 dry area, the commission shall notify either the general[~~, local,~~]  
6 or branch distributor who handles the brand operating nearest the  
7 area or the brewer [~~manufacturer~~] brewing the malt beverage [~~beer~~].  
8 The commission and the distributor or brewer [~~manufacturer~~] shall  
9 jointly determine whether the malt beverage [~~beer~~] is in a salable  
10 condition.

11 (c) If the malt beverage [~~beer~~] is determined not to be in a  
12 salable condition, the commission shall immediately destroy it. If  
13 it is determined to be in a salable condition, it shall be offered  
14 for sale to the distributor or brewer [~~manufacturer~~]. If offered to  
15 a distributor, the malt beverage [~~beer~~] shall be sold at the  
16 distributor's cost price less any state taxes which have been paid  
17 on the malt beverage [~~beer~~], F.O.B. the distributor's place of  
18 business. If the malt beverage [~~beer~~] is offered to a brewer  
19 [~~manufacturer~~], it shall be sold at the brewer's [~~manufacturer's~~]  
20 cost price to its nearest distributor, less any state taxes which  
21 have been paid on the malt beverage [~~beer~~], F.O.B., the nearest  
22 distributor's place of business. In either case, the storage or  
23 warehousing charges necessarily incurred as a result of the seizure  
24 shall be added to the cost price.

25 (d) If the distributor or brewer [~~manufacturer~~] does not  
26 exercise the right to purchase salable malt beverages [~~beer~~] or to  
27 purchase returnable bottles, containers, or packages at their

1 deposit price within 10 days, the commission shall sell the malt  
2 beverages [~~beer~~], bottles, containers, or packages at public or  
3 private sale as provided in this chapter.

4 SECTION 310. Effective September 1, 2019, Section  
5 103.09(b), Alcoholic Beverage Code, is amended to read as follows:

6 (b) On notification that liquor has been seized, the  
7 commission shall promptly notify a holder of a wholesaler's permit  
8 or [~~or~~] a general class B wholesaler's permit [~~, or a local class B~~  
9 ~~wholesaler's permit~~] who handles the brand of liquor seized and who  
10 operates in the county in which it was seized. If the liquor was  
11 seized in a dry area, the commission shall notify the wholesaler who  
12 handles the brand seized who operates nearest the area. The  
13 commission and the wholesaler shall jointly determine whether the  
14 liquor is in a salable condition.

15 SECTION 311. Section 104.01(a), Alcoholic Beverage Code, is  
16 amended to read as follows:

17 (a) A [~~No~~] person authorized to sell malt beverages [~~beer~~]  
18 at retail, or [~~nor~~] the person's agent, servant, or employee, may  
19 not engage in or permit conduct on the premises of the retailer  
20 which is lewd, immoral, or offensive to public decency, including [~~or~~  
21 ~~but not limited to~~] any of the following acts:

22 (1) the use of loud and vociferous or obscene, vulgar,  
23 or indecent language, or permitting its use;

24 (2) the exposure of a person or permitting a person to  
25 expose himself or herself;

26 (3) rudely displaying or permitting a person to rudely  
27 display a pistol or other deadly weapon in a manner calculated to

1 disturb persons in the retail establishment;

2 (4) solicitation of any person to buy drinks for  
3 consumption by the retailer or any of the retailer's employees;

4 (5) being intoxicated on the licensed premises;

5 (6) permitting lewd or vulgar entertainment or acts;

6 (7) permitting solicitations of persons for immoral or  
7 sexual purposes;

8 (8) failing or refusing to comply with state or  
9 municipal health or sanitary laws or ordinances; or

10 (9) possession of a narcotic or synthetic cannabinoid  
11 or any equipment used or designed for the administering of a  
12 narcotic or a synthetic cannabinoid or permitting a person on the  
13 licensed premises to do so.

14 SECTION 312. Section 104.04, Alcoholic Beverage Code, is  
15 amended to read as follows:

16 Sec. 104.04. DRAFT MALT BEVERAGE DISPENSER: SIGN  
17 REQUIRED. A ~~No~~ retail dealer may not dispense draft ~~[beer,~~ malt  
18 beverages ~~[liquor, or ale]~~ unless each faucet or other dispensing  
19 apparatus is equipped with a sign clearly indicating the name or  
20 brand of the product being dispensed through the faucet or  
21 apparatus. The sign must be in full sight of the purchaser, and the  
22 letters on it must be legible.

23 SECTION 313. Sections 104.05(a), (b), (c), and (e),  
24 Alcoholic Beverage Code, are amended to read as follows:

25 (a) This section applies to a permittee or licensee who is  
26 authorized to sell ~~[beer,~~ malt beverages ~~[liquor, or ale]~~ to an  
27 ultimate consumer for consumption off the permitted or licensed



1 premises.

2 (b) The holder of a permit or license described in  
3 Subsection (a) [~~of this section~~] may resell [~~beer,~~] malt beverages  
4 [~~liquor, or ale~~] only in the packaging in which the holder received  
5 the [~~beer,~~] malt beverages [~~liquor, or ale~~] or may resell the  
6 contents of the packages as individual containers.

7 (c) Except for purposes of resale as individual containers,  
8 a licensee or permittee may not:

9 (1) mutilate, tear apart, or cut apart original  
10 packaging in which [~~beer,~~] malt beverages were [~~liquor, or ale was~~]  
11 received; or

12 (2) repackage [~~beer,~~] malt beverages [~~liquor, or ale~~]  
13 in a manner misleading to the consumer or that results in required  
14 labeling being omitted or obscured.

15 (e) To assure and control product quality, the holder of a  
16 distributor's license, [~~wholesaler's permit, or class B~~  
17 ~~wholesaler's permit,~~] at the time of a regular delivery, may  
18 withdraw, with the permission of the retailer, a quantity of [~~beer,~~  
19 ~~ale, or~~] malt beverages [~~liquor~~] in its undamaged original  
20 packaging from the retailer's stock, if:

21 (1) the distributor [~~, wholesaler, or class B~~  
22 ~~wholesaler~~] replaces the stock with [~~beer, ale, or~~] malt beverages  
23 [~~liquor~~] of identical brands, quantities, and packages as the  
24 [~~beer, ale, or~~] malt beverages [~~liquor~~] withdrawn;

25 (2) the stock is withdrawn before the date considered  
26 by the brewer [~~manufacturer~~] of the product to be the date the  
27 product becomes inappropriate for sale to a consumer; and

1 (3) the quantity of stock withdrawn does not exceed  
2 the equivalent of 25 cases of 24 12-ounce containers.

3 SECTION 314. Sections 105.03(c) and (d), Alcoholic Beverage  
4 Code, are amended to read as follows:

5 (c) In a city or county having a population of 800,000 or  
6 more, according to the last preceding federal census, or 500,000 or  
7 more, according to the 22nd Decennial Census of the United States,  
8 as released by the Bureau of the Census on March 12, 2001, a holder  
9 of a mixed beverage permit who holds a retailer late hours  
10 certificate [~~permit~~] may also sell and offer for sale mixed  
11 beverages between midnight and 2 a.m. on any day.

12 (d) In a city or county other than a city or county described  
13 by Subsection (c), the extended hours prescribed in Subsection (c)  
14 [~~of this section~~] are effective for the sale of mixed beverages and  
15 the offer to sell them by a holder of a mixed beverage permit who  
16 holds a retailer [~~beverages~~] late hours certificate [~~permit~~]:

17 (1) in the unincorporated areas of the county if the  
18 extended hours are adopted by an order of the commissioners court;  
19 and

20 (2) in an incorporated city or town if the extended  
21 hours are adopted by an ordinance of the governing body of the city  
22 or town.

23 SECTION 315. Section 105.04, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 105.04. HOURS OF SALE: WINE AND MALT BEVERAGE [~~BEER~~]  
26 RETAILER. The hours of sale and delivery for alcoholic beverages  
27 sold under a wine and malt beverage [~~beer~~] retailer's permit or a

1 wine and malt beverage [~~beer~~] retailer's off-premise permit are the  
2 same as those prescribed for the sale of malt beverages [~~beer~~] under  
3 Section 105.05 [~~of this code~~], except that no sale shall be allowed  
4 between 2 a.m. and noon on Sunday.

5 SECTION 316. Section 105.05, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 105.05. HOURS OF SALE: MALT BEVERAGES [~~BEER~~]. (a) A  
8 [~~No~~] person may sell, offer for sale, or deliver malt beverages only  
9 [~~beer~~] at a [~~any~~] time [~~not~~] permitted by this section.

10 (b) A person may sell, offer for sale, or deliver malt  
11 beverages [~~beer~~] between 7 a.m. and midnight on any day except  
12 Sunday. On Sunday a person [~~he~~] may sell malt beverages [~~beer~~]  
13 between midnight and 1:00 a.m. and between noon and midnight,  
14 except that permittees or licensees authorized to sell for  
15 on-premise consumption may sell malt beverages [~~beer~~] between 10:00  
16 a.m. and noon if the malt beverages are [~~beer is~~] served to a  
17 customer during the service of food to the customer.

18 (c) In a city or county having a population of 800,000 or  
19 more, according to the last preceding federal census, or 500,000 or  
20 more, according to the 22nd Decennial Census of the United States,  
21 as released by the Bureau of the Census on March 12, 2001, a holder  
22 of a retail dealer's on-premise license who holds a retailer late  
23 hours certificate [~~license~~] may also sell, offer for sale, and  
24 deliver malt beverages [~~beer~~] between midnight and 2 a.m. on any  
25 day.

26 (d) In a city or county other than a city or county described  
27 by Subsection (c), the extended hours prescribed in Subsection (c)

1 ~~[of this section],~~ or any part of the extended hours prescribed in  
2 Subsection (c) ~~[of this section]~~ are effective for the sale, offer  
3 to sell, and delivery of malt beverages ~~[beer]~~ by a holder of a  
4 retail dealer's on-premise license who holds a retailer late hours  
5 certificate ~~[license]~~:

6 (1) in the unincorporated areas of the county if the  
7 extended hours are adopted by an order of the commissioners court;  
8 and

9 (2) in an incorporated city or town if the extended  
10 hours are adopted by an ordinance of the governing body of the city  
11 or town.

12 (e) A violation of a city ordinance or order of a  
13 commissioners court adopted pursuant to Subsection (d) ~~[of this~~  
14 ~~section]~~ is a violation of this code.

15 SECTION 317. Section 105.051, Alcoholic Beverage Code, is  
16 amended to read as follows:

17 Sec. 105.051. SALE OF MALT BEVERAGES ~~[BEER]~~ BY  
18 DISTRIBUTOR'S LICENSEE. The holder of a general~~[, local]~~ or  
19 branch distributor's license may sell, offer for sale, or deliver  
20 malt beverages ~~[beer]~~ 24 hours a day Monday through Saturday and  
21 between midnight and 1 a.m. and between noon and midnight on Sunday.

22 SECTION 318. Section 105.082, Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 105.082. HOURS OF SALE AND CONSUMPTION: BREWER ~~[OR~~  
25 ~~MANUFACTURER]~~. ~~[(a) The holder of a brewer's permit may sell,~~  
26 ~~offer for sale, and deliver ale or malt liquor and a person may~~  
27 ~~consume ale or malt liquor on the brewer's premises.]~~

1           ~~[(1) between 8 a.m. and midnight on any day except~~  
2 ~~Sunday; and~~

3           ~~[(2) between 10 a.m. and midnight on Sunday.]~~

4           ~~[(b)]~~ The holder of a brewer's ~~[manufacturer's]~~ license may  
5 sell, offer for sale, and deliver malt beverages ~~[beer]~~ and a person  
6 may consume malt beverages ~~[beer]~~ on the brewer's ~~[manufacturer's]~~  
7 premises:

8           (1) between 8 a.m. and midnight on any day except  
9 Sunday; and

10           (2) between 10 a.m. and midnight on Sunday.

11           SECTION 319. Effective September 1, 2019, Section  
12 [106.09](#)(d), Alcoholic Beverage Code, is amended to read as follows:

13           (d) A ~~[The fact that a]~~ person who is 18, 19, or 20 years of  
14 age is not prohibited from acting as an agent ~~[a ground for refusal~~  
15 ~~of an original or renewal permit or license issued]~~ under Chapter  
16 [35](#), [36](#), or [73](#), provided the ~~[that such a]~~ person ~~[to whom a permit or~~  
17 ~~license is issued]~~ may carry out the activities authorized by those  
18 chapters only while in the actual course and scope of the person's  
19 employment.

20           SECTION 320. Section [106.16](#)(b), Alcoholic Beverage Code, is  
21 amended to read as follows:

22           (b) Notwithstanding any other law, a minor may taste an  
23 alcoholic beverage if:

24           (1) the minor:

25                   (A) is at least 18 years old; and

26                   (B) is enrolled:

27                           (i) as a student at a public or private

1 institution of higher education or a career school or college that  
2 offers a program in culinary arts, viticulture, enology or wine  
3 technology, brewing or malt beverage [~~beer~~] technology, or  
4 distilled spirits production or technology; and

5 (ii) in a course that is part of a program  
6 described by Subparagraph (i);

7 (2) the beverage is tasted for educational purposes as  
8 part of the curriculum for the course described by Subdivision  
9 (1)(B)(ii);

10 (3) the beverage is not purchased by the minor; and

11 (4) the service and tasting of the beverage is  
12 supervised by a faculty or staff member who is at least 21 years of  
13 age.

14 SECTION 321. Section 107.02, Alcoholic Beverage Code, is  
15 amended to read as follows:

16 Sec. 107.02. TRANSPORTATION OF MALT BEVERAGES [~~BEER~~]:  
17 STATEMENT REQUIRED. (a) It is lawful for a person to transport  
18 malt beverages [~~beer~~] from any place where its sale, manufacture,  
19 or distribution is authorized to another place in the state where  
20 its sale, manufacture, or distribution is authorized, or from the  
21 state boundary to a place where its sale, manufacture, or  
22 distribution is authorized, even though the route of transportation  
23 may cross a dry area.

24 (a-1) A person transporting malt beverages [~~beer~~] to the  
25 premises of a distributor, including to a location from which the  
26 distributor is temporarily conducting business under Section  
27 109.62, shall provide to the consignee a shipping invoice that

1 clearly states:

2 (1) the name and address of the consignor and  
3 consignee;

4 (2) the origin and destination of the shipment; and

5 (3) any other information required by this code or  
6 commission rule, including the brands, sizes of containers, and  
7 quantities of malt beverages [~~beer~~] contained in the shipment.

8 (b) A shipment of malt beverages [~~beer~~] must be accompanied  
9 by a written statement furnished and signed by the shipper showing:

10 (1) the name and address of the consignor and  
11 consignee;

12 (2) the origin and destination of the shipment; and

13 (3) any other information required by the commission  
14 or administrator.

15 (c) The person in charge of the shipment while it is being  
16 transported shall exhibit the written statement to any  
17 representative of the commission or peace officer who demands to  
18 see it. The statement shall be accepted by the representative or  
19 peace officer as prima facie evidence of the legal right to  
20 transport the malt beverages [~~beer~~].

21 (d) A person who transports malt beverages [~~beer~~] not  
22 accompanied by the required statement, or who fails to exhibit the  
23 statement after a lawful demand, violates this code.

24 SECTION 322. Section 107.04, Alcoholic Beverage Code, is  
25 amended to read as follows:

26 Sec. 107.04. DELIVERY OF MALT BEVERAGES [~~BEER~~] IN DRY AREA.

27 A common carrier may not deliver malt beverages [~~beer~~] in a dry area

1 unless the malt beverages are [~~it is~~] consigned to a [~~local or~~]  
2 general distributor's licensee who has previously stated that the  
3 licensee [~~he~~] intends to transport the malt beverages [~~it~~] to a  
4 licensed place of business in a wet area. A common carrier who  
5 transports malt beverages [~~beer~~] to a distributor in a dry area  
6 shall comply strictly with this section and Section 107.02 [~~of this~~  
7 ~~code~~].

8 SECTION 323. Section 107.06, Alcoholic Beverage Code, is  
9 amended to read as follows:

10 Sec. 107.06. IMPORTATION OF MALT BEVERAGES [~~BEER~~]. (a) A  
11 [~~No~~] person may not import malt beverages [~~beer~~] into the state  
12 except the holder of a brewer's [~~manufacturer's~~] or general[~~7~~  
13 ~~local~~] or branch distributor's license.

14 (b) A [~~No~~] person may not transport malt beverages [~~beer~~]  
15 into this state unless the malt beverages are [~~it is~~] consigned and  
16 delivered to one of the licensees named in Subsection (a) [~~of this~~  
17 ~~section~~].

18 (c) This section does not apply to the importation or  
19 transportation of military malt beverages [~~beer~~] consigned to a  
20 military installation or to the importation of malt beverages  
21 [~~beer~~] as authorized under Section 107.07 [~~of this code~~].

22 SECTION 324. Section 107.09, Alcoholic Beverage Code, is  
23 amended to read as follows:

24 Sec. 107.09. SINGLE INVOICE AUTHORIZED. If the holder of a  
25 general[~~7~~ ~~local~~] or branch distributor's license also holds a  
26 wholesaler's or[~~7~~] general class B wholesaler's[~~7~~ ~~or local class B~~  
27 ~~wholesaler's~~] permit, a written statement or invoice required as



1 evidence of the sale of malt beverages [~~beer~~] or liquor may be on  
2 the same business form that is designed to reflect the sale of both  
3 liquor and malt beverages [~~beer~~], if all information required by  
4 this code to be shown on a statement or invoice is reflected on the  
5 form and all other records required by this code are maintained.

6 SECTION 325. Section 107.10, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 107.10. TRANSPORTATION OF WINE COOLERS OR SPIRIT  
9 COOLERS. (a) A holder of a wholesaler's or[~~or~~] general class B  
10 wholesaler's[~~, or local class B wholesaler's~~] permit may transport  
11 and sell wine coolers without a prior order if the holder complies  
12 with the provisions of this code and rules of the commission  
13 applicable to the transportation and sale of malt beverages [~~beer~~]  
14 by a holder of a distributor's license.

15 (b) A holder of a wholesaler's permit may transport and sell  
16 spirit coolers without a prior order if the holder complies with the  
17 provisions of this code and rules of the commission applicable to  
18 the transportation and sale of malt beverages [~~beer~~] by a holder of  
19 a distributor's license.

20 SECTION 326. Section 108.01(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) A brewer [~~No manufacturer~~] or distributor directly or  
23 indirectly, or through a subsidiary, affiliate, agent, employee,  
24 officer, director, or firm member, may not publish, disseminate, or  
25 cause to be published or disseminated by any medium enumerated in  
26 Subsection (b) an advertisement of a brewery product that:

27 (1) causes or is reasonably calculated to cause

- 1 deception of the consumer with respect to the product advertised;
- 2 (2) directly or by ambiguity, omission, or inference
- 3 tends to create a misleading impression;
- 4 (3) is untrue in any particular;
- 5 (4) disparages a competitor's product; or
- 6 (5) is obscene or indecent.

7 SECTION 327. Section 108.03, Alcoholic Beverage Code, is

8 amended to read as follows:

9 Sec. 108.03. REGULATION OF PROMOTIONAL ACTIVITIES. The

10 commission shall adopt rules permitting and regulating the use of

11 business cards, menu cards, stationery, service vehicles and

12 equipment, and delivery vehicles and equipment that bear alcoholic

13 beverage advertising. The commission shall also adopt rules

14 permitting and regulating the use of insignia advertising malt

15 beverages [~~beer~~], distilled spirits, or wine by brand name on caps,

16 regalia, or uniforms worn by employees of manufacturers,

17 distributors, distillers, or wineries or by participants in a game,

18 sport, athletic contest, or revue if the participants are sponsored

19 by a manufacturer, distributor, distiller, or winery.

20 SECTION 328. Section 108.035, Alcoholic Beverage Code, is

21 amended to read as follows:

22 Sec. 108.035. PACKAGING OF CERTAIN PROMOTIONAL ITEMS

23 AUTHORIZED. Notwithstanding any other provision of this code, a

24 person who holds a brewer's [~~permit, nonresident brewer's permit,~~

25 ~~manufacturer's~~] license[~~7~~] or nonresident brewer's

26 [~~manufacturer's~~] license, or the person's agent or employee, may

27 package alcoholic beverages in combination with other items if the

1 package is designed to be delivered intact to the [~~wholesaler or~~]  
2 distributor and the additional items are branded and have no value  
3 or benefit to the retailer other than that of having the potential  
4 of attracting purchases and promoting sales.

5 SECTION 329. Section 108.04, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 108.04. ACTS OF PROMOTIONAL OR COURTESY NATURE:  
8 ADMINISTRATIVE DISCRETION. The commission may promulgate rules  
9 which shall set definite limitations consistent with the general  
10 provisions of this code, relaxing the restrictions of Sections  
11 102.07, 102.14, 102.15, and 108.06, with respect to:

12 (1) the sale or gift of novelties advertising the  
13 product of a brewer [~~manufacturer~~] or distributor;

14 (2) the making of gifts to civic, religious, or  
15 charitable organizations;

16 (3) the cleaning and maintenance of coil connections  
17 for dispensing draught malt beverages [~~beer~~];

18 (4) the lending of equipment for special occasions;

19 and

20 (5) acts of a purely courtesy nature.

21 SECTION 330. Section 108.041, Alcoholic Beverage Code, is  
22 amended to read as follows:

23 Sec. 108.041. CARBON DIOXIDE FILTERS PROVIDED TO RETAILERS.

24 (a) A brewer [~~manufacturer~~] or distributor of malt beverages  
25 [~~beer~~] may provide carbon dioxide filters to malt beverage [~~beer~~]  
26 retailers for draught systems using carbon dioxide or a carbon  
27 dioxide and nitrogen blend, commonly referred to as "beer gas."

1 (b) The cost of providing, maintaining, and replacing the  
2 carbon dioxide filters shall be borne by the brewer [~~manufacturer~~].

3 SECTION 331. Effective September 1, 2019, Section 108.042,  
4 Alcoholic Beverage Code, is amended to read as follows:

5 Sec. 108.042. ACTS OF PROMOTIONAL OR COURTESY NATURE: WINE  
6 DISPENSING. The commission shall adopt rules that set definite  
7 limitations, consistent with the general provisions of this code,  
8 relaxing the restrictions of Section 102.07 to allow the holder of a  
9 wholesaler's or [~~]~~ general class B wholesaler's [~~, or local class B~~  
10 ~~wholesaler's~~] permit or the permit holder's agent to perform the  
11 cleaning and maintenance of coil connections for the dispensing of  
12 wine.

13 SECTION 332. Section 108.05, Alcoholic Beverage Code, is  
14 amended to read as follows:

15 Sec. 108.05. ALLOWANCE FOR ADVERTISEMENT OR DISTRIBUTION.  
16 A brewer [~~No manufacturer~~] or distributor, directly or indirectly,  
17 or through a subsidiary, affiliate, agent, employee, officer,  
18 director, or firm member, may not pay or make an allowance to a  
19 retail dealer for an advertising or distribution service.

20 SECTION 333. Section 108.06, Alcoholic Beverage Code, is  
21 amended to read as follows:

22 Sec. 108.06. PRIZES AND PREMIUMS. A brewer [~~No~~  
23 ~~manufacturer~~] or distributor, directly or indirectly, or through a  
24 subsidiary, affiliate, agent, employee, officer, director, or firm  
25 member, may not offer a prize, premium, gift, or other inducement to  
26 a dealer in or consumer of brewery products.

27 SECTION 334. Sections 108.061(a) and (e), Alcoholic

1 Beverage Code, are amended to read as follows:

2 (a) Notwithstanding the prohibition against prizes given to  
3 a consumer in Section 108.06 and subject to the rules of the  
4 commission, a [~~manufacturer, nonresident manufacturer, or~~]  
5 or nonresident brewer may offer a prize to a consumer of legal  
6 drinking age if the offer is a part of a promotional sweepstakes  
7 activity.

8 (e) If a licensee [~~or permittee~~] conducts a private event  
9 authorized by Subsection (d) at a retailer's premises, the licensee  
10 [~~or permittee~~] shall pay the retailer the fair market value for the  
11 use of the premises. The retailer must retain control of the sale  
12 and service of alcoholic beverages at the private event.

13 SECTION 335. Effective September 1, 2019, Section  
14 108.08(b), Alcoholic Beverage Code, is amended to read as follows:

15 (b) A part of the cost of advertising revenue paid by a  
16 manufacturer to an entity under this section may not be charged to  
17 or paid, directly or indirectly, by the holder of a wholesaler's  
18 permit, general class B wholesaler's permit, [~~local class B~~  
19 ~~wholesaler's permit,~~] local distributor's permit, or general  
20 distributor's license[~~, or local distributor's license~~], except  
21 through the price paid by that holder for products purchased from  
22 the holders' supplier.

23 SECTION 336. Section 108.10, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 108.10. BRANDED PROMOTIONAL VEHICLES.  
26 Notwithstanding any other provision of this code, the holder of a  
27 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]

1 license or a nonresident seller's permit may display a branded  
2 promotional vehicle on the licensed or permitted premises of a  
3 retailer, whether outside or inside a structure on the premises,  
4 for not more than five hours per day.

5 SECTION 337. Effective September 1, 2019, Section  
6 108.52(c), Alcoholic Beverage Code, is amended to read as follows:

7 (c) The commission shall adopt reasonable rules relating to  
8 the type of outdoor advertising retail [~~Retail~~] licensees and  
9 permittees may erect or maintain on the retailer's premises. A  
10 violation of a rule adopted under this section is a violation of  
11 this code. [~~one sign at each place of business which may read as~~  
12 ~~follows:~~

13 [~~(1) if a beer retailer, the sign may read "Beer",~~

14 [~~(2) if an off-premises beer retailer, the sign may~~  
15 ~~read "Beer" or "Beer to Go",~~

16 [~~(3) if a wine and beer retailer, the sign may read~~  
17 ~~"Beer," "Beer and Wine," or "Beer, Wine and Ale",~~

18 [~~(4) if a wine and beer off-premises retailer, the~~  
19 ~~sign may read "Beer," "Beer to Go," "Beer and Wine," "Beer and Wine~~  
20 ~~to Go," "Beer, Wine and Ale," or "Beer, Wine and Ale to Go",~~

21 [~~(5) if a package store permittee, the sign may read~~  
22 ~~"Package Store," "Liquors," or "Wines and Liquors," and if a retail~~  
23 ~~dealer's off-premise license is also held, the sign may read~~  
24 ~~"Package Store," "Wines, Liquors and Beer," or "Wine, Liquors and~~  
25 ~~Beer to Go", or~~

26 [~~(6) if a wine only package store permittee, the sign~~  
27 ~~may read "Wine" or "Wines," and if a retail dealer's off-premise~~

1 ~~license is also held, the sign may read "Wines and Beer," "Wine and~~  
2 ~~Beer," or "Wine and Beer to Co."]~~

3 SECTION 338. Effective September 1, 2019, Section 108.53,  
4 Alcoholic Beverage Code, is amended to read as follows:

5 Sec. 108.53. ADVERTISING [~~BILLBOARDS AND ELECTRIC~~] SIGNS [~~+~~  
6 ~~WHEN PERMIT IS REQUIRED~~]. Consistent [~~(a) No person may erect a~~  
7 ~~billboard or electric sign advertising an alcoholic beverage within~~  
8 ~~200 feet of a retail establishment authorized to sell that beverage~~  
9 ~~unless he has first obtained a permit for that purpose from the~~  
10 ~~commission. No permit is required for a billboard or electric sign~~  
11 ~~that is not located within 200 feet of a retail establishment~~  
12 ~~authorized to sell the advertised alcoholic beverage.~~

13 [~~(b) The commission or administrator shall provide permit~~  
14 ~~application forms, which may contain any information the commission~~  
15 ~~or administrator deems necessary. The application shall contain a~~  
16 ~~statement that the erection or maintenance of the billboard or~~  
17 ~~electric sign will not have the effect of advertising or directing~~  
18 ~~patronage to a particular retail establishment authorized to sell~~  
19 ~~alcoholic beverages. Application shall be made under oath,~~  
20 ~~addressed to the commission or administrator.~~

21 [~~(c) The commission or administrator shall issue a permit if~~  
22 ~~either of them finds that all statements in the application are true~~  
23 ~~and the erection or maintenance of the billboard or electric sign~~  
24 ~~will not be contrary to this code or to a rule of the commission.~~  
25 ~~Otherwise, the commission or administrator shall refuse to issue a~~  
26 ~~permit.~~

27 [~~(d) Notwithstanding the restrictions imposed by this~~

1 ~~section, but consistent~~] with other provisions of this code, the  
2 commission shall promulgate rules allowing for signs advertising  
3 alcoholic beverages at charitable or civic events such as fairs,  
4 rodeos, or other events of a temporary nature. This section  
5 ~~[subsection]~~ does not authorize, nor shall any rule of the  
6 commission authorize, a retailer of alcoholic beverages to derive,  
7 directly or indirectly, any money or consideration of any kind as a  
8 result of alcoholic beverage advertising, and the commission's  
9 rules shall reflect the intent that the charity or civic endeavor  
10 receive the proceeds, if any, from such advertising signs.

11 SECTION 339. Section 108.73(1), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (1) "Independent concessionaire" means a licensed or  
14 permitted member of the retail tier or a holder of a private club  
15 registration permit, mixed beverage permit ~~[caterer's permit]~~, or  
16 food and beverage certificate who:

17 (A) has a written concession agreement from the  
18 owner, operator, or lessee of a public entertainment facility;

19 (B) receives no monetary benefit, directly or  
20 indirectly, by any scheme or device or in any form or degree from  
21 the alcoholic beverage industry including a benefit in the form of  
22 capital improvements, furniture, fixtures, or equipment, unless  
23 otherwise authorized by this code or commission rules; and

24 (C) is not owned, in whole or in part, by the  
25 public entertainment facility, or a subsidiary, agent, manager, or  
26 company managing the facility, and who does not own, in whole or in  
27 part, or manage the public entertainment facility.



1 SECTION 340. Section 109.04, Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 109.04. SALE OF MALT BEVERAGES [~~BEER~~]: PROCEDURE. (a)  
4 When the commission is notified under this subchapter of the  
5 acquisition of malt beverages [~~beer~~] or malt beverage [~~its~~]  
6 containers or original packages, it shall immediately notify a  
7 holder of a general[~~, local,~~] or branch distributor's license who  
8 handles the brand of malt beverages [~~beer~~] and who operates in the  
9 county where the malt beverages are [~~it is~~] located or, if the malt  
10 beverages are [~~it is~~] located in a dry area or if no distributor  
11 operates in the county, the nearest distributor handling the brand  
12 or the brewer [~~manufacturer~~] who brewed the malt beverages [~~it~~].

13 (b) The insurer or insurance salvor, the commission, and the  
14 distributor or brewer [~~manufacturer~~] shall jointly agree whether  
15 the malt beverages are [~~beer is~~] salable. If the malt beverages are  
16 [~~it is~~] determined to be unsalable, the commission shall destroy  
17 the malt beverages [~~it~~]. If the malt beverages are [~~it is~~]  
18 determined to be salable, the brewer [~~manufacturer~~] or distributor  
19 shall be given the opportunity to purchase the malt beverages [~~it~~].  
20 A distributor may purchase malt beverages [~~beer~~] at the cost price  
21 less any state taxes that have been paid, F.O.B. its place of  
22 business. A brewer [~~manufacturer~~] may purchase malt beverages  
23 [~~beer~~] at the cost price to the nearest distributor of the brand,  
24 less any state taxes that have been paid, F.O.B. that distributor's  
25 place of business. A brewer [~~manufacturer~~] or distributor may  
26 purchase returnable bottles, containers, or packages at their  
27 deposit price.

1 (c) If the distributor or brewer [~~manufacturer~~] does not  
2 exercise the right to purchase the merchandise within 10 days after  
3 being given the opportunity to purchase it, the insurer or  
4 insurance salvor may sell it to any qualified licensee or permittee  
5 as provided in Section 109.01 [~~of this code~~].

6 SECTION 341. Effective September 1, 2019, Section  
7 109.05(a), Alcoholic Beverage Code, is amended to read as follows:

8 (a) When the commission is notified under this subchapter of  
9 the acquisition of liquor or its containers or original packages,  
10 it shall immediately notify the holder or holders of wholesaler's  
11 or [~~or~~] class B wholesaler's [~~or local class B wholesaler's~~] permits  
12 who handle and regularly sell the brand or brands of liquor involved  
13 and who operate in the area where the liquor is located, or who  
14 operate in the nearest wet area if the liquor is in a dry area. The  
15 commission shall also notify the nonresident seller's permittees  
16 who handle the brand or brands of liquor involved, or the  
17 nonresident seller's agents [~~manufacturer's agent's permittees~~] who  
18 represent those nonresident seller's permittees.

19 SECTION 342. Section 109.08, Alcoholic Beverage Code, is  
20 amended to read as follows:

21 Sec. 109.08. EXCLUSION. Notwithstanding any other  
22 provision of this code, a [~~no~~] person engaged in business as a  
23 distiller, brewer, [~~manufacturer~~] winery, or any other  
24 manufacturing level producer of liquor or malt beverages [~~beer~~], or  
25 their wholesalers or distributors, may not directly or indirectly  
26 or through an affiliate require, by agreement or otherwise, that  
27 any retailer engaged in the sale of liquor or malt beverages [~~beer~~]

1 purchase any such products from such person to the exclusion in  
2 whole or in part of liquor or malt beverages [~~beer~~] sold or offered  
3 for sale by other persons, or prevent, deter, hinder, or restrict  
4 other persons from selling or offering for sale any such products to  
5 any retailer.

6 SECTION 343. Section 109.21, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 109.21. HOME PRODUCTION OF WINE OR [~~ALE~~] MALT  
9 BEVERAGES [~~LIQUOR, OR BEER~~]. (a) The head of a family or an  
10 unmarried adult may produce for the person's use or the use of the  
11 person's [~~his~~] family [~~or himself~~] not more than 200 gallons of wine  
12 or [~~ale~~] malt beverages [~~liquor, or beer~~] per year. No license  
13 or permit is required.

14 (b) The commission may prohibit the use of any ingredient it  
15 finds detrimental to health or susceptible of use to evade this  
16 code. Only wine made from the normal alcoholic fermentation of the  
17 juices of dandelions or grapes, raisins, or other fruits may be  
18 produced under this section. Only [~~ale~~] malt beverages [~~liquor,~~  
19 ~~or beer~~] made from the normal alcoholic fermentation of malted  
20 barley with hops, or their products, and with or without other  
21 malted or unmalted cereals, may be produced under this section. The  
22 possession of wine or [~~ale~~] malt beverages [~~liquor, or beer~~]  
23 produced under this section is not an offense if the person making  
24 it complies with all provisions of this section and the wine or [~~ale~~]  
25 beverages are [~~liquor, or beer is~~] not distilled,  
26 fortified, or otherwise altered to increase their [~~its~~] alcohol  
27 content.

1 (c) There is no annual state fee for beverages produced in  
2 compliance with this section.

3 SECTION 344. Section 109.22, Alcoholic Beverage Code, is  
4 amended to read as follows:

5 Sec. 109.22. DELIVERY OF HOME-PRODUCED WINE OR~~[, ALE,]~~ MALT  
6 BEVERAGES [~~LIQUOR, OR BEER~~] FOR CERTAIN PURPOSES. (a) This section  
7 applies only to a person who is authorized under Section 109.21(a)  
8 to produce wine or~~[, ale,]~~ malt beverages [~~liquor, or beer~~].

9 (b) For the purpose of participating in an organized  
10 tasting, evaluation, competition, or literary review, a person to  
11 whom this section applies may deliver wine or~~[, ale,]~~ malt  
12 beverages [~~liquor, or beer~~] produced and manufactured by the person  
13 to locations that are not licensed under this code for the purpose  
14 of submitting those products to an evaluation at an organized  
15 tasting competition that is closed to the general public or by a  
16 reviewer whose reviews are published if:

17 (1) no charge of any kind is made for the wine or~~[, ale,]~~  
18 ale, malt beverages [~~liquor, or beer~~], for their [~~its~~] delivery,  
19 or for attendance at the event; and

20 (2) the commission consents in writing to the  
21 delivery.

22 (c) Nothing in this section shall be construed to authorize  
23 an increase in the quantity of wine or~~[, ale,]~~ malt beverages  
24 [~~liquor, or beer~~] authorized to be produced by a person under the  
25 authority of Section 109.21(a) [~~of this code~~].

26 SECTION 345. Section 109.32, Alcoholic Beverage Code, is  
27 amended to read as follows:

1           Sec. 109.32. MUNICIPAL AND COUNTY REGULATION OF MALT  
2 BEVERAGES [~~BEER~~]. (a) An incorporated city or town by charter or  
3 ordinance may:

4           (1) prohibit the sale of malt beverages [~~beer~~] in a  
5 residential area; and

6           (2) regulate the sale of malt beverages [~~beer~~] and  
7 prescribe the hours when malt beverages [~~it~~] may be sold, except the  
8 city or town may not permit the sale of malt beverages [~~beer~~] when  
9 the [~~its~~] sale of malt beverages is prohibited by this code.

10          (b) In a county that has only one incorporated city or town  
11 that has a majority of the population of the county, according to  
12 the most recent federal census, and where the city or town has  
13 shortened the hours of sale for malt beverages [~~beer~~] on Sundays by  
14 a valid charter amendment or ordinance before January 1, 1957, the  
15 commissioners court may enter an order prohibiting the sale of malt  
16 beverages [~~beer~~] on Sundays during the hours the sale of malt  
17 beverages [~~it~~] is prohibited in the city or town. The order may  
18 apply to all or part of the area of the county located outside the  
19 city or town. The commissioners court may not adopt the order  
20 unless it first publishes notice for four consecutive weeks in a  
21 newspaper of general circulation in the county published in the  
22 county or a nearby county.

23          (c) In exercising the authority granted by this section, the  
24 city, town, or county may distinguish between retailers selling  
25 malt beverages [~~beer~~] for on-premises consumption and retailers,  
26 brewers [~~manufacturers~~], or distributors who do not sell malt  
27 beverages [~~beer~~] for on-premises consumption.

1 SECTION 346. Sections 109.33(f) and (g), Alcoholic Beverage  
2 Code, are amended to read as follows:

3 (f) Subsections (a)(2) and (3) do not apply to the holder  
4 of:

5 (1) a retail on-premises consumption permit or license  
6 if less than 50 percent of the gross receipts for the premises is  
7 from the sale or service of alcoholic beverages;

8 (2) a retail off-premises consumption permit or  
9 license if less than 50 percent of the gross receipts for the  
10 premises, excluding the sale of items subject to the motor fuels  
11 tax, is from the sale or service of alcoholic beverages; or

12 (3) a wholesaler's, distributor's, brewer's,  
13 distiller's and rectifier's, or winery[, ~~wine bottler's or~~  
14 ~~manufacturer's~~] permit or license, or any other license or permit  
15 held by a wholesaler or manufacturer as those words are ordinarily  
16 used and understood in Chapter 102.

17 (g) Subsection (a)(3) does not apply to the holder of:

18 (1) a [~~license or~~] permit issued under Chapter 30 [~~27,~~  
19 ~~31, or 72~~] who is operating on the premises of a private school; or

20 (2) a license or permit covering a premise where  
21 minors are prohibited from entering under Section 109.53 and that  
22 is located within 1,000 feet of a private school.

23 SECTION 347. Section 109.53, Alcoholic Beverage Code, is  
24 amended to read as follows:

25 Sec. 109.53. CITIZENSHIP OF PERMITTEE; CONTROL OF  
26 PREMISES; SUBTERFUGE OWNERSHIP; ETC. A [~~No~~] person who has not  
27 been a citizen of Texas for a period of one year immediately

1 preceding the filing of the person's [~~his~~] application therefor is  
2 not [~~shall be~~] eligible to receive a permit under this code. No  
3 permit [~~except a brewer's permit, and such other licenses and~~  
4 ~~permits as are necessary to the operation of a brewer's permit,~~]  
5 shall be issued to a corporation unless the same be incorporated  
6 under the laws of the state and unless at least 51 percent of the  
7 stock of the corporation is owned at all times by citizens who have  
8 resided within the state for a period of one year and who possess  
9 the qualifications required of other applicants for permits;  
10 provided, however, that the restrictions contained in the preceding  
11 clause shall not apply to domestic or foreign corporations that  
12 were engaged in the legal alcoholic beverage business in this state  
13 under charter or permit prior to August 24, 1935. Partnerships,  
14 firms, and associations applying for permits shall be composed  
15 wholly of citizens possessing the qualifications above enumerated.  
16 Any corporation (except carrier) holding a permit under this code  
17 which shall violate any provisions hereof, or any rule or  
18 regulation promulgated hereunder, shall be subject to forfeiture of  
19 its charter and it shall be the duty of the attorney general, when  
20 any such violation is called to the attorney general's [~~his~~]  
21 attention, to file a suit for such cancellation in a district court  
22 of Travis County. The [~~Such~~] provisions of this section that [~~as~~]  
23 require Texas citizenship or require incorporation in Texas do  
24 [~~shall~~] not apply to the holders of [~~agent's, industrial, and~~]  
25 carrier's permits. A [~~No~~] person may not [~~shall~~] sell, warehouse,  
26 store or solicit orders for any liquor in any wet area without first  
27 having procured a permit of the class required for such privilege,

1 or consent to the use of or allow the person's [~~his~~] permit to be  
2 displayed by or used by any person other than the one to whom the  
3 permit was issued. It is the intent of the legislature to prevent  
4 subterfuge ownership of or unlawful use of a permit or the premises  
5 covered by such permit; and all provisions of this code shall be  
6 liberally construed to carry out this intent, and it shall be the  
7 duty of the commission or the administrator to provide strict  
8 adherence to the general policy of preventing subterfuge ownership  
9 and related practices hereinafter declared to constitute unlawful  
10 trade practices. An [~~No~~] applicant for a package store permit or a  
11 renewal of a package store permit may not [~~thereof shall have~~  
12 ~~authority to~~] designate as "premise" and the commission [~~or~~  
13 ~~administrator~~] shall not approve a lesser area than that  
14 specifically defined as "premise" in Section 11.49(a) [~~of this~~  
15 ~~code~~]. Every permittee shall have and maintain exclusive occupancy  
16 and control of the entire licensed premises in every phase of the  
17 storage, distribution, possession, and transportation and sale of  
18 all alcoholic beverages purchased, stored or sold on the licensed  
19 premises. Any device, scheme or plan which surrenders control of  
20 the employees, premises or business of the permittee to persons  
21 other than the permittee shall be unlawful. No minor, unless  
22 accompanied by his or her parent, guardian, adult husband or adult  
23 wife, or other adult person into whose custody he or she has been  
24 committed for the time by some court, shall knowingly be allowed on  
25 the premises of the holder of a package store permit. The  
26 prohibition against the presence of a minor on the premises of the  
27 holder of a package store permit does not apply to the presence on



1 the premises of the holder or a person lawfully employed by the  
2 holder. Any package store permittee who shall be injured in the  
3 permittee's [~~his~~] business or property by another package store  
4 permittee by reason of anything prohibited in this section may  
5 institute suit in any district court in the county wherein the  
6 violation is alleged to have occurred to require enforcement by  
7 injunctive procedures and/or to recover threefold the damages [~~by~~  
8 ~~him~~] sustained by the permittee; plus costs of suit including a  
9 reasonable attorney's fee. The provisions prohibiting the  
10 licensing of only a portion of a building as premise for a package  
11 store permit shall not apply to hotels as already defined in this  
12 code.

13 SECTION 348. Section 109.531, Alcoholic Beverage Code, is  
14 amended to read as follows:

15 Sec. 109.531. ADDITIONAL REQUIREMENTS FOR APPLICATION OR  
16 RENEWAL OF PERMIT, [OR] LICENSE, OR CERTIFICATE BY OUT-OF-STATE  
17 RESIDENTS. In addition to any other requirement for a license, [or]  
18 permit, or certificate under this code, a person who has not been a  
19 citizen of this state for a period of one year preceding the date  
20 the person filed an application for a permit, [or] license, or  
21 certificate under Chapter 25, 26, 28, 29, 30, 32 [~~Chapters 25-34,~~  
22 ~~44~~], 48, 50 [~~48-51~~], 69, 71 [~~69-72~~], or [~~Chapter~~] 74 [~~of this code~~]  
23 shall:

24 (1) designate an agent, who is a citizen of this state,  
25 to represent the person in matters before the commission and to be  
26 responsible for the proper conduct of any activity of the licensee  
27 or permittee; and

1 (2) submit to a criminal history background check.

2 SECTION 349. Section 109.54(a), Alcoholic Beverage Code, is  
3 amended to read as follows:

4 (a) Any licensee who has purchased malt beverages [~~beer~~] for  
5 sale at the site of a festival or civic celebration which has been  
6 held annually for at least 15 years during a specified period not  
7 exceeding 10 days shall be authorized for 24 hours following the  
8 official close of the celebration to sell any malt beverages [~~beer~~]  
9 remaining at the site to any licensee or permittee authorized to  
10 purchase malt beverages [~~beer~~] for resale.

11 SECTION 350. Section 109.57(e), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (e) A municipality located in a county that has a population  
14 of 2.2 million or more and that is adjacent to a county with a  
15 population of more than 600,000 or a municipality located in a  
16 county with a population of 600,000 or more and that is adjacent to  
17 a county with a population of 2.2 million or more may regulate, in a  
18 manner not otherwise prohibited by law, the location of an  
19 establishment issued a permit under Chapter 32 [~~or 33~~] if:

20 (1) the establishment derives 35 percent or more of  
21 the establishment's gross revenue from the on-premises sale or  
22 service of alcoholic beverages and the premises of the  
23 establishment are located in a dry area; and

24 (2) the permit is not issued to a fraternal or veterans  
25 organization or the holder of a food and beverage certificate.

26 SECTION 351. Sections 109.62(c) and (e), Alcoholic Beverage  
27 Code, are amended to read as follows:

1 (c) A holder of one of the following permits or licenses [~~a~~  
2 ~~permit or license under Chapter 41, 42, or 68~~] may make deliveries  
3 to and pick up deliveries from the alternate location in the same  
4 manner as this code and commission rules provide for the  
5 distributor's or wholesaler's licensed or permitted premises:

6 (1) a distiller's and rectifier's permit;

7 (2) a winery permit;

8 (3) a wholesaler's permit;

9 (4) a general class B wholesaler's permit;

10 (5) a carrier permit;

11 (6) a brewer's license; or

12 (7) a general distributor's license.

13 (e) The alternate location must be in an area where the sale  
14 of the applicable alcoholic beverages has been approved by a local  
15 option election or where the distributor or wholesaler had been  
16 operating under Section 251.77 or 251.78. If [~~beer, ale, or~~] malt  
17 beverages are [~~liquor is~~] handled at the alternate location, the  
18 alternate location must be in the area assigned to the distributor  
19 [~~or wholesaler~~] under Subchapters C and D, Chapter 102.

20 SECTION 352. Section 109.63(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) This section applies to the holder of a [~~brewer's~~  
23 ~~permit,~~] distiller's and rectifier's permit, winery permit, [~~wine~~  
24 ~~bottler's permit,~~] or brewer's [~~manufacturer's~~] license.

25 SECTION 353. Effective September 1, 2019, Section 109.64,  
26 Alcoholic Beverage Code, is amended to read as follows:

27 Sec. 109.64. BULK PURCHASE FOR [~~BY HOLDER OF~~] INDUSTRIAL

1 USE [~~PERMIT~~]. Section 102.32 applies to the bulk purchase of liquor  
2 for purposes described by Section 38.01 [~~the holder of an~~  
3 ~~industrial permit~~] from the holder of a wholesaler's permit.

4 SECTION 354. The heading to Subchapter A, Chapter 201,  
5 Alcoholic Beverage Code, is amended to read as follows:

6 SUBCHAPTER A. TAX ON LIQUOR [~~OTHER THAN ALE AND MALT LIQUOR~~]

7 SECTION 355. Section 201.01, Alcoholic Beverage Code, is  
8 amended to read as follows:

9 Sec. 201.01. LIQUOR. In this subchapter, "liquor" does not  
10 include malt beverages [~~ale or malt liquor~~].

11 SECTION 356. Section 201.17, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 201.17. LIQUOR IN METRIC CONTAINERS. For the purpose  
14 of the taxes imposed on liquor by this subchapter [~~and on ale and~~  
15 ~~malt liquor by Subchapter B of this chapter~~], if the liquor is in  
16 metric containers the amount of tax due is determined by converting  
17 the metric amount into the equivalent amount in gallons and  
18 applying the appropriate tax rate. The commission shall prepare  
19 tables showing the amount of tax due on various types of liquor[  
20 ~~including ale and malt liquor~~] in metric containers.

21 SECTION 357. Section 201.72, Alcoholic Beverage Code, is  
22 amended to read as follows:

23 Sec. 201.72. DUTY TO PRINT. The commission and the board of  
24 control shall have engraved or printed the liquor and malt beverage  
25 [~~beer~~] tax stamps required by this code. The board of control shall  
26 let the contracts for the stamps required by this code as provided  
27 by law. The commission shall expend funds necessary to keep an

1 ample supply of stamps on hand.

2 SECTION 358. The heading to Chapter 203, Alcoholic Beverage  
3 Code, is amended to read as follows:

4 CHAPTER 203. MALT BEVERAGE [~~BEER~~] TAX

5 SECTION 359. Section 203.01, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 203.01. TAX ON MALT BEVERAGES [~~BEER~~]. A tax is imposed  
8 on the first sale of malt beverages brewed [~~beer manufactured~~] in  
9 this state or imported into this state at the rate of six dollars  
10 per barrel.

11 SECTION 360. Section 203.02, Alcoholic Beverage Code, is  
12 amended to read as follows:

13 Sec. 203.02. "FIRST SALE". In this chapter, "first sale"  
14 means:

15 (1) the first actual sale of malt beverages [~~beer~~]:

16 (A) by the holder of a distributor's license or  
17 by the holder of a brewer's [~~manufacturer's~~] license acting under  
18 the authority of Section 62A.02 [~~62.12~~], to:

19 (i) a permittee or licensee authorized to  
20 sell to ultimate consumers;

21 (ii) a local distributor permittee; or

22 (iii) a private club registration  
23 permittee; or

24 (B) by a brewpub licensee to a consumer or a  
25 permittee or licensee authorized to sell malt beverages [~~beer~~] to  
26 ultimate consumers; or

27 (2) the importation of malt beverages [~~beer~~] under

1 Section 107.07.

2 SECTION 361. Section 203.03(a), Alcoholic Beverage Code, is  
3 amended to read as follows:

4 (a) The licensee making the taxable first sale shall pay the  
5 tax on malt beverages [~~beer~~] imposed under Section 203.01 [~~of this~~  
6 ~~code~~].

7 SECTION 362. Section 203.04, Alcoholic Beverage Code, is  
8 amended to read as follows:

9 Sec. 203.04. TAX ON UNSALABLE MALT BEVERAGES [~~BEER~~]. No tax  
10 imposed under Section 203.01 [~~of this code~~] may be imposed or  
11 collected on malt beverages [~~beer~~] that for any reason have [~~has~~]  
12 been found and declared to be unsalable by the commission or  
13 administrator. A brewer [~~manufacturer~~] or distributor is entitled  
14 to a refund of any tax the brewer or distributor [~~he~~] has paid on  
15 unsalable malt beverages [~~beer~~].

16 SECTION 363. Sections 203.05(a) and (b), Alcoholic Beverage  
17 Code, are amended to read as follows:

18 (a) No tax may be collected on malt beverages [~~beer~~]:

19 (1) shipped out of this state for consumption outside  
20 of this state;

21 (2) sold aboard ships for ship's supplies; or

22 (3) shipped to any installation of the national  
23 military establishment under federal jurisdiction for consumption  
24 by military personnel on that installation.

25 (b) The commission shall provide forms on which  
26 distributors and brewers [~~manufacturers~~] may claim these  
27 exemptions from the tax on malt beverages [~~beer~~].

1 SECTION 364. Section 203.06, Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 203.06. EXCESS TAX. A brewer [~~manufacturer~~] or  
4 distributor is entitled to a refund or credit on future tax payment  
5 for any excess tax on malt beverages [~~beer~~] paid through oversight,  
6 mistake, error, or miscalculation.

7 SECTION 365. Section 203.07(b), Alcoholic Beverage Code, is  
8 amended to read as follows:

9 (b) Necessary funds from the collection of the malt  
10 beverages [~~beer~~] tax before it is allocated may be appropriated for  
11 the payment of malt beverages [~~beer~~] tax refunds.

12 SECTION 366. Sections 203.09(a) and (b), Alcoholic Beverage  
13 Code, are amended to read as follows:

14 (a) The commission may require brewers [~~manufacturers~~] of  
15 malt beverages brewed [~~beer manufactured~~] in this state or imported  
16 into this state, importers, and distributors to provide information  
17 as to purchases, sales, and shipments to enable the commission to  
18 collect the full amount of the malt beverages [~~beer~~] tax due. No  
19 brewer [~~manufacturer~~], importer, or distributor may fail or refuse  
20 to furnish the information.

21 (b) The commission may seize or withhold from sale the  
22 manufacturer's, importer's, or distributor's malt beverages [~~beer~~]  
23 for failure or refusal to supply the information required under  
24 Subsection (a) [~~of this section~~] or to permit the commission to make  
25 an investigation of pertinent records whether inside or outside  
26 this state.

27 SECTION 367. Section 203.10, Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 203.10. PAYMENT OF TAXES; DISCOUNT. The tax on malt  
3 beverages [~~beer~~] shall be paid by a remittance payable to the  
4 comptroller and forwarded with any required sworn statements of  
5 taxes due to the commission in Austin on or before the due date. A  
6 discount of two percent of the amount due shall be withheld by the  
7 permittee or licensee for keeping records, furnishing bonds, and  
8 properly accounting for the remittance of the tax due. No discount  
9 is permitted if the tax is delinquent at the time of payment.

10           SECTION 368. Section 203.11, Alcoholic Beverage Code, is  
11 amended to read as follows:

12           Sec. 203.11. EVIDENCE IN SUIT. In a suit brought to enforce  
13 the collection of tax due on malt beverages brewed [~~beer~~  
14 ~~manufactured~~] in or imported into this state, a certificate by the  
15 commission or administrator showing the delinquency is prima facie  
16 evidence of:

17                   (1) the levy of the tax or the delinquency of the  
18 stated amount of tax and penalty; and

19                   (2) compliance by the commission with the provisions  
20 of this code in relation to the computation and levy of the tax.

21           SECTION 369. Section 203.12, Alcoholic Beverage Code, is  
22 amended to read as follows:

23           Sec. 203.12. TAX LIABILITY. A person possessing malt  
24 beverages [~~beer~~] on which the tax is delinquent is liable for the  
25 delinquent taxes in addition to the criminal penalties.

26           SECTION 370. Sections 204.01(a), (b), (f), and (i),  
27 Alcoholic Beverage Code, are amended to read as follows:



1 (a) Except as otherwise provided in this section, the  
2 following licensees and permittees shall furnish a bond:

3 (1) those authorized to import alcoholic beverages  
4 into the state;

5 (2) brewers [~~manufacturers~~] of malt beverages [~~beer~~  
6 ~~and brewers of ale or malt liquor~~] in the state; and

7 (3) all other permittees.

8 (b) A [~~No~~] bond is not required of a holder of a mixed  
9 beverage, private club registration, carrier [~~carriers~~], local  
10 cartage, wine and malt beverage retailer's [~~beer retailers~~], or  
11 nonresident seller's [~~, manufacturer's agent's, or agent's~~] permit.

12 (f) The holder of a wholesaler's or class B wholesaler's  
13 permit, the holder of a winery [~~or wine bottler's~~] permit, or the  
14 holder of a distributor's license is not required to furnish a bond  
15 if for the preceding 36 months the permittee or licensee has paid  
16 all taxes and fees required by this code on or before the due date.

17 (i) A permittee or licensee who qualifies for an exemption  
18 under Subsection (f) [~~of this section~~] is also exempt from the  
19 bonding requirement for any other wholesaler's permit, class B  
20 wholesaler's permit, winery permit, [~~wine bottler's permit,~~] or  
21 distributor's license currently held by or subsequently issued to  
22 the same permittee or licensee for use at licensed premises  
23 different from and additional to those covered by the permit or  
24 license under which the permittee or licensee qualified for  
25 exemption. However, if a permittee or licensee fails to pay a tax  
26 or fee imposed by this code on or before the due date and the  
27 permittee or licensee holds multiple permits or licenses, the

1 requirement for a bond or tax security shall be imposed or reimposed  
2 under Subsection (g) [~~of this section~~] only on the permit or license  
3 covering the licensed premises for which the tax or fee and any  
4 applicable penalty were not timely paid.

5 SECTION 371. Section 204.03(d), Alcoholic Beverage Code, is  
6 amended to read as follows:

7 (d) Bonds, letters of credit, or certificates of deposit to  
8 insure the payment of the tax on distilled spirits imposed by  
9 Section 201.03 [~~of this code~~], the tax on vinous liquor imposed by  
10 Section 201.04 [~~of this code~~], [~~the tax on ale and malt liquor~~  
11 ~~imposed by Section 201.42 of this code,~~] or the tax on malt  
12 beverages [~~beer~~] imposed by Section 203.01 [~~of this code~~], shall be  
13 set at an amount that will protect the state against the anticipated  
14 tax liability of the principal for any six-week period.

15 SECTION 372. Sections 251.725(a) and (b), Alcoholic  
16 Beverage Code, are amended to read as follows:

17 (a) This section applies only to a municipality whose local  
18 option status allows for the legal sale of malt beverages [~~beer~~] and  
19 wine for off-premise consumption only as a result of a local option  
20 election on the applicable ballot issue held on or after January 1,  
21 1985.

22 (b) The governing body of a municipality described by  
23 Subsection (a) may adopt an ordinance authorizing the sale of malt  
24 beverages [~~beer~~] and wine for off-premise consumption in an area  
25 annexed by the municipality after that election if at the time the  
26 ordinance is adopted:

27 (1) the annexed area is not more than one percent of

1 the total area covered by the municipality;

2 (2) all of the land in the annexed area is zoned for  
3 commercial use only; and

4 (3) the annexed area is not adjacent to residential,  
5 church, or school property.

6 SECTION 373. Section 251.75, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 251.75. CONTINUANCE OF OPERATION AS ~~[MANUFACTURER OR]~~  
9 BREWER. Notwithstanding any other provision of this code, if the  
10 sale of malt beverages ~~[beer or ale]~~ is prohibited in an area by a  
11 local option election, a holder of a brewer's ~~[manufacturer's]~~  
12 license ~~[or brewer's permit]~~ that was issued prior to the election  
13 may not be denied an original or renewal brewer's ~~[manufacturer's]~~  
14 license ~~[or brewer's permit]~~ for the same location on the ground  
15 that the local option status of the area prohibits the sale of malt  
16 beverages ~~[beer or ale]~~. Except for the right to sell malt  
17 beverages ~~[beer or ale]~~ contrary to the local option status of the  
18 area, the licensee ~~[or permittee]~~ may engage in all activities  
19 authorized by the license ~~[or permit]~~, including the  
20 ~~[manufacturing,]~~ brewing, possessing, storing, and packaging of  
21 malt beverages ~~[beer or ale]~~, and transporting the malt beverages  
22 ~~[it]~~ to an area where the ~~[its]~~ sale of malt beverages is legal. The  
23 licensee ~~[or permittee]~~ may deliver malt beverages ~~[beer or ale]~~ at  
24 the licensee's ~~[his licensed]~~ premises to a purchaser from outside  
25 the state, an authorized carrier, or distributor~~[, or class B~~  
26 ~~wholesaler]~~. The purchaser, carrier, or distributor~~[, or class B~~  
27 ~~wholesaler]~~ may not receive the malt beverages ~~[beer or ale]~~ for

1 transportation unless there has first been an order, acceptance,  
2 and payment or legal satisfaction of payment in an area where the  
3 sale of malt beverages [~~beer or ale~~] is legal.

4 SECTION 374. Section 251.77, Alcoholic Beverage Code, is  
5 amended to read as follows:

6 Sec. 251.77. CONTINUANCE OF OPERATION AS DISTRIBUTOR. (a)  
7 Notwithstanding any other provision of this code, if the sale of  
8 malt beverages [~~beer~~] is prohibited by local option election, a  
9 licensed distributor of malt beverages [~~beer~~] whose warehouse or  
10 other facilities used in connection with the distributorship are  
11 located in the area affected, has the right to continue to operate  
12 as a distributor in that area and maintain the necessary premises  
13 and facilities for distribution. The distributor continues to  
14 enjoy all the rights and privileges incident to distributorship,  
15 including the right to possess, store, warehouse, and sell malt  
16 beverages [~~beer~~] in that area, and deliver malt beverages [~~beer~~]  
17 into and out of that area.

18 (b) A distributor in the area affected may sell or deliver  
19 malt beverages [~~beer~~] only to licensed outlets located where the  
20 sale of malt beverages [~~beer~~] is legal.

21 SECTION 375. Effective September 1, 2019, Section 251.79,  
22 Alcoholic Beverage Code, is amended to read as follows:

23 Sec. 251.79. AREAS IN WHICH CERTAIN PERMITS AND LICENSES  
24 MAY BE ISSUED. Notwithstanding any other provision of this code, a  
25 wholesaler's permit, general class B wholesaler's permit, [~~local~~  
26 ~~class B wholesaler's permit,~~] or general[, ~~local~~] or branch  
27 distributor's license may be issued and licensed premises

1 maintained in any area where the sale of any alcoholic beverage is  
2 legal. A person issued a permit or license under this section may  
3 exercise all rights and privileges of other permittees and  
4 licensees of the same class.

5 SECTION 376. Subchapter D, Chapter 251, Alcoholic Beverage  
6 Code, is amended by adding Section 251.811 to read as follows:

7 Sec. 251.811. SALE OF MALT BEVERAGES. (a) If before  
8 September 1, 2021, the sale of beer was approved in an area by a  
9 local option election that approved the sale of beer only, an  
10 alcoholic beverage license or permit holder may not sell in that  
11 area malt beverages containing more than five percent alcohol by  
12 volume unless a subsequent local option election approves the sale  
13 of malt beverages or malt beverages and other alcoholic beverages.

14 (b) The commission shall, on the face of each retail  
15 license, indicate whether the holder may only sell malt beverages  
16 that do not exceed five percent alcohol by volume.

17 SECTION 377. Article 18.17(a), Code of Criminal Procedure,  
18 is amended to read as follows:

19 (a) All unclaimed or abandoned personal property of every  
20 kind, other than contraband subject to forfeiture under Chapter 59  
21 [~~of this code~~] and whiskey, wine and malt beverages [~~beer~~], seized  
22 by any peace officer in the State of Texas which is not held as  
23 evidence to be used in any pending case and has not been ordered  
24 destroyed or returned to the person entitled to possession of the  
25 same by a magistrate, which shall remain unclaimed for a period of  
26 30 days shall be delivered for disposition to a person designated by  
27 the municipality or the purchasing agent of the county in which the

1 property was seized. If a peace officer of a municipality seizes  
2 the property, the peace officer shall deliver the property to a  
3 person designated by the municipality. If any other peace officer  
4 seizes the property, the peace officer shall deliver the property  
5 to the purchasing agent of the county. If the county has no  
6 purchasing agent, then such property shall be disposed of by the  
7 sheriff of the county.

8 SECTION 378. Section 501.001(1), Election Code, is amended  
9 to read as follows:

10 (1) "Alcoholic beverage," [~~"beer,"~~] "commission,"  
11 "liquor," "malt beverage," "mixed beverage," and "wine and vinous  
12 liquor" have the meanings assigned by Section 1.04, Alcoholic  
13 Beverage Code.

14 SECTION 379. Sections 501.035(a), (b), and (c), Election  
15 Code, are amended to read as follows:

16 (a) In the ballot issues prescribed by this section, "wine"  
17 is limited to vinous beverages that do not contain more than 17  
18 percent alcohol by volume and "malt beverages" are limited to  
19 ~~[includes]~~ malt beverages that do not contain more than 17 percent  
20 ~~[exceed that]~~ alcohol by volume ~~[content]~~. For local option  
21 purposes, those beverages, sold and dispensed to the public in  
22 unbroken, sealed, individual containers, are a separate and  
23 distinct type of alcoholic beverage.

24 (b) In an area where any type or classification of alcoholic  
25 beverages is prohibited and the issue submitted pertains to  
26 legalization of the sale of one or more of the prohibited types or  
27 classifications, the ballot shall be prepared to permit voting for

1 or against the one of the following issues that applies:

2 (1) "The legal sale of malt beverages [~~beer~~] for  
3 off-premise consumption only."

4 (2) "The legal sale of malt beverages [~~beer~~]."

5 (3) "The legal sale of malt beverages [~~beer~~] and wine  
6 for off-premise consumption only."

7 (4) "The legal sale of malt beverages [~~beer~~] and  
8 wine."

9 (5) "The legal sale of all alcoholic beverages for  
10 off-premise consumption only."

11 (6) "The legal sale of all alcoholic beverages except  
12 mixed beverages."

13 (7) "The legal sale of all alcoholic beverages  
14 including mixed beverages."

15 (8) "The legal sale of mixed beverages."

16 (9) "The legal sale of mixed beverages in restaurants  
17 by food and beverage certificate holders only."

18 (10) "The legal sale of wine on the premises of a  
19 holder of a winery permit."

20 (c) In an area where the sale of any type or classification  
21 of alcoholic beverages has been legalized, the ballot for a  
22 prohibitory election shall be prepared to permit voting for or  
23 against the one of the following issues that applies:

24 (1) "The legal sale of malt beverages [~~beer~~] for  
25 off-premise consumption only."

26 (2) "The legal sale of malt beverages [~~beer~~]."

27 (3) "The legal sale of malt beverages [~~beer~~] and wine

1 for off-premise consumption only."

2 (4) "The legal sale of malt beverages [~~beer~~] and  
3 wine."

4 (5) "The legal sale of all alcoholic beverages for  
5 off-premise consumption only."

6 (6) "The legal sale of all alcoholic beverages except  
7 mixed beverages."

8 (7) "The legal sale of all alcoholic beverages  
9 including mixed beverages."

10 (8) "The legal sale of mixed beverages."

11 (9) "The legal sale of mixed beverages in restaurants  
12 by food and beverage certificate holders only."

13 (10) "The legal sale of wine on the premises of a  
14 holder of a winery permit."

15 SECTION 380. Section [437.110](#)(a), Government Code, is  
16 amended to read as follows:

17 (a) The department may establish and contract for the  
18 operation of not more than three military-type post exchanges  
19 similar to those operated by the armed forces of the United States  
20 on any real property under the management and control of the  
21 department. A post exchange may sell, lease, or rent goods and  
22 services, including firearms, tobacco products, prepared foods,  
23 and malt beverages [~~beer~~] and wine but not distilled spirits. The  
24 department may designate facilities located on state property to  
25 use for purposes of this section.

26 SECTION 381. Section [466.155](#)(a), Government Code, is  
27 amended to read as follows:



1           (a) After a hearing, the director shall deny an application  
2 for a license or the commission shall suspend or revoke a license if  
3 the director or commission, as applicable, finds that the applicant  
4 or sales agent:

5                 (1) is an individual who:

6                     (A) has been convicted of a felony, criminal  
7 fraud, gambling or a gambling-related offense, or a misdemeanor  
8 involving moral turpitude, if less than 10 years has elapsed since  
9 the termination of the sentence, parole, mandatory supervision, or  
10 probation served for the offense;

11                    (B) is or has been a professional gambler;

12                    (C) is married to an individual:

13                         (i) described in Paragraph (A) or (B); or

14                         (ii) who is currently delinquent in the  
15 payment of any state tax;

16                    (D) is an officer or employee of the commission  
17 or a lottery operator; or

18                    (E) is a spouse, child, brother, sister, or  
19 parent residing as a member of the same household in the principal  
20 place of residence of a person described by Paragraph (D);

21                 (2) is not an individual, and an individual described  
22 in Subdivision (1):

23                    (A) is an officer or director of the applicant or  
24 sales agent;

25                    (B) holds more than 10 percent of the stock in the  
26 applicant or sales agent;

27                    (C) holds an equitable interest greater than 10

1 percent in the applicant or sales agent;

2 (D) is a creditor of the applicant or sales agent  
3 who holds more than 10 percent of the applicant's or sales agent's  
4 outstanding debt;

5 (E) is the owner or lessee of a business that the  
6 applicant or sales agent conducts or through which the applicant  
7 will conduct a ticket sales agency;

8 (F) shares or will share in the profits, other  
9 than stock dividends, of the applicant or sales agent; or

10 (G) participates in managing the affairs of the  
11 applicant or sales agent;

12 (3) has been finally determined to be:

13 (A) delinquent in the payment of a tax or other  
14 money collected by the comptroller, the Texas Workforce Commission,  
15 or the Texas Alcoholic Beverage Commission;

16 (B) in default on a loan made under Chapter 52,  
17 Education Code; or

18 (C) in default on a loan guaranteed under Chapter  
19 57, Education Code;

20 (4) is a person whose location for the sales agency is:

21 (A) a location licensed for games of bingo under  
22 Chapter 2001, Occupations Code;

23 (B) on land that is owned by:

24 (i) this state; or

25 (ii) a political subdivision of this state  
26 and on which is located a public primary or secondary school, an  
27 institution of higher education, or an agency of the state; or

1 (C) a location for which a person holds a wine and  
2 malt beverage [~~beer~~] retailer's permit, mixed beverage permit,  
3 mixed beverage permit with a retailer late hours certificate  
4 [~~permit~~], private club registration permit, or private club  
5 registration permit with a retailer late hours certificate [~~permit~~]  
6 issued under Chapter 25, 28, 29, or 32, [~~or 33~~] Alcoholic Beverage  
7 Code, other than a location for which a person holds a wine and malt  
8 beverage [~~beer~~] retailer's permit issued under Chapter 25,  
9 Alcoholic Beverage Code, that derives less than 30 percent of the  
10 location's gross receipts from the sale or service of alcoholic  
11 beverages; or

12 (5) has violated this chapter or a rule adopted under  
13 this chapter.

14 SECTION 382. Effective September 1, 2019, Section  
15 431.2211(c), Health and Safety Code, is amended to read as follows:

16 (c) This subchapter does not apply to the distribution of  
17 beverages in sealed containers by holders of licenses or permits  
18 issued under Chapter 19, 20, [21] 23, or 64, [~~or 65~~] Alcoholic  
19 Beverage Code. The provisions of the Alcoholic Beverage Code  
20 prevail to the extent of any conflict with this chapter.

21 SECTION 383. Section 438.013(c), Health and Safety Code, is  
22 amended to read as follows:

23 (c) In this section, "liquor dispensary" means a place where  
24 malt beverages [~~beer, ale~~], wine, or any other alcoholic beverage  
25 is stored, prepared, labeled, bottled, served, or handled.

26 SECTION 384. Sections 1956.001(1) and (10), Occupations  
27 Code, are amended to read as follows:

1           (1) "Aluminum material" means a product made from  
2 aluminum, an aluminum alloy, or an aluminum by-product. The term  
3 includes aluminum wiring and an aluminum malt beverage [~~beer~~] keg  
4 but does not include another type of aluminum can used to contain a  
5 food or beverage.

6           (10) "Regulated metal" means:

7                   (A) manhole covers;

8                   (B) guardrails;

9                   (C) metal cylinders designed to contain  
10 compressed air, oxygen, gases, or liquids;

11                   (D) malt beverage [~~beer~~] kegs made from metal  
12 other than aluminum;

13                   (E) historical markers or cemetery vases,  
14 receptacles, or memorials made from metal other than aluminum;

15                   (F) unused rebar;

16                   (G) street signs;

17                   (H) drain gates;

18                   (I) safes;

19                   (J) communication, transmission, and service  
20 wire or cable;

21                   (K) condensing or evaporator coils for central  
22 heating or air conditioning units;

23                   (L) utility structures, including the fixtures  
24 and hardware;

25                   (M) aluminum or stainless steel containers  
26 designed to hold propane for fueling forklifts;

27                   (N) metal railroad equipment, including tie

1 plates, signal houses, control boxes, signs, signals, traffic  
2 devices, traffic control devices, traffic control signals, switch  
3 plates, e-clips, and rail tie functions;

4 (O) catalytic converters not attached to a  
5 vehicle;

6 (P) fire hydrants;

7 (Q) metal bleachers or other seating facilities  
8 used in recreational areas or sporting arenas;

9 (R) any metal item clearly and conspicuously  
10 marked with any form of the name, initials, or logo of a  
11 governmental entity, utility, cemetery, or railroad;

12 (S) insulated utility, communications, or  
13 electrical wire that has been burned in whole or in part to remove  
14 the insulation;

15 (T) backflow valves;

16 (U) metal in the form of commonly recognized  
17 products of the industrial metals recycling process, including  
18 bales, briquettes, billets, sows, ingots, pucks, and chopped or  
19 shredded metals; and

20 (V) commercial grade lead batteries or lead-acid  
21 batteries.

22 SECTION 385. Effective September 1, 2019, Section [2401.002](#),  
23 Occupations Code, is amended to read as follows:

24 Sec. 2401.002. APPLICATION OF CHAPTER. This chapter does  
25 not apply to a person who:

26 (1) acts as a customs broker as defined by 19 U.S.C.  
27 Section 1641;

1 (2) operates trucks and delivery vehicles in the  
2 wholesale distribution of alcoholic beverages under Chapter 19, 20,  
3 or ~~[21]~~ 64, ~~[or 65]~~ Alcoholic Beverage Code; or

4 (3) acts as an ocean freight forwarder as defined by 46  
5 U.S.C. Section 1702.

6 SECTION 386. Effective September 1, 2019, Section  
7 111.006(h), Tax Code, is amended to read as follows:

8 (h) The comptroller shall disclose information to a person  
9 regarding net sales by quantity, brand, and size that is submitted  
10 in a report required under Section 151.462 if:

11 (1) the person requesting the information holds a  
12 permit or license under Chapter 19, 20, ~~[21]~~ 37, 64, ~~[65]~~ or 66,  
13 Alcoholic Beverage Code; and

14 (2) the request relates only to information regarding  
15 the sale of a product distributed by the person making the request.

16 SECTION 387. Section 151.054(d), Tax Code, is amended to  
17 read as follows:

18 (d) A sale of liquor, wine, ~~[beer]~~ or malt beverages  
19 ~~[liquor]~~ by the holder of a brewer's ~~[manufacturer's]~~ license,  
20 wholesaler's permit, general class B wholesaler's permit, ~~[local~~  
21 ~~class B wholesaler's permit]~~ local distributor's permit, or a  
22 general~~[, local]~~ or branch distributor's license issued under the  
23 Alcoholic Beverage Code to the holder of a retail license or permit  
24 issued under the Alcoholic Beverage Code is presumed to be a sale  
25 for resale. In a sale to which this section applies, the seller is  
26 not required to receive a resale certificate from the purchaser.

27 SECTION 388. Sections 151.461(1), (2), (5), and (6), Tax

1 Code, are amended to read as follows:

2 (1) "Brewer" means a person required to hold a brewer's  
3 license [~~permit~~] under Chapter 62 [~~12~~], Alcoholic Beverage Code.

4 (2) "Distributor" means a person required to hold:

5 (A) a general distributor's license under  
6 Chapter 64, Alcoholic Beverage Code; or

7 [~~a local distributor's license under Chapter~~  
8 ~~65, Alcoholic Beverage Code; or~~

9 [~~(C)~~] a branch distributor's license under  
10 Chapter 66, Alcoholic Beverage Code.

11 (5) "Retailer" means a person required to hold:

12 (A) a wine and malt beverage [~~beer~~] retailer's  
13 permit under Chapter 25, Alcoholic Beverage Code;

14 (B) a wine and malt beverage [~~beer~~] retailer's  
15 off-premise permit under Chapter 26, Alcoholic Beverage Code;

16 (C) a nonprofit entity temporary event [~~wine and~~  
17 ~~beer retailer's~~] permit [~~or special three-day wine and beer permit~~]  
18 under Chapter 30 [~~27~~], Alcoholic Beverage Code;

19 (D) a mixed beverage permit under Chapter 28,  
20 Alcoholic Beverage Code;

21 (E) [~~a daily temporary mixed beverage permit~~  
22 ~~under Chapter 30, Alcoholic Beverage Code;~~

23 [~~(F)~~] a private club registration permit under  
24 Chapter 32, Alcoholic Beverage Code;

25 (F) [~~(G)~~] a certificate issued to a fraternal or  
26 veterans organization under Section 32.11, Alcoholic Beverage  
27 Code;

1                    (G) [~~(H)~~ a daily temporary private club permit  
2 under Subchapter B, Chapter 33, Alcoholic Beverage Code,

3                    [~~(I)~~ a temporary auction permit under Chapter 53,  
4 Alcoholic Beverage Code,

5                    [~~(J)~~] a retail dealer's on-premise license under  
6 Chapter 69, Alcoholic Beverage Code;

7                    [~~(K)~~ a temporary license under Chapter 72,  
8 Alcoholic Beverage Code;] or

9                    (H) [~~(L)~~] a retail dealer's off-premise license  
10 under Chapter 71, Alcoholic Beverage Code, except for a dealer who  
11 also holds a package store permit under Chapter 22, Alcoholic  
12 Beverage Code.

13                    (6) "Wholesaler" means a person required to hold:

14                    (A) a winery permit under Chapter 16, Alcoholic  
15 Beverage Code;

16                    (B) a wholesaler's permit under Chapter 19,  
17 Alcoholic Beverage Code; or

18                    (C) a general Class B wholesaler's permit under  
19 Chapter 20, Alcoholic Beverage Code [~~, or~~

20                    [~~(D)~~ a local Class B wholesaler's permit under  
21 Chapter 21, Alcoholic Beverage Code].

22                    SECTION 389. Section 151.462, Tax Code, is amended to read  
23 as follows:

24                    Sec. 151.462. REPORTS BY BREWERS, [~~MANUFACTURERS,~~  
25 WHOLESALERS, AND DISTRIBUTORS. (a) The comptroller shall require  
26 each brewer, [~~manufacturer,~~] wholesaler, distributor, or package  
27 store local distributor to file with the comptroller a report each



1 month of alcoholic beverage sales to retailers in this state.

2 (b) Each brewer, [~~manufacturer,~~] wholesaler, distributor,  
3 or package store local distributor shall file a separate report for  
4 each permit or license held on or before the 25th day of each month.  
5 The report must contain the following information for the preceding  
6 calendar month's sales in relation to each retailer:

7 (1) the brewer's, [~~manufacturer's,~~] wholesaler's,  
8 distributor's, or package store local distributor's name, address,  
9 taxpayer number and outlet number assigned by the comptroller, and  
10 alphanumeric permit or license number issued by the Texas Alcoholic  
11 Beverage Commission;

12 (2) the retailer's:

13 (A) name and address, including street name and  
14 number, city, and zip code;

15 (B) taxpayer number assigned by the comptroller;  
16 and

17 (C) alphanumeric permit or license number issued  
18 by the Texas Alcoholic Beverage Commission for each separate retail  
19 location or outlet to which the brewer, [~~manufacturer,~~] wholesaler,  
20 distributor, or package store local distributor sold the alcoholic  
21 beverages that are listed on the report; and

22 (3) the monthly net sales made by the brewer,  
23 [~~manufacturer,~~] wholesaler, distributor, or package store local  
24 distributor to the retailer for each outlet or location covered by a  
25 separate retail permit or license issued by the Texas Alcoholic  
26 Beverage Commission, including separate line items for:

27 (A) the number of units of alcoholic beverages;

- 1 (B) the individual container size and pack of  
2 each unit;
- 3 (C) the brand name;
- 4 (D) the type of beverage, such as distilled  
5 spirits, wine, or malt beverage;
- 6 (E) the universal product code of the alcoholic  
7 beverage; and
- 8 (F) the net selling price of the alcoholic  
9 beverage.

10 (c) Except as provided by this subsection, the brewer,  
11 ~~[manufacturer]~~ wholesaler, distributor, or package store local  
12 distributor shall file the report with the comptroller  
13 electronically. The comptroller may establish procedures to  
14 temporarily postpone the electronic reporting requirement for a  
15 brewer, ~~[manufacturer]~~ wholesaler, distributor, or package store  
16 local distributor who demonstrates to the comptroller an inability  
17 to comply because undue hardship would result if it were required to  
18 file the return electronically. If the comptroller determines that  
19 another technological method of filing the report is more efficient  
20 than electronic filing, the comptroller may establish procedures  
21 requiring its use by brewers, ~~[manufacturers]~~ wholesalers,  
22 distributors, and package store local distributors.

23 SECTION 390. Section 151.466, Tax Code, is amended to read  
24 as follows:

25 Sec. 151.466. APPLICABILITY TO CERTAIN BREWERS  
26 ~~[MANUFACTURERS]~~. This subchapter applies only to a brewer  
27 ~~[manufacturer]~~ licensed under Chapter 62A, Alcoholic Beverage

1 Code.

2 SECTION 391. Section 151.468(b), Tax Code, is amended to  
3 read as follows:

4 (b) In addition to the penalties imposed under Subsection  
5 (a), a brewer, [~~manufacturer,~~] wholesaler, distributor, or package  
6 store local distributor shall pay the state a civil penalty of not  
7 less than \$25 or more than \$2,000 for each day a violation continues  
8 if the brewer, [~~manufacturer,~~] wholesaler, distributor, or package  
9 store local distributor:

10 (1) violates this subchapter; or

11 (2) violates a rule adopted to administer or enforce  
12 this subchapter.

13 SECTION 392. Section 151.470, Tax Code, is amended to read  
14 as follows:

15 Sec. 151.470. AUDIT; INSPECTION. The comptroller may  
16 audit, inspect, or otherwise verify a brewer's, [~~manufacturer's,~~]  
17 wholesaler's, distributor's, or package store local distributor's  
18 compliance with this subchapter.

19 SECTION 393. Section 183.001(b)(1), Tax Code, is amended to  
20 read as follows:

21 (1) "Permittee" means a mixed beverage permittee, a  
22 private club registration permittee, a private club exemption  
23 certificate permittee, a private club registration permittee with a  
24 retailer late hours certificate [~~permittee~~], a nonprofit entity  
25 [~~daily~~] temporary event [~~private club~~] permittee, a private club  
26 registration permittee holding a food and beverage certificate, [~~a~~  
27 ~~daily temporary mixed beverage permittee,~~] a mixed beverage

1 permittee with a retailer late hours certificate [~~permittee~~], a  
2 mixed beverage permittee holding a food and beverage certificate,  
3 [~~a caterer permittee,~~] or a distiller's and rectifier's permittee.

4 SECTION 394. Section 522.003(1), Transportation Code, is  
5 amended to read as follows:

6 (1) "Alcohol" means:

7 (A) malt beverages [~~beer, ale, port, stout,~~  
8 ~~sake,~~] or any other similar fermented beverages or products  
9 containing one-half of one percent or more of alcohol by volume,  
10 brewed or produced wholly or in part from malt or a malt substitute;

11 (B) wine, including sake, containing one-half of  
12 one percent or more of alcohol by volume; or

13 (C) distilled spirits, including ethyl alcohol,  
14 ethanol, and spirits of wine in any form, and all dilutions and  
15 mixtures of distilled spirits from whatever source or by whatever  
16 process produced.

17 SECTION 395. Section 643.002, Transportation Code, is  
18 amended to read as follows:

19 Sec. 643.002. EXEMPTIONS. This chapter does not apply to:

20 (1) motor carrier operations exempt from registration  
21 by the Unified Carrier Registration Act of 2005 (49 U.S.C. Section  
22 14504a) or a motor vehicle registered under the single state  
23 registration system established under 49 U.S.C. Section 14504(c)  
24 when operating exclusively in interstate or international  
25 commerce;

26 (2) a motor vehicle registered as a cotton vehicle  
27 under Section 504.505;

1 (3) a motor vehicle the department by rule exempts  
2 because the vehicle is subject to comparable registration and a  
3 comparable safety program administered by another governmental  
4 entity;

5 (4) a motor vehicle used to transport passengers  
6 operated by an entity whose primary function is not the  
7 transportation of passengers, such as a vehicle operated by a  
8 hotel, day-care center, public or private school, nursing home, or  
9 similar organization;

10 (5) a vehicle operating under:

11 (A) Section 14.07 [~~a private carrier permit~~  
12 ~~issued under Chapter 42~~], Alcoholic Beverage Code;

13 (B) Section 16.10, Alcoholic Beverage Code;

14 (C) Section 19.06, Alcoholic Beverage Code; or

15 (D) Section 20.04, Alcoholic Beverage Code;

16 (6) a vehicle operated by a governmental entity; or

17 (7) a tow truck, as defined by Section [2308.002](#),  
18 Occupations Code.

19 SECTION 396. (a) The Texas Sunset Commission staff, with  
20 assistance from the Texas Legislative Council and the Texas  
21 Alcoholic Beverage Commission, shall review the Texas Alcoholic  
22 Beverage Code and make recommendations to the Texas Sunset  
23 Commission for both a modernization and a nonsubstantive technical  
24 revision of the code, including:

25 (1) identifying inconsistencies in authorities and  
26 treatment of different alcoholic beverages and regulated  
27 businesses;

1           (2) reviewing the use of the terms "license" for beer  
2 and "permit" for all other alcoholic beverages;

3           (3) identifying any needed technical changes,  
4 including:

5                   (A) removing unconstitutional provisions and  
6 outdated language;

7                   (B) updating the code's structure to comply with  
8 modern drafting standards; and

9                   (C) correcting legal citations; and

10           (4) identifying changes needed to modernize the code  
11 within the three-tier system.

12           (b) The Texas Sunset Commission staff and the Texas  
13 Legislative Council may not consider changes to the overall  
14 three-tier regulatory system.

15           (c) Not later than September 1, 2022, the Texas Legislative  
16 Council shall prepare a nonsubstantive revision of the Texas  
17 Alcoholic Beverage Code to implement any nonsubstantive  
18 recommendations made under Subsection (a) of this section.

19           (d) Not later than September 1, 2022, the Texas Sunset  
20 Commission staff shall make substantive recommendations to the  
21 Texas Sunset Commission to address any recommended changes to  
22 modernize the Texas Alcoholic Beverage Code that the Texas  
23 Legislative Council determines cannot be included in a  
24 nonsubstantive code revision.

25           (e) This section takes effect September 1, 2019.

26           SECTION 397. (a) Not later than December 1, 2019, the  
27 governor shall appoint two additional members to the Texas

1 Alcoholic Beverage Commission. At the first meeting of the Texas  
2 Alcoholic Beverage Commission after the additional members are  
3 appointed under this subsection, or as soon as practicable after  
4 that meeting, the two new members of the commission shall draw lots  
5 to determine which member will serve a term expiring November 15,  
6 2023, and which member will serve a term expiring November 15, 2025.

7 (b) This section takes effect September 1, 2019.

8 SECTION 398. (a) Except as provided by Subsection (b) of  
9 this section, Section 5.022, Alcoholic Beverage Code, as amended by  
10 this Act, applies to a member of the Texas Alcoholic Beverage  
11 Commission appointed before, on, or after the effective date of  
12 this Act.

13 (b) A member of the Texas Alcoholic Beverage Commission who,  
14 before September 1, 2019, completed the training program required  
15 by Section 5.022, Alcoholic Beverage Code, as that law existed  
16 before September 1, 2019, is required to complete additional  
17 training only on subjects added by this Act to the training program  
18 as required by Section 5.022, Alcoholic Beverage Code, as amended  
19 by this Act. A commission member described by this subsection may  
20 not vote, deliberate, or be counted as a member in attendance at a  
21 meeting of the commission held on or after December 1, 2019, until  
22 the member completes the additional training.

23 (c) This section takes effect September 1, 2019.

24 SECTION 399. (a) Not later than January 31, 2020, the Texas  
25 Alcoholic Beverage Commission shall adopt rules to implement the  
26 changes in law made by this Act to Section 5.361, Alcoholic Beverage  
27 Code, relating to developing a plan for inspecting alcoholic

1 beverage licensees and permittees. The Texas Alcoholic Beverage  
2 Commission shall with the assistance of the Legislative Budget  
3 Board develop target goals for the percentage of licensed and  
4 permitted facilities the commission inspects each year.

5 (b) Not later than December 31, 2020, the Texas Alcoholic  
6 Beverage Commission shall adopt rules to implement Sections 11.43,  
7 11.431, 11.432, 61.31, 61.313, and 61.314, Alcoholic Beverage Code,  
8 as amended or added by this Act, relating to the permit and license  
9 application and protest process.

10 (c) Not later than December 31, 2020, the Texas Alcoholic  
11 Beverage Commission shall adopt rules to implement the changes in  
12 law made by this Act to Sections 101.67 and 101.671, Alcoholic  
13 Beverage Code, relating to the registration of alcoholic beverages.

14 (d) Not later than December 31, 2019, the Texas Alcoholic  
15 Beverage Commission shall adopt the rules required by Section  
16 108.52, Alcoholic Beverage Code, as amended by this Act, relating  
17 to outdoor advertising.

18 (e) This section takes effect September 1, 2019.

19 SECTION 400. (a) The Texas Alcoholic Beverage Commission  
20 shall adopt rules setting a fee for each original or renewal  
21 certificate, permit, and license as authorized by Section 5.50,  
22 Alcoholic Beverage Code, as amended by this Act, not later than  
23 September 1, 2021. The certificate, permit, and license fees  
24 established by commission rule apply only to an original or renewal  
25 certificate, permit, or license issued on or after September 1,  
26 2021. This subsection takes effect September 1, 2019.

27 (b) Effective September 1, 2021, the following provisions



1 of the Alcoholic Beverage Code establishing the amount of a fee are  
2 repealed:

- 3 (1) Section 14.02;
- 4 (2) Section 16.02;
- 5 (3) Section 19.02;
- 6 (4) Section 20.02;
- 7 (5) Section 22.02;
- 8 (6) Section 23.02;
- 9 (7) Section 24.02;
- 10 (8) Section 25.02;
- 11 (9) Section 26.02;
- 12 (10) Section 28.02;
- 13 (11) Section 32.02;
- 14 (12) Section 37.02;
- 15 (13) Section 38.04;
- 16 (14) Section 41.02;
- 17 (15) Section 43.02;
- 18 (16) Section 46.02;
- 19 (17) Section 50.002;
- 20 (18) Section 51.05;
- 21 (19) Section 54.04;
- 22 (20) Section 55.02;
- 23 (21) Section 56.03;
- 24 (22) Section 62.02;
- 25 (23) Section 62A.03;
- 26 (24) Section 63.02;
- 27 (25) Section 64.02;

- 1 (26) Section 66.02;
- 2 (27) Section 69.02;
- 3 (28) Section 69.03;
- 4 (29) Section 71.02; and
- 5 (30) Section 74.02.

6 SECTION 401. (a) Effective September 1, 2021, the  
7 following provisions of the Alcoholic Beverage Code are repealed:

- 8 (1) Chapters 12, 12A, 13, 17, 27, 31, 33, 34, 42, 44,  
9 45, 48A, 52, 53, 67, 68, 70, and 72;
- 10 (2) Subchapter B, Chapter 201;
- 11 (3) Section 1.04(12);
- 12 (4) Section 19.05;
- 13 (5) Section 20.03;
- 14 (6) Section 22.06(b);
- 15 (7) Section 22.07;
- 16 (8) Section 24.05(b);
- 17 (9) Section 24.06;
- 18 (10) Section 28.13;
- 19 (11) Section 37.04;
- 20 (12) Section 43.07;
- 21 (13) Section 51.01;
- 22 (14) Section 62.06;
- 23 (15) Section 71.03; and
- 24 (16) Section 107.07(d).

25 (b) Effective September 1, 2021, Section 151.461(3), Tax  
26 Code, is repealed.

27 SECTION 402. (a) Effective December 31, 2020, the

1 following provisions of the Alcoholic Beverage Code relating to the  
2 permit and license application and protest process are repealed:

- 3 (1) Section 5.435;
- 4 (2) Section 5.46;
- 5 (3) Section 11.41;
- 6 (4) Section 25.051;
- 7 (5) Section 25.052;
- 8 (6) Section 26.06;
- 9 (7) Section 26.07;
- 10 (8) Section 61.311;
- 11 (9) Section 61.312;
- 12 (10) Section 61.32;
- 13 (11) Section 61.33;
- 14 (12) Sections 61.34(a) and (b);
- 15 (13) Section 61.39;
- 16 (14) Section 61.47; and
- 17 (15) Section 69.05.

18 (b) Effective December 31, 2020, the following provisions  
19 of the Government Code are repealed:

- 20 (1) Section 101.121; and
- 21 (2) Section 411.120.

22 SECTION 403. (a) The changes in law made by this Act do not  
23 affect the validity of a disciplinary action or other proceeding  
24 that was initiated before the effective date of this Act and that is  
25 pending on the effective date of this Act. A disciplinary action  
26 that is pending on the effective date of this Act is governed by the  
27 law in effect on the date the action was taken, and the former law is

1 continued in effect for that purpose.

2 (b) The repeal of a law by this Act does not entitle a person  
3 to a refund of a certificate, permit, or license fee paid by the  
4 person before the effective date of this Act.

5 SECTION 404. On September 1, 2021, the Texas Alcoholic  
6 Beverage Commission shall convert any existing permits issued under  
7 Chapter 12, 12A, or 13, Alcoholic Beverage Code, to the  
8 corresponding license under Chapter 62, 62A, or 63, Alcoholic  
9 Beverage Code. The new license shall have the same expiration date  
10 as the permit it is replacing.

11 SECTION 405. The holder of a permit who immediately before  
12 the effective date of this Act was authorized under the permit to  
13 purchase, sell, transport, or store ale and malt liquor, may, after  
14 the effective date of the provisions of this Act changing  
15 references to "beer," "ale," and "malt liquor" in the Alcoholic  
16 Beverage Code to "malt beverages," continue to purchase, sell,  
17 transport, or store ale and malt liquor under that permit until the  
18 date the permit expires.

19 SECTION 406. (a) Effective September 1, 2019,  
20 notwithstanding the repeal by this section of Chapters 18 and 21,  
21 Alcoholic Beverage Code, a person holding a permit issued under  
22 Chapter 18 or 21, Alcoholic Beverage Code, on August 31, 2019, may  
23 continue to operate under that permit until the date the permit  
24 expires and Chapters 18 and 21, Alcoholic Beverage Code, remain in  
25 effect for those purposes.

26 (b) Effective September 1, 2019, the following provisions  
27 of the Alcoholic Beverage Code are repealed:

- 1 (1) Chapters 18, 21, 47, 49, 65, and 75;
- 2 (2) Section 5.05(b);
- 3 (3) Section 5.61;
- 4 (4) Section 15.02;
- 5 (5) Section 15.03;
- 6 (6) Section 15.06;
- 7 (7) Section 25.03;
- 8 (8) Section 35.02;
- 9 (9) Section 35.03;
- 10 (10) Section 35.04;
- 11 (11) Section 35.08;
- 12 (12) Section 36.02;
- 13 (13) Section 36.03;
- 14 (14) Section 36.09;
- 15 (15) Section 38.02;
- 16 (16) Section 38.03;
- 17 (17) Section 62.13;
- 18 (18) Sections 73.02, 73.03, 73.04, 73.05, 73.06,
- 19 73.07, 73.08, 73.09, 73.10, and 73.11;
- 20 (19) Section 74.10;
- 21 (20) Sections 108.52(d), (f), and (h); and
- 22 (21) Section 204.06.

23 SECTION 407. Except as otherwise provided by this Act, this  
24 Act takes effect September 1, 2021.