

1-1 By: Paddie (Senate Sponsor - Birdwell) H.B. No. 1545
 1-2 (In the Senate - Received from the House April 29, 2019;
 1-3 May 3, 2019, read first time and referred to Committee on Business
 1-4 & Commerce; May 17, 2019, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
 1-6 May 17, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 1545 By: Nichols

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the continuation and functions of the Texas Alcoholic
 1-22 Beverage Commission, including the consolidation, repeal, and
 1-23 creation of certain licenses and permits; changing fees.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Sections 1.04(5), (7), (13), (14), (15), (17),
 1-26 (18), and (27), Alcoholic Beverage Code, are amended to read as
 1-27 follows:

1-28 (5) "Liquor" means any alcoholic beverage, other than
 1-29 a malt beverage, containing alcohol in excess of five [~~four~~]
 1-30 percent by volume [~~weight~~], unless otherwise indicated. Proof that
 1-31 an alcoholic beverage is alcohol, spirits of wine, whiskey, liquor,
 1-32 wine, brandy, gin, rum, [~~ale, malt liquor,~~] tequila, mescal,
 1-33 habanero, or barreteago, is prima facie evidence that it is liquor.

1-34 (7) "Wine and vinous liquor" means the product
 1-35 obtained from the alcoholic fermentation of juice of sound ripe
 1-36 grapes, fruits, berries, or honey, and includes wine coolers and
 1-37 saké.

1-38 (13) "Mixed beverage" means one or more servings of a
 1-39 beverage composed in whole or part of an alcoholic beverage in a
 1-40 sealed or unsealed container of any legal size for consumption on
 1-41 the premises where served or sold by the holder of a mixed beverage
 1-42 permit, the holder of certain nonprofit entity temporary event
 1-43 permits [~~a daily temporary mixed beverage permit, the holder of a~~
 1-44 ~~caterer's permit, the holder of a mixed beverage late hours~~
 1-45 ~~permit~~], the holder of a private club registration permit, or the
 1-46 holder of certain retailer late hours certificates [~~a private club~~
 1-47 ~~late hours permit~~].

1-48 (14) "Barrel" means, as a standard of measure, a
 1-49 quantity of malt beverages [~~beer~~] equal to 31 standard gallons.

1-50 (15) "Malt beverage" [~~"Beer"~~] means a fermented [~~malt~~]
 1-51 beverage of any name or description containing one-half of one
 1-52 percent or more of alcohol by volume, brewed or produced from malt,
 1-53 in whole or in part, or from any malt substitute [~~and not more than~~
 1-54 ~~four percent of alcohol by weight~~].

1-55 (17) "Brewer [~~Manufacturer~~]" means a person engaged in
 1-56 the [~~manufacture or~~] brewing of malt beverages [~~beer~~], whether
 1-57 located inside or outside the state.

1-58 (18) "Original package," as applied to malt beverages
 1-59 [~~beer~~], means a container holding malt beverages [~~beer~~] in bulk, or
 1-60 any box, crate, carton, or other device used in packing malt

2-1 beverages [beer] that is contained in bottles or other containers.
2-2 (27) "Contract brewing arrangement" means an
2-3 arrangement in which two breweries, each of which has a separate
2-4 facility, contract for one brewery to brew [manufacture] malt
2-5 beverages on behalf of the other brewery due to the limited capacity
2-6 or other reasonable business necessity of one party to the
2-7 arrangement.

2-8 SECTION 2. Effective December 31, 2020, Section 1.04(9),
2-9 Alcoholic Beverage Code, is amended to read as follows:

2-10 (9) "Applicant" means a person who submits or files an
2-11 original or renewal application with the [~~county judge,~~
2-12 ~~commission[or administrator]~~] for a license or permit.

2-13 SECTION 3. Chapter 1, Alcoholic Beverage Code, is amended
2-14 by adding Sections 1.08 and 1.09 to read as follows:

2-15 Sec. 1.08. PREVENTION OF HUMAN TRAFFICKING. It is the
2-16 intent of the legislature to prevent human trafficking at all
2-17 permitted and licensed premises, and all provisions of this code
2-18 shall be liberally construed to carry out this intent, and it shall
2-19 be a duty and priority of the commission to adhere to a zero
2-20 tolerance policy of preventing human trafficking and related
2-21 practices.

2-22 Sec. 1.09. REFERENCES TO CERTAIN TERMS. A reference in this
2-23 code to:

2-24 (1) "Ale," "beer," or "malt liquor" means a malt
2-25 beverage.

2-26 (2) "Brewer's permit" or "manufacturer's license"
2-27 means a brewer's license.

2-28 (3) "Nonresident brewer's permit" or "nonresident
2-29 manufacturer's license" means a nonresident brewer's license.

2-30 (4) "Wine and beer retailer's off-premise permit"
2-31 means a wine and malt beverage retailer's off-premise permit.

2-32 (5) "Wine and beer retailer's permit" means a wine and
2-33 malt beverage retailer's permit.

2-34 SECTION 4. Effective September 1, 2019, Section 5.01(b),
2-35 Alcoholic Beverage Code, is amended to read as follows:

2-36 (b) The Texas Alcoholic Beverage Commission is subject to
2-37 Chapter 325, Government Code (Texas Sunset Act). Unless continued
2-38 in existence as provided by that chapter, the commission is
2-39 abolished and Subchapter A, Chapter 5, expires September 1, 2031
2-40 [~~2019~~].

2-41 SECTION 5. Effective September 1, 2019, Section 5.02(a),
2-42 Alcoholic Beverage Code, is amended to read as follows:

2-43 (a) The commission is composed of five [three] members, who
2-44 are appointed by the governor with the advice and consent of the
2-45 senate.

2-46 SECTION 6. Effective September 1, 2019, Section 5.022,
2-47 Alcoholic Beverage Code, is amended by amending Subsection (b) and
2-48 adding Subsection (d) to read as follows:

2-49 (b) The training program must provide the person with
2-50 information regarding:

2-51 (1) the law governing [~~legislation that created the]~~
2-52 commission operations;

2-53 (2) [and] the [commission's] programs, functions,
2-54 rules, and budget of the commission;

2-55 (3) the scope of and limitations on the rulemaking
2-56 authority of the commission;

2-57 (4) [~~(2)~~] the results of the most recent formal audit
2-58 of the commission;

2-59 (5) [~~(3)~~] the requirements of:
2-60 (A) laws relating to open meetings, public
2-61 information, administrative procedure, and disclosing conflicts of
2-62 interest; and

2-63 (B) other laws applicable to members of a state
2-64 policymaking body in performing their duties; and

2-65 (6) [~~(4)~~] any applicable ethics policies adopted by
2-66 the commission or the Texas Ethics Commission.

2-67 (d) The administrator of the commission shall create a
2-68 training manual that includes the information required by
2-69 Subsection (b). The administrator shall distribute a copy of the

3-1 training manual annually to each member of the commission. Each
3-2 member of the commission shall sign and submit to the administrator
3-3 a statement acknowledging that the member received and has reviewed
3-4 the training manual.

3-5 SECTION 7. Effective September 1, 2019, Section 5.03,
3-6 Alcoholic Beverage Code, is amended to read as follows:

3-7 Sec. 5.03. TERMS OF OFFICE. The members of the commission
3-8 hold office for staggered terms of six years, with the term of one
3-9 or two members [~~member~~] expiring every two years. Each member holds
3-10 office until the member's [~~his~~] successor is appointed and has
3-11 qualified. The governor may appoint a [A] member to serve
3-12 consecutive terms [~~may be appointed to succeed himself~~].

3-13 SECTION 8. Effective September 1, 2019, Section 5.05,
3-14 Alcoholic Beverage Code, is amended by amending Subsections (a),
3-15 (a-1), and (a-2) and adding Subsection (a-3) to read as follows:

3-16 (a) A [No] person may not be appointed to or serve on the
3-17 commission, or hold an office under the commission, or be employed
3-18 by the commission, if the person is employed by or [~~who:~~

3-19 [~~(1)~~] has a [~~any~~] financial interest [~~connection with a~~
3-20 person engaged] in an alcoholic beverage business. For purposes of
3-21 this subsection, a person has a financial interest[~~+~~

3-22 [~~(2)~~ holds stocks or bonds] in an alcoholic beverage
3-23 business if:

3-24 (1) the person owns or controls, directly or
3-25 indirectly, an ownership [~~+~~ or

3-26 [~~(3)~~ has a pecuniary] interest of:

3-27 (A) at least five percent in a single [~~an~~
3-28 alcoholic beverage business, including the right to share in
3-29 profits, proceeds, or capital gains; or

3-30 (B) at least five percent cumulative interest,
3-31 including the right to share in profits, proceeds, or capital
3-32 gains, in multiple alcoholic beverage businesses; or

3-33 (2) the person's spouse or child has an ownership
3-34 interest described by Subdivision (1).

3-35 (a-1) A financial interest prohibited by Subsection (a)
3-36 does not include an ownership interest under a retirement plan, a
3-37 blind trust, or insurance coverage, or an ownership interest of
3-38 less than five percent in a corporation.

3-39 (a-2) Notwithstanding any other law, a child of a commission
3-40 employee may be employed by the holder of a license or permit issued
3-41 under this code.

3-42 (a-3) [~~(a-2)~~] The commission shall establish an agency
3-43 policy requiring employees to disclose information regarding their
3-44 children's employment by a holder of a license or permit issued
3-45 under this code.

3-46 SECTION 9. Effective September 1, 2019, Subchapter A,
3-47 Chapter 5, Alcoholic Beverage Code, is amended by adding Section
3-48 5.21 to read as follows:

3-49 Sec. 5.21. ADVISORY COMMITTEES. (a) The commission, by
3-50 rule, may establish advisory committees it considers necessary to
3-51 accomplish the purposes of this code.

3-52 (b) Chapter 2110, Government Code, applies to an advisory
3-53 committee created by the commission.

3-54 SECTION 10. Effective September 1, 2019, the heading to
3-55 Section 5.361, Alcoholic Beverage Code, is amended to read as
3-56 follows:

3-57 Sec. 5.361. ENFORCEMENT; INSPECTIONS.

3-58 SECTION 11. Effective September 1, 2019, Section 5.361,
3-59 Alcoholic Beverage Code, is amended by adding Subsections (a-1) and
3-60 (a-2) to read as follows:

3-61 (a-1) As part of the commission's enforcement activities
3-62 under this section, the commission by rule shall develop a plan for
3-63 inspecting permittees and licensees using a risk-based approach
3-64 that prioritizes public safety. The inspection plan may provide
3-65 for a virtual inspection of the permittee or licensee that may
3-66 include a review of the permittee's or licensee's records or it may
3-67 also require a physical inspection of the permittee's or licensee's
3-68 premises.

3-69 (a-2) The inspection plan must:

4-1 (1) establish a timeline for the inspection of each
4-2 permittee and licensee that ensures that high-risk permittees and
4-3 licensees are prioritized; and

4-4 (2) require the commission to physically inspect the
4-5 premises of each permittee and licensee within a reasonable time as
4-6 set by rule.

4-7 SECTION 12. Effective September 1, 2019, Subchapter B,
4-8 Chapter 5, Alcoholic Beverage Code, is amended by adding Sections
4-9 5.363 and 5.364 to read as follows:

4-10 Sec. 5.363. DISCIPLINARY AUTHORITY OF ADMINISTRATOR AND
4-11 COMMISSION. (a) The commission by rule may delegate to the
4-12 administrator the authority to take disciplinary and enforcement
4-13 actions against a person subject to the commission's regulation
4-14 under this code, including the authority to enter into an agreed
4-15 settlement of a disciplinary action. In the rules adopted under
4-16 this subsection, the commission shall specify a threshold for the
4-17 types of disciplinary and enforcement actions that are delegated to
4-18 the administrator.

4-19 (b) The commission shall make the final decision in any
4-20 disciplinary action in a contested case that has had an
4-21 administrative hearing.

4-22 Sec. 5.364. RECEIPT AND USE OF MARKET DATA. (a) The
4-23 commission may receive market data that is voluntarily provided by
4-24 a licensee or permittee under this code.

4-25 (b) The commission may only use the market data received
4-26 under Subsection (a) for the commission's law enforcement purposes.
4-27 The commission may not use the data to create a database of
4-28 information containing individually identifying information.

4-29 SECTION 13. Section 5.40, Alcoholic Beverage Code, is
4-30 amended to read as follows:

4-31 Sec. 5.40. REGULATION OF MALT BEVERAGE ~~[BEER]~~ CONTAINER
4-32 DEPOSITS. If the commission finds it necessary to effectuate the
4-33 purposes of this code, it may adopt rules to provide a schedule of
4-34 deposits required to be obtained on malt beverage ~~[beer]~~ containers
4-35 delivered by a licensee.

4-36 SECTION 14. Effective December 31, 2020, Section 5.43,
4-37 Alcoholic Beverage Code, is amended to read as follows:

4-38 Sec. 5.43. WHO MAY HOLD HEARING; RULES OF EVIDENCE. (a)
4-39 Except ~~[as provided by Subsection (b)]~~ for a hearing ~~[held under~~
4-40 ~~Section 61.32 of this code, a hearing]~~ on the adoption of commission
4-41 rules~~[-]~~ or a hearing on an employment matter, the commission
4-42 designates the State Office of Administrative Hearings to conduct
4-43 and make a record of any hearing authorized by this code. If the
4-44 commission or administrator declares a hearing to be an emergency,
4-45 the State Office of Administrative Hearings shall assign an
4-46 administrative law judge or may contract with a qualified
4-47 individual within five days and set a hearing as soon as possible.

4-48 (b) The commission ~~[or administrator]~~ may render a decision
4-49 on the basis of the record or the proposal for decision if one is
4-50 required under the administrative procedure law, Chapter 2001,
4-51 Government Code, as if the ~~[administrator or entire]~~ commission had
4-52 conducted the hearing. The commission may prescribe its rules of
4-53 procedure for cases not heard by the State Office of Administrative
4-54 Hearings.

4-55 SECTION 15. Section 5.50, Alcoholic Beverage Code, is
4-56 amended to read as follows:

4-57 Sec. 5.50. ESTABLISHMENT OF CERTAIN FEES. (a) The
4-58 commission by rule may establish reasonable fees for tasks and
4-59 services performed by the commission in carrying out the provisions
4-60 of this code, including fees for ~~[incidental to]~~ the issuance of
4-61 certificates, licenses, and permits under Title 3 ~~[of this code]~~.

4-62 (b) The commission may not increase or decrease a fee set by
4-63 this code, but if a statute is enacted creating a certificate,
4-64 permit, or license and there is no fee established, the commission
4-65 by rule may set a fee. The commission by rule shall assess a fee
4-66 ~~[surcharges]~~ on all applicants for an original or renewal
4-67 certificate, permit, or license issued by the commission ~~[in~~
4-68 ~~addition to any fee set by this code]~~ and collect the fee
4-69 ~~[surcharges]~~ at the time of application.

5-1 (b-1) The commission shall develop a process for setting
5-2 fees that ensures the amount of the fees for an original or renewal
5-3 certificate, permit, or license is sufficient to cover the costs
5-4 incurred by the commission in administering this code. The process
5-5 must:

5-6 (1) allow the commission to:
5-7 (A) consider relevant information including the
5-8 type of business being regulated and the level of regulatory
5-9 activities associated with each certificate, permit, or license;
5-10 and

5-11 (B) set different fees for the same original or
5-12 renewal certificate, permit, or license if the commission
5-13 determines the level of regulatory activities associated with a
5-14 certificate, permit, or license varies; and

5-15 (2) ensure that [In assessing a surcharge,] the
5-16 commission does [may] not overly penalize any segment of the
5-17 alcoholic beverage industry or impose an undue hardship on small
5-18 businesses.

5-19 (b-2) The commission shall periodically review the amount
5-20 of each fee collected under this code and adjust the amount of each
5-21 fee to ensure that the commission's regulatory costs are fairly
5-22 allocated among all certificate, permit, and license holders.

5-23 (c) The commission shall post on the commission's Internet
5-24 website the maximum amount of the fee for each permit and license
5-25 that a local governmental entity may levy and collect under
5-26 [Insofar as they relate to the levying and collection of a local
5-27 fee,] Sections 11.38 and 61.36 [of this code do not apply to fees
5-28 set by rule of the commission].

5-29 (d) Revenues [and surcharges] from fees collected by the
5-30 commission under this section shall be deposited in the general
5-31 revenue fund.

5-32 SECTION 16. Section 5.51, Alcoholic Beverage Code, is
5-33 amended to read as follows:

5-34 Sec. 5.51. BOOKKEEPING RECORDS. A permittee who holds a
5-35 permit issued under Chapter [Chapters] 28, 30, or 32 [~~through 33 of~~
5-36 ~~this code~~] may elect to keep all records required under this code on
5-37 a machine bookkeeping system. A permittee who desires to use such a
5-38 system must submit a written application for commission approval of
5-39 the system before implementing the system. The commission may
5-40 authorize a permittee to centralize the permittee's records.

5-41 SECTION 17. Effective September 1, 2019, Section 5.56(b),
5-42 Alcoholic Beverage Code, is amended to read as follows:

5-43 (b) The commission in accordance with this subsection may
5-44 recover the amount transferred under Subsection (a) by imposing a
5-45 surcharge on licenses and permits [~~, other than an agent's permit or~~
5-46 ~~an agent's beer license,~~] issued or renewed by the commission each
5-47 fiscal year. The surcharge shall be an amount equal to the amount
5-48 transferred under Subsection (a) divided by the number of licenses
5-49 and permits the commission anticipates issuing during that year,
5-50 rounded down to the next lowest whole dollar.

5-51 SECTION 18. Section 5.57(c), Alcoholic Beverage Code, is
5-52 amended to read as follows:

5-53 (c) The commission shall make a reasonable attempt to meet
5-54 with alcoholic beverage industry representatives from:

5-55 (1) the manufacturing, distribution, and retail tiers
5-56 of the industry; and

5-57 (2) the liquor, malt beverage [~~beer~~], and wine
5-58 segments of the industry.

5-59 SECTION 19. Effective September 1, 2019, Subchapter B,
5-60 Chapter 5, Alcoholic Beverage Code, is amended by adding Section
5-61 5.581 to read as follows:

5-62 Sec. 5.581. DISCLOSURE OF PERSONNEL RECORDS OF COMMISSIONED
5-63 PEACE OFFICERS. (a) In this section, "personnel record" includes
5-64 any letter, memorandum, or document maintained by the commission
5-65 that relates to a commissioned peace officer of the commission,
5-66 including background investigations, employment applications,
5-67 employment contracts, service and training records, requests for
5-68 off-duty employment, birth records, reference letters, letters of
5-69 recommendation, performance evaluations and counseling records,

6-1 results of physical tests, polygraph questionnaires and results,
 6-2 proficiency tests, the results of health examinations and other
 6-3 medical records, workers' compensation files, the results of
 6-4 psychological examinations, leave requests, requests for transfers
 6-5 of shift or duty assignments, commendations, promotional
 6-6 processes, demotions, complaints and investigations,
 6-7 employment-related grievances, and school transcripts.

6-8 (b) Except as provided by Subsection (c), the personnel
 6-9 records of a commissioned peace officer of the commission may not be
 6-10 disclosed under Chapter 552, Government Code, or otherwise made
 6-11 available to the public while there is a pending internal
 6-12 investigation for alleged employee misconduct.

6-13 (c) The commission may release any personnel record of a
 6-14 commissioned peace officer:

6-15 (1) pursuant to a subpoena or court order, including a
 6-16 discovery order;

6-17 (2) for use by the commission in an administrative
 6-18 hearing; or

6-19 (3) with the written authorization of the officer who
 6-20 is the subject of the record, as long as release of the information
 6-21 does not interfere with the investigation of alleged misconduct by
 6-22 the commissioned peace officer.

6-23 (d) A release of information under Subsection (c) does not
 6-24 wave the right to assert in the future that the information is
 6-25 excepted from required disclosure under this section or other law.

6-26 SECTION 20. Sections 6.03(g) and (k), Alcoholic Beverage
 6-27 Code, are amended to read as follows:

6-28 (g) To accommodate the interests of the consuming public,
 6-29 the expansion of popular nationwide businesses, and the increasing
 6-30 state interest in tourism, and at the same time to guard against the
 6-31 threats of organized crime, unfair competition, and decreased
 6-32 opportunities for small businesses, the legislature finds that
 6-33 there is no longer need for the three-year residency requirements
 6-34 with regard to those segments of the industry that sell alcoholic
 6-35 beverages to the ultimate consumer only. The legislature finds
 6-36 that it is desirable to retain a one-year residency requirement for
 6-37 businesses that sell to the consumer packaged liquor and fortified
 6-38 wine capable of being used to supply legal or illegal bars and
 6-39 clubs. The legislature also finds it reasonable, desirable, and in
 6-40 the best interests of the state to provide a one-year residency
 6-41 requirement for businesses engaged in the wholesale distribution of
 6-42 [~~beer,~~] malt beverages [~~liquor,~~] or wine or in the manufacture and
 6-43 distribution of distilled spirits and fortified wines at both the
 6-44 wholesale and the retail levels where those beverages, in unopened
 6-45 containers, are sold to mixed beverage permittees and private club
 6-46 registration permittees as well as to the general public. Adequate
 6-47 protection is deemed to be provided by controlling those sources of
 6-48 supply for distilled spirits and fortified wines.

6-49 (k) A requirement under this code that 51 percent or more of
 6-50 the stock of a corporation be owned by a person or persons who were
 6-51 citizens of this state for a one-year period preceding the date of
 6-52 the filing of an application for a license or permit does not apply
 6-53 to a corporation organized under the laws of this state that applies
 6-54 for a license or permit under Chapters 25, 26, 28, 30, 32, 48, 50,
 6-55 69, 71, and [25-34, Chapter 44, Chapters 48-51, Chapters 69-72, or
 6-56 Chapter] 74 [of this code] if:

6-57 (1) all of the officers and a majority of directors of
 6-58 the applicant corporation have resided within the state for a
 6-59 one-year period preceding the date of the application and each
 6-60 officer or director possesses the qualifications required of other
 6-61 applicants for permits and licenses;

6-62 (2) the applicant corporation and the applicant's
 6-63 shareholders have no direct or indirect ownership or other
 6-64 prohibited relationship with others engaged in the alcoholic
 6-65 beverage industry at different levels as provided by Chapter 102
 6-66 [~~of this code~~] and other provisions of this code;

6-67 (3) the applicant corporation is not precluded by law,
 6-68 rule, charter, or corporate bylaw from disclosing the applicant's
 6-69 shareholders to the commission; and

7-1 (4) the applicant corporation maintains its books and
 7-2 records relating to its alcoholic beverage operations in the state
 7-3 at its registered office or at a location in the state approved in
 7-4 writing by the commission.

7-5 SECTION 21. Effective September 1, 2019, Section 11.01(c),
 7-6 Alcoholic Beverage Code, is amended to read as follows:

7-7 (c) A right or privilege granted by this section as an
 7-8 exception to prohibitions contained elsewhere in this code may be
 7-9 exercised only in the manner provided. ~~[An act done by a person
 7-10 which is not permitted by this code is unlawful.]~~

7-11 SECTION 22. Effective December 31, 2020, Section 11.015,
 7-12 Alcoholic Beverage Code, is amended to read as follows:

7-13 Sec. 11.015. HEARING LOCATION. Notwithstanding any other
 7-14 provision of this code, ~~[except for a hearing required to be
 7-15 conducted by a county judge,]~~ a hearing related to the issuance,
 7-16 renewal, cancellation, or suspension of a permit under this
 7-17 subtitle may be conducted:

7-18 (1) in the county in which the premises is located;

7-19 (2) at the nearest permanent hearing office of the
 7-20 State Office of Administrative Hearings; or

7-21 (3) at any location agreed to by the parties.

7-22 SECTION 23. Sections 11.09(a) and (b), Alcoholic Beverage
 7-23 Code, are amended to read as follows:

7-24 (a) A permit issued under this code expires on the second
 7-25 anniversary of the date it is issued, except as provided by
 7-26 Subsections (d) and (e) or another provision of this code.
 7-27 ~~[Notwithstanding Section 5.50(b), the commission shall double the
 7-28 amount of fees and surcharges otherwise applicable under this code
 7-29 for a permit with a two-year term.]~~

7-30 (b) A secondary permit which requires the holder of the
 7-31 permit to first obtain another permit, including a retailer late
 7-32 hours certificate ~~[permit or temporary permit]~~, expires on the same
 7-33 date the basic or primary permit expires. The commission may not
 7-34 prorate or refund any part of the fee for the secondary permit if
 7-35 the application of this section results in the expiration of the
 7-36 permit in less than two years.

7-37 SECTION 24. Section 11.13(a), Alcoholic Beverage Code, is
 7-38 amended to read as follows:

7-39 (a) This section applies only to a license or permit held in
 7-40 connection with an establishment located in a county with a
 7-41 population of 1.4 million or more for which a license or permit has
 7-42 been issued under Chapter 25 or 69 for the on-premises consumption
 7-43 of malt beverages ~~[beer]~~ exclusively or malt beverages ~~[beer]~~ and
 7-44 wine exclusively, other than a license or permit for an
 7-45 establishment holding a food and beverage certificate whose primary
 7-46 business being operated on the premises is food service.

7-47 SECTION 25. Effective September 1, 2019, Section 11.31,
 7-48 Alcoholic Beverage Code, is amended to read as follows:

7-49 Sec. 11.31. APPLICATION FOR PERMIT. All permits shall be
 7-50 applied for and obtained from the commission. ~~[This section does
 7-51 not apply to wine and beer retailer's permits, except those for
 7-52 railway cars or excursion boats, or to wine and beer retailer's
 7-53 off-premise permits.]~~

7-54 SECTION 26. Section 11.321(b), Alcoholic Beverage Code, is
 7-55 amended to read as follows:

7-56 (b) In addition to any other applicable civil or criminal
 7-57 penalty, the commission may impose an administrative penalty not to
 7-58 exceed \$4,000 on a licensee or permittee who makes a false or
 7-59 misleading statement in an original or renewal application, either
 7-60 in the formal application itself or in any written instrument
 7-61 relating to the application submitted to the commission or its
 7-62 officers or employees, in connection with an establishment that is
 7-63 licensed or permitted under Chapter 25 or 69 for the on-premises
 7-64 consumption of malt beverages ~~[beer]~~ exclusively or malt beverages
 7-65 ~~[beer]~~ and wine exclusively, other than an establishment holding a
 7-66 food and beverage certificate whose primary business being operated
 7-67 on the premises is food service.

7-68 SECTION 27. Section 11.34, Alcoholic Beverage Code, is
 7-69 amended to read as follows:

8-1 Sec. 11.34. CONSOLIDATED APPLICATION. (a) An applicant
8-2 for a wholesaler's, class B wholesaler's, distiller's and
8-3 rectifier's, ~~[brewer's,]~~ or winery permit may consolidate in a
8-4 single application the [his] application for that permit and an
8-5 [his] application for~~+~~

8-6 ~~[(1) private storage,~~
8-7 ~~[(2) storage in a public bonded warehouse,~~
8-8 ~~[(3) a private carrier's permit, and~~
8-9 ~~[(4)]~~ any other permit the applicant [he] is qualified
8-10 to receive.

8-11 (b) An applicant who files a consolidated application must
8-12 pay the fee required by commission rule [prescribed in this code]
8-13 for each permit included in the application.

8-14 SECTION 28. Effective September 1, 2019, Sections 11.37(a),
8-15 (b), and (d), Alcoholic Beverage Code, are amended to read as
8-16 follows:

8-17 (a) Not later than the 30th day after the date a prospective
8-18 applicant for a permit issued by the commission requests
8-19 certification, the [The] county clerk of the county in which the
8-20 request [an application for a permit] is made shall certify whether
8-21 the location or address given in the request [application] is in a
8-22 wet area and whether the sale of alcoholic beverages for which the
8-23 permit is sought is prohibited by any valid order of the
8-24 commissioners court.

8-25 (b) Not later than the 30th day after the date a prospective
8-26 applicant for a permit issued by the commission requests
8-27 certification, the [The] city secretary or clerk of the city in
8-28 which the request [an application for a permit] is made shall
8-29 certify whether the location or address given in the request
8-30 [application] is in a wet area and whether the sale of alcoholic
8-31 beverages for which the permit is sought is prohibited by charter or
8-32 ordinance.

8-33 (d) Notwithstanding any other provision of this code, if the
8-34 county clerk, city secretary, or city clerk certifies that the
8-35 location or address given in the request [application] is not in a
8-36 wet area or refuses to issue the certification required by this
8-37 section, the prospective applicant is entitled to a hearing before
8-38 the county judge to contest the certification or refusal to
8-39 certify. The prospective applicant must submit a written request
8-40 to the county judge for a hearing under this subsection. The
8-41 county judge shall conduct a hearing required by this subsection
8-42 not later than the 30th day after the date the county judge receives
8-43 the written request.

8-44 SECTION 29. Sections 11.38(a) and (d), Alcoholic Beverage
8-45 Code, are amended to read as follows:

8-46 (a) The governing body of a city or town may levy and collect
8-47 a fee ~~[not to exceed one-half the state fee]~~ for each permit issued
8-48 for premises located within the city or town. The commissioners
8-49 court of a county may levy and collect a fee ~~[equal to one-half of~~
8-50 ~~the state fee]~~ for each permit issued for premises located within
8-51 the county. The fees authorized by this subsection may not exceed
8-52 one-half the statutory fee provided in this code as of August 31,
8-53 2021, for the permit issued. Those authorities may not levy or
8-54 collect any other fee or tax from the permittee except general ad
8-55 valorem taxes, the hotel occupancy tax levied under Chapter 351,
8-56 Tax Code, and the local sales and use tax levied under Chapter 321,
8-57 Tax Code.

8-58 (d) The following are exempt from the fee authorized in this
8-59 section:

8-60 (1) ~~[agent's, airline beverage,]~~ passenger
8-61 transportation [train beverage, passenger bus beverage,
8-62 industrial], carrier [carrier's, private carrier's], private club
8-63 registration, and local cartage[~~, storage, and temporary wine and~~
8-64 beer retailer's] permits;

8-65 ~~[(2) a wine and beer retailer's permit issued for a~~
8-66 dining, buffet, or club car,] and

8-67 (2) ~~[(3)]~~ a mixed beverage permit during the
8-68 three-year period following the issuance of the permit.

8-69 SECTION 30. Effective December 31, 2020, Section 11.38(e),

9-1 Alcoholic Beverage Code, is amended to read as follows:
9-2 (e) The commission or administrator may cancel or the
9-3 commission may deny a permit for the retail sale or service of
9-4 alcoholic beverages, including a permit held by the holder of a food
9-5 and beverage certificate, if it finds that the permit holder or
9-6 applicant has not paid delinquent ad valorem taxes due on that
9-7 permitted premises or due from a business operated on that premises
9-8 to any taxing authority in the county of the premises. For purposes
9-9 of this subsection, a permit holder or applicant is presumed
9-10 delinquent in the payment of taxes due if the permit holder or
9-11 applicant:

9-12 (1) is placed on a delinquent tax roll prepared under
9-13 Section 33.03, Tax Code;

9-14 (2) has received a notice of delinquency under Section
9-15 33.04, Tax Code; and

9-16 (3) has not made a payment required under Section
9-17 42.08, Tax Code.

9-18 SECTION 31. Sections 11.39(a) and (d), Alcoholic Beverage
9-19 Code, are amended to read as follows:

9-20 (a) Every applicant for a ~~[brewer's,]~~ distiller's and
9-21 rectifier's, mixed beverage, private club registration, winery,
9-22 wholesaler's, class B wholesaler's, ~~[wine bottler's,]~~ or package
9-23 store permit shall give notice of the application by publication at
9-24 the applicant's ~~[his]~~ own expense in two consecutive issues of a
9-25 newspaper of general circulation published in the city or town in
9-26 which the applicant's ~~[his]~~ place of business is located. If no
9-27 newspaper is published in the city or town, the notice shall be
9-28 published in a newspaper of general circulation published in the
9-29 county where the applicant's business is located. If no newspaper
9-30 is published in the county, the notice shall be published in a
9-31 qualified newspaper published in the closest neighboring county and
9-32 circulated in the county of the applicant's residence.

9-33 (d) This section does not apply to:

9-34 (1) an applicant for a nonprofit entity ~~[daily]~~
9-35 temporary event ~~[mixed beverage]~~ permit; or

9-36 (2) commission authorization required to sell
9-37 alcoholic beverages under Section 28.19 ~~[or a caterer's permit]~~.

9-38 SECTION 32. Section 11.391(c), Alcoholic Beverage Code, is
9-39 amended to read as follows:

9-40 (c) This section does not apply to an applicant for a permit
9-41 issued under Chapter 16, 19, 20, ~~[21,]~~ 22, 23, or 24 ~~[, or 52]~~.

9-42 SECTION 33. Section 11.392(a), Alcoholic Beverage Code, is
9-43 amended to read as follows:

9-44 (a) The commission shall give notice of an application for a
9-45 permit or renewal of a permit issued under Chapter 32, an
9-46 application for a permit issued under Section 30.09, or an
9-47 application for a certificate or renewal of a certificate issued to
9-48 the holder of a private club registration permit under Chapter 29
9-49 [or 33] to:

9-50 (1) the state senator and the state representative who
9-51 represent the district in which the premises are located;

9-52 (2) the municipal governing body, if the premises are
9-53 located in an incorporated area, and the commissioners court of the
9-54 county in which the premises are located; and

9-55 (3) the chief of police of the municipality, if the
9-56 premises are located in an incorporated area, and the sheriff of the
9-57 county in which the premises are located.

9-58 SECTION 34. (a) Effective December 31, 2020, Subchapter B,
9-59 Chapter 11, Alcoholic Beverage Code, is amended by amending Section
9-60 11.43 and adding Sections 11.431 and 11.432 to read as follows:

9-61 Sec. 11.43. APPLICATION REVIEW PROCESS ~~[DISCRETION TO GRANT~~
9-62 ~~OR REFUSE PERMIT]~~. (a) The commission has ~~[and administrator have]~~
9-63 discretionary authority ~~[to grant or refuse]~~ to issue an original
9-64 or renewal permit or deny an application for an original or renewal
9-65 permit under the provisions of this subchapter or any other
9-66 applicable provision of this code.

9-67 (b) On receipt of an application for a permit under this
9-68 code, the administrator shall evaluate the application. If a
9-69 protest against the application has been filed, the administrator

10-1 shall first evaluate the protest.

10-2 (c) If the administrator determines that no reasonable
10-3 grounds exist for the protest, or if no protest has been filed, the
10-4 administrator shall evaluate the permit application.

10-5 (d) If after evaluating the permit application under
10-6 Subsection (c) the administrator finds that all facts stated in the
10-7 application are true and no legal ground to deny the application
10-8 exists, the administrator shall issue a permit if the commission
10-9 has delegated authority to issue permits to the administrator. If
10-10 the commission has not delegated authority to issue permits to the
10-11 administrator, the administrator shall recommend to the commission
10-12 that the application be approved and the commission may issue the
10-13 permit. If the commission does not issue the permit, the
10-14 administrator shall refer the application for a hearing as provided
10-15 by Subsection (h).

10-16 (e) If after the evaluation of a permit application the
10-17 administrator finds a legal ground to deny the permit application,
10-18 the administrator shall recommend to the commission that the
10-19 application be denied. If the administrator recommends denial of
10-20 the application, the applicant may request a hearing as provided by
10-21 Subsection (h).

10-22 (f) If the administrator finds that reasonable grounds
10-23 exist for the protest, the administrator shall evaluate the
10-24 application in light of the protest. If, but for the protest, the
10-25 administrator would approve the application, the administrator
10-26 shall refer the protested application for a hearing. In a hearing
10-27 on a protested application, the State Office of Administrative
10-28 Hearings may request any information from the commission the office
10-29 determines relevant.

10-30 (g) If after evaluating the application with the protest the
10-31 administrator finds a legal ground to deny the permit application,
10-32 the administrator shall recommend to the commission that the
10-33 application be denied. If the administrator recommends denial of
10-34 the application, the applicant may request a hearing as provided by
10-35 Subsection (h).

10-36 (h) A hearing under this section shall be conducted by the
10-37 State Office of Administrative Hearings in a location authorized by
10-38 Section 11.015. Chapter 2001, Government Code, applies to a
10-39 hearing under this section. After a hearing the administrative law
10-40 judge shall make findings of fact and conclusions of law and
10-41 promptly issue to the commission a proposal for a decision on the
10-42 application. Based on the findings of fact, conclusions of law, and
10-43 proposal for a decision, the commission shall issue a final
10-44 decision denying the application or issuing the permit.

10-45 (i) If the commission denies a permit application, the
10-46 applicant may, after exhausting all administrative remedies,
10-47 appeal the commission's decision to a Travis County district court.

10-48 (j) The commission shall adopt rules to implement the
10-49 application review and protest process including reasonable
10-50 timelines, identifying the roles and responsibilities of all
10-51 parties involved in the process and identifying potential avenues
10-52 for mediation or informal dispute resolution.

10-53 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
10-54 of the public may protest an application for:

10-55 (1) ~~[Notwithstanding any other provision of this code~~
10-56 ~~that authorizes the commission or administrator to refuse to issue~~
10-57 ~~a permit without a hearing, the commission or administrator shall~~
10-58 ~~hold a hearing before granting or refusing to issue]~~ an original
10-59 mixed beverage permit, private club registration permit, or wine
10-60 and beer retailer's permit ~~[, or retail dealer's on-premise license]~~
10-61 if a sexually oriented business is to be operated on the premises to
10-62 be covered by the permit;

10-63 (2) ~~[or license.~~

10-64 ~~[(c) A hearing shall be held on]~~ any renewal ~~[application]~~
10-65 of a mixed beverage permit, private club registration permit, or
10-66 wine and beer retailer's permit ~~[, or retail dealer's on-premise~~
10-67 ~~license]~~ if a sexually oriented business is to be operated on the
10-68 premises to be covered by the permit ~~[or license]~~ and a petition is
10-69 presented to the commission requesting a hearing which is signed by

11-1 50 percent of the residents who reside within 300 feet of any
 11-2 property line of the affected premises;

11-3 (3) a private club registration permit or a permit
 11-4 authorizing the retail sale of alcoholic beverages for on-premises
 11-5 consumption if the person resides within 300 feet of any property
 11-6 line of the premises for which the permit is sought; and

11-7 (4) a mixed beverage permit or a wine and beer
 11-8 retailer's permit in a municipality with a population of 1,500,000
 11-9 or more if:

11-10 (A) any point of the property line of the premise
 11-11 is less than 300 feet from the nearest point on a property line of a
 11-12 residence, church, school, hospital, day-care facility, or social
 11-13 service facility, as measured in a straight line; and

11-14 (B) 75 percent or more of the permittee's actual
 11-15 or anticipated gross revenue is from the sale of alcoholic
 11-16 beverages.

11-17 (b) In addition to the situations described by Subsection
 11-18 (a), the commission by rule may authorize a member of the public to
 11-19 protest other permit applications the commission considers
 11-20 appropriate.

11-21 (c) ~~(d)~~ A protest made under this section ~~[request for a~~
 11-22 ~~hearing made under Subsection (b) or (c) of this section]~~ must
 11-23 include an allegation of grounds on which the original or renewal
 11-24 application, as applicable, should be denied.

11-25 Sec. 11.432. PROTEST BY GOVERNMENT OFFICIAL. (a) The
 11-26 following persons may protest an application for an alcoholic
 11-27 beverage permit:

11-28 (1) a state senator, state representative, county
 11-29 commissioner, or city council member who represents the area in
 11-30 which the premises sought to be permitted are located;

11-31 (2) the commissioners court of the county in which the
 11-32 premises sought to be permitted are located;

11-33 (3) the county judge of the county in which the
 11-34 premises sought to be permitted are located;

11-35 (4) the sheriff or county or district attorney of the
 11-36 county in which the premises sought to be permitted are located;

11-37 (5) the mayor of the city or town in which the premises
 11-38 sought to be permitted are located; and

11-39 (6) the chief of police, city marshal, or city
 11-40 attorney of the city or town in which the premises sought to be
 11-41 permitted are located.

11-42 (b) The commission may give due consideration to the
 11-43 recommendations of a person listed under Subsection (a) when
 11-44 evaluating an application for a permit under this code.

11-45 (b) Effective September 1, 2021, Subchapter B, Chapter 11,
 11-46 Alcoholic Beverage Code, is amended by amending Section 11.43 and
 11-47 adding Section 11.431 to read as follows:

11-48 Sec. 11.43. APPLICATION REVIEW PROCESS ~~[DISCRETION TO GRANT~~
 11-49 ~~OR REFUSE PERMIT]~~. (a) The commission ~~has~~ ~~[and administrator have]~~
 11-50 discretionary authority ~~[to grant or refuse]~~ to issue an original
 11-51 or renewal permit ~~or deny an application for an original or renewal~~
 11-52 permit under the provisions of this subchapter or any other
 11-53 applicable provision of this code.

11-54 (b) On receipt of an application for a permit under this
 11-55 code, the administrator shall evaluate the application. If a
 11-56 protest against the application has been filed, the administrator
 11-57 shall first evaluate the protest.

11-58 (c) If the administrator determines that no reasonable
 11-59 grounds exist for the protest, or if no protest has been filed, the
 11-60 administrator shall evaluate the permit application.

11-61 (d) If after evaluating the permit application under
 11-62 Subsection (c) the administrator finds that all facts stated in the
 11-63 application are true and no legal ground to deny the application
 11-64 exists, the administrator shall issue a permit if the commission
 11-65 has delegated authority to issue permits to the administrator. If
 11-66 the commission has not delegated authority to issue permits to the
 11-67 administrator, the administrator shall recommend to the commission
 11-68 that the application be approved and the commission may issue the
 11-69 permit. If the commission does not issue the permit, the

12-1 administrator shall refer the application for a hearing as provided
12-2 by Subsection (h).

12-3 (e) If after the evaluation of a permit application the
12-4 administrator finds a legal ground to deny the permit application,
12-5 the administrator shall recommend to the commission that the
12-6 application be denied. If the administrator recommends denial of
12-7 the application, the applicant may request a hearing as provided by
12-8 Subsection (h).

12-9 (f) If the administrator finds that reasonable grounds
12-10 exist for the protest, the administrator shall evaluate the
12-11 application in light of the protest. If, but for the protest, the
12-12 administrator would approve the application, the administrator
12-13 shall refer the protested application for a hearing. In a hearing
12-14 on a protested application, the State Office of Administrative
12-15 Hearings may request any information from the commission the office
12-16 determines relevant.

12-17 (g) If after evaluating the application with the protest the
12-18 administrator finds a legal ground to deny the permit application,
12-19 the administrator shall recommend to the commission that the
12-20 application be denied. If the administrator recommends denial of
12-21 the application, the applicant may request a hearing as provided by
12-22 Subsection (h).

12-23 (h) A hearing under this section shall be conducted by the
12-24 State Office of Administrative Hearings in a location authorized by
12-25 Section 11.015. Chapter 2001, Government Code, applies to a
12-26 hearing under this section. After a hearing the administrative law
12-27 judge shall make findings of fact and conclusions of law and
12-28 promptly issue to the commission a proposal for a decision on the
12-29 application. Based on the findings of fact, conclusions of law, and
12-30 proposal for a decision, the commission shall issue a final
12-31 decision denying the application or issuing the permit.

12-32 (i) If the commission denies a permit application, the
12-33 applicant may, after exhausting all administrative remedies,
12-34 appeal the commission's decision to a Travis County district court.

12-35 (j) The commission shall adopt rules to implement the
12-36 application review and protest process including reasonable
12-37 timelines, identifying the roles and responsibilities of all
12-38 parties involved in the process and identifying potential avenues
12-39 for mediation or informal dispute resolution.

12-40 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
12-41 of the public may protest an application for:

12-42 (1) ~~Notwithstanding any other provision of this code~~
12-43 ~~that authorizes the commission or administrator to refuse to issue~~
12-44 ~~a permit without a hearing, the commission or administrator shall~~
12-45 ~~hold a hearing before granting or refusing to issue] an original~~
12-46 mixed beverage permit, private club registration permit, or wine
12-47 and malt beverage ~~beer] retailer's permit[, or retail dealer's~~
12-48 ~~on-premise license] if a sexually oriented business is to be~~
12-49 operated on the premises to be covered by the permit;

12-50 (2) ~~or license.~~

12-51 ~~[(c) A hearing shall be held on] any renewal [application]~~
12-52 of a mixed beverage permit, private club registration permit, or
12-53 wine and malt beverage ~~beer] retailer's permit[, or retail~~
12-54 ~~dealer's on-premise license] if a sexually oriented business is to~~
12-55 be operated on the premises to be covered by the permit ~~or license]~~
12-56 and a petition is presented to the commission requesting a hearing
12-57 which is signed by 50 percent of the residents who reside within 300
12-58 feet of any property line of the affected premises;

12-59 (3) a private club registration permit or a permit
12-60 authorizing the retail sale of alcoholic beverages for on-premises
12-61 consumption if the person resides within 300 feet of any property
12-62 line of the premises for which the permit is sought; and

12-63 (4) a mixed beverage permit or a wine and malt beverage
12-64 retailer's permit in a municipality with a population of 1,500,000
12-65 or more if:

12-66 (A) any point of the property line of the premise
12-67 is less than 300 feet from the nearest point on a property line of a
12-68 residence, church, school, hospital, day-care facility, or social
12-69 service facility, as measured in a straight line; and

13-1 (B) 75 percent or more of the permittee's actual
 13-2 or anticipated gross revenue is from the sale of alcoholic
 13-3 beverages.

13-4 (b) In addition to the situations described by Subsection
 13-5 (a), the commission by rule may authorize a member of the public to
 13-6 protest other permit applications the commission considers
 13-7 appropriate.

13-8 (c) [~~(d)~~] A protest made under this section [request for a
 13-9 hearing made under Subsection (b) or (c) of this section] must
 13-10 include an allegation of grounds on which the original or renewal
 13-11 application, as applicable, should be denied.

13-12 SECTION 35. Effective December 31, 2020, Section 11.44(b),
 13-13 Alcoholic Beverage Code, is amended to read as follows:

13-14 (b) The commission [~~or administrator~~] shall deny an
 13-15 application [refuse to issue] for [a period of three years] a permit
 13-16 or license for any location of [to] an applicant who submitted a
 13-17 prior application that expired or was voluntarily surrendered
 13-18 before the hearing on the application was held on a protest
 13-19 involving allegations of prostitution, a shooting, stabbing, or
 13-20 other violent act, or an offense involving drugs or trafficking of
 13-21 persons before the third anniversary of [The three-year period
 13-22 commences on] the date the prior application expired or was
 13-23 voluntarily surrendered.

13-24 SECTION 36. (a) Effective September 1, 2019, Section
 13-25 11.46(a), Alcoholic Beverage Code, is amended to read as follows:

13-26 (a) The commission or administrator may refuse to issue an
 13-27 original or renewal permit with or without a hearing if it has
 13-28 reasonable grounds to believe and finds that any of the following
 13-29 circumstances exists:

13-30 (1) the applicant has been convicted in a court of
 13-31 competent jurisdiction of the violation of any provision of this
 13-32 code during the two years immediately preceding the filing of the
 13-33 [his] application;

13-34 (2) five years have not elapsed since the termination,
 13-35 by pardon or otherwise, of a sentence imposed on the applicant for
 13-36 the conviction of a felony;

13-37 (3) within the six-month period immediately preceding
 13-38 the [his] application the applicant violated or caused to be
 13-39 violated a provision of this code or a rule or regulation of the
 13-40 commission which involves moral turpitude, as distinguished from a
 13-41 technical violation of this code or of the rule;

13-42 (4) the applicant failed to answer or falsely or
 13-43 incorrectly answered a question in an original or renewal
 13-44 application;

13-45 (5) the applicant is indebted to the state for any
 13-46 taxes, fees, or payment of penalty imposed by this code or by rule
 13-47 of the commission;

13-48 (6) the applicant is not of good moral character or the
 13-49 applicant's [his] reputation for being a peaceable, law-abiding
 13-50 citizen in the community where the applicant [he] resides is bad;

13-51 (7) the applicant is a minor;

13-52 (8) the place or manner in which the applicant may
 13-53 conduct the applicant's [his] business warrants the denial
 13-54 [refusal] of the application for a permit based on the general
 13-55 welfare, health, peace, morals, and safety of the people and on the
 13-56 public sense of decency;

13-57 (9) the applicant has developed an incapacity that
 13-58 prevents or could prevent the applicant from conducting the
 13-59 applicant's business with reasonable skill, competence, and safety
 13-60 to the public [is in the habit of using alcoholic beverages to
 13-61 excess or is physically or mentally incapacitated];

13-62 (10) the applicant will sell liquor unlawfully in a
 13-63 dry area or in a manner contrary to law or will knowingly permit an
 13-64 agent, servant, or employee to do so;

13-65 (11) the applicant is not a United States citizen or
 13-66 has not been a citizen of Texas for a period of one year immediately
 13-67 preceding the filing of the applicant's [his] application, unless
 13-68 the applicant [he] was issued a permit or renewal permit on or
 13-69 before September 1, 1948, and has at some time been a United States

14-1 citizen;

14-2 (12) the applicant does not provide an adequate
14-3 building available at the address for which the permit is sought
14-4 before conducting any activity authorized by the permit;

14-5 (13) the applicant is residentially domiciled with a
14-6 person whose permit or license has been cancelled for cause within
14-7 the 12 months immediately preceding the date of the applicant's
14-8 [his] present application;

14-9 (14) the applicant has failed or refused to furnish a
14-10 true copy of the applicant's [his] application to the commission's
14-11 district office in the district in which the premises for which the
14-12 permit is sought are located; or

14-13 (15) during the six months immediately preceding the
14-14 filing of the application the premises for which the permit is
14-15 sought have been operated, used, or frequented for a purpose or in a
14-16 manner that is lewd, immoral, or offensive to public decency.

14-17 (b) Effective December 31, 2020, Section 11.46, Alcoholic
14-18 Beverage Code, is amended to read as follows:

14-19 Sec. 11.46. GENERAL GROUNDS FOR DENIAL ~~[REFUSAL]~~. (a) The
14-20 commission ~~[or administrator]~~ may deny an application for [refuse
14-21 to issue] an original or renewal permit ~~[with or without a hearing]~~
14-22 if it has reasonable grounds to believe and finds that any of the
14-23 following circumstances exists:

14-24 (1) the applicant has been convicted in a court of
14-25 competent jurisdiction of the violation of any provision of this
14-26 code during the two years immediately preceding the filing of the
14-27 [his] application;

14-28 (2) five years have not elapsed since the termination,
14-29 by pardon or otherwise, of a sentence imposed on the applicant for
14-30 the conviction of a felony;

14-31 (3) within the six-month period immediately preceding
14-32 the [his] application the applicant violated or caused to be
14-33 violated a provision of this code or a rule or regulation of the
14-34 commission which involves moral turpitude, as distinguished from a
14-35 technical violation of this code or of the rule;

14-36 (4) the applicant failed to answer or falsely or
14-37 incorrectly answered a question in an original or renewal
14-38 application;

14-39 (5) the applicant is indebted to the state for any
14-40 taxes, fees, or payment of penalty imposed by this code or by rule
14-41 of the commission;

14-42 (6) the applicant is not of good moral character or the
14-43 applicant's [his] reputation for being a peaceable, law-abiding
14-44 citizen in the community where the applicant [he] resides is bad;

14-45 (7) the applicant is a minor;

14-46 (8) the place or manner in which the applicant may
14-47 conduct the applicant's [his] business warrants the denial
14-48 [refusal] of the application for a permit based on the general
14-49 welfare, health, peace, morals, and safety of the people and on the
14-50 public sense of decency;

14-51 (9) the applicant has developed an incapacity that
14-52 prevents or could prevent the applicant from conducting the
14-53 applicant's business with reasonable skill, competence, and safety
14-54 to the public [is in the habit of using alcoholic beverages to
14-55 excess or is physically or mentally incapacitated];

14-56 (10) the applicant will sell liquor unlawfully in a
14-57 dry area or in a manner contrary to law or will knowingly permit an
14-58 agent, servant, or employee to do so;

14-59 (11) the applicant is not a United States citizen or
14-60 has not been a citizen of Texas for a period of one year immediately
14-61 preceding the filing of the applicant's [his] application, unless
14-62 the applicant [he] was issued a permit or renewal permit on or
14-63 before September 1, 1948, and has at some time been a United States
14-64 citizen;

14-65 (12) the applicant does not provide an adequate
14-66 building available at the address for which the permit is sought
14-67 before conducting any activity authorized by the permit;

14-68 (13) the applicant is residentially domiciled with a
14-69 person whose permit or license has been cancelled for cause within

15-1 the 12 months immediately preceding the date of the applicant's
 15-2 ~~[his]~~ present application;

15-3 (14) the applicant has failed or refused to furnish a
 15-4 true copy of the applicant's ~~[his]~~ application to the commission's
 15-5 district office in the district in which the premises for which the
 15-6 permit is sought are located; or

15-7 (15) during the six months immediately preceding the
 15-8 filing of the application the premises for which the permit is
 15-9 sought have been operated, used, or frequented for a purpose or in a
 15-10 manner that is lewd, immoral, or offensive to public decency.

15-11 (b) The commission ~~[or administrator]~~ shall deny an
 15-12 application for ~~[refuse to issue]~~ an original permit authorizing
 15-13 the retail sale of alcoholic beverages unless the applicant for the
 15-14 permit files with the application a certificate issued by the
 15-15 comptroller of public accounts stating that the applicant holds, or
 15-16 has applied for and satisfies all legal requirements for the
 15-17 issuance of, a sales tax permit, if required, for the place of
 15-18 business for which the alcoholic beverage permit is sought.

15-19 (c) The commission ~~[or administrator]~~ shall deny ~~[refuse to~~
 15-20 ~~issue]~~ for a period of one year after cancellation an application
 15-21 for a mixed beverage permit or private club registration permit for
 15-22 a premises where a license or permit has been canceled during the
 15-23 preceding 12 months as a result of a shooting, stabbing, or other
 15-24 violent act, or as a result of an offense involving drugs,
 15-25 prostitution, or trafficking of persons.

15-26 (d) The commission ~~[or administrator]~~ shall deny an
 15-27 application for ~~[refuse to issue]~~ an original permit of ~~[to]~~ a
 15-28 person convicted of an offense under Section 101.76 for a period of
 15-29 five years from the date of the conviction.

15-30 SECTION 37. (a) Effective December 31, 2020, Section
 15-31 11.47, Alcoholic Beverage Code, is amended to read as follows:

15-32 Sec. 11.47. DENIAL ~~[REFUSAL]~~ OF PERMIT: INTEREST IN BEER
 15-33 ESTABLISHMENT. The commission ~~[or administrator]~~ may deny an
 15-34 application for ~~[refuse to issue]~~ an original or renewal permit
 15-35 ~~[with or without a hearing]~~ if it has reasonable grounds to believe
 15-36 and finds that the applicant or a person with whom the applicant
 15-37 ~~[he]~~ is residentially domiciled has a financial interest in a
 15-38 permit or license authorizing the sale of beer at retail, except as
 15-39 is authorized by Section 22.06, 24.05, or 102.05 ~~[of this code]~~.
 15-40 This section does not apply to an applicant for a permit which
 15-41 authorizes the sale of mixed beverages.

15-42 (b) Effective September 1, 2021, Section 11.47, Alcoholic
 15-43 Beverage Code, is amended to read as follows:

15-44 Sec. 11.47. DENIAL ~~[REFUSAL]~~ OF PERMIT: INTEREST IN MALT
 15-45 BEVERAGE ~~[BEER]~~ ESTABLISHMENT. The commission ~~[or administrator]~~
 15-46 may deny an application for ~~[refuse to issue]~~ an original or renewal
 15-47 permit ~~[with or without a hearing]~~ if it has reasonable grounds to
 15-48 believe and finds that the applicant or a person with whom the
 15-49 applicant ~~[he]~~ is residentially domiciled has a financial interest
 15-50 in a permit or license authorizing the sale of malt beverages ~~[beer]~~
 15-51 at retail, except as is authorized by Section 22.06, 24.05, or
 15-52 102.05 ~~[of this code]~~. This section does not apply to an applicant
 15-53 for a permit which authorizes the sale of mixed beverages.

15-54 SECTION 38. Effective December 31, 2020, Section 11.48,
 15-55 Alcoholic Beverage Code, is amended to read as follows:

15-56 Sec. 11.48. DENIAL ~~[REFUSAL]~~ OF PACKAGE STORE OR MIXED
 15-57 BEVERAGE PERMIT. (a) The commission ~~[or administrator]~~ may deny an
 15-58 application for ~~[refuse to issue]~~ an original or renewal mixed
 15-59 beverage permit ~~[with or without a hearing]~~ if it has reasonable
 15-60 grounds to believe and finds that the applicant, directly or
 15-61 indirectly, or through a subsidiary, affiliate, agent, or employee,
 15-62 or through an officer, director, or firm member, owns an interest of
 15-63 any kind in the premises, business, or permit of a package store.

15-64 (b) The commission ~~[or administrator]~~ may deny an
 15-65 application for ~~[refuse to issue]~~ an original or renewal package
 15-66 store permit ~~[with or without a hearing]~~ if it has reasonable
 15-67 grounds to believe and finds that the applicant, directly or
 15-68 indirectly, through a subsidiary, affiliate, agent, or employee, or
 15-69 through an officer, director, or firm member, owns an interest of

16-1 any kind in the premises, business, or permit of a mixed beverage
16-2 establishment.

16-3 (c) This section does not apply to anything permitted by
16-4 Section 102.05 [~~of this code~~].

16-5 SECTION 39. Effective December 31, 2020, Section 11.481(b),
16-6 Alcoholic Beverage Code, is amended to read as follows:

16-7 (b) The commission [~~or administrator~~] shall deny an
16-8 application for [~~refuse to issue~~] an original or renewal permit
16-9 authorizing on-premises consumption of alcoholic beverages [~~with~~
16-10 ~~or without a hearing,~~] if the commission [~~or administrator~~] has
16-11 reasonable grounds to believe and finds that, during the three
16-12 years preceding the date the permit application was filed, a
16-13 license or permit previously held under this code by the applicant,
16-14 a person who owns the premises for which the permit is sought, or an
16-15 officer of a person who owns the premises for which the permit is
16-16 sought was canceled or not renewed as a result of a shooting,
16-17 stabbing, or other violent act.

16-18 SECTION 40. Section 11.481(c), Alcoholic Beverage Code, is
16-19 amended to read as follows:

16-20 (c) This section does not apply to the issuance of an
16-21 original or renewal permit authorizing on-premises consumption for
16-22 a location that also holds a food and beverage certificate but does
16-23 not hold a retailer late hours certificate [~~permit~~].

16-24 SECTION 41. (a) Effective December 31, 2020, Section
16-25 11.49, Alcoholic Beverage Code, is amended by amending Subsection
16-26 (b) and adding Subsection (b-1) to read as follows:

16-27 (b) [~~(1)~~] Subject to the approval of the commission [~~or the~~
16-28 ~~administrator,~~] and except as provided in Subsection (c) [~~of this~~
16-29 ~~section~~], an applicant for a permit or license may designate a
16-30 portion of the grounds, buildings, vehicles, and appurtenances to
16-31 be excluded from the licensed premises.

16-32 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)
16-33 has been made and approved as to the holder of a license or permit
16-34 authorizing the sale of alcoholic beverages at retail or as to a
16-35 private club registration permit, the sharing of space, employees,
16-36 business facilities, and services with another business entity
16-37 (including the permittee's lessor, which, if a corporation, may be
16-38 a domestic or foreign corporation, but excluding a business entity
16-39 holding any type of winery permit, a manufacturer's license, or a
16-40 general [~~local,~~] or branch distributor's license), does not
16-41 constitute a subterfuge or surrender of exclusive control in
16-42 violation of Section 109.53 or the use or display of the license for
16-43 the benefit of another in violation of Section 61.71(a)(14). This
16-44 subsection and Subsection (b) do [~~shall~~] not apply to original or
16-45 renewal package store permits, wine only package store permits,
16-46 local distributor's permits, or any type of wholesaler's permit
16-47 [~~permits~~].

16-48 (b) Effective September 1, 2021, Section 11.49, Alcoholic
16-49 Beverage Code, is amended by amending Subsection (b) and adding
16-50 Subsection (b-1) to read as follows:

16-51 (b) [~~(1)~~] Subject to the approval of the commission [~~or the~~
16-52 ~~administrator,~~] and except as provided in Subsection (c) [~~of this~~
16-53 ~~section~~], an applicant for a permit or license may designate a
16-54 portion of the grounds, buildings, vehicles, and appurtenances to
16-55 be excluded from the licensed premises.

16-56 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)
16-57 has been made and approved as to the holder of a license or permit
16-58 authorizing the sale of alcoholic beverages at retail or as to a
16-59 private club registration permit, the sharing of space, employees,
16-60 business facilities, and services with another business entity
16-61 (including the permittee's lessor, which, if a corporation, may be
16-62 a domestic or foreign corporation, but excluding a business entity
16-63 holding any type of winery permit, a brewer's [~~manufacturer's~~]
16-64 license, or a general [~~local,~~] or branch distributor's license),
16-65 does not constitute a subterfuge or surrender of exclusive control
16-66 in violation of Section 109.53 or the use or display of the license
16-67 for the benefit of another in violation of Section 61.71(a)(14).
16-68 This subsection and Subsection (b) do [~~shall~~] not apply to original
16-69 or renewal package store permits, wine only package store permits,

17-1 local distributor's permits, or any type of wholesaler's permit
 17-2 [~~permits~~].

17-3 SECTION 42. Effective September 1, 2021, Sections 11.49(d)
 17-4 and (e), Alcoholic Beverage Code, are amended to read as follows:

17-5 (d) Any package store, wine only package store,
 17-6 wholesaler's, or local distributor's permittee who is injured in
 17-7 the permittee's [~~his~~] business or property by another person (other
 17-8 than a person in the person's [~~his~~] capacity as the holder of a wine
 17-9 and malt beverage [~~beer~~] retailer's permit, wine and malt beverage
 17-10 [~~beer~~] retailer's off-premise permit, private club registration
 17-11 permit, or mixed beverage permit or any person in the capacity of
 17-12 lessor of the holder of such a permit) by reason of anything
 17-13 prohibited in this section or Section 109.53 [~~of this code~~] is
 17-14 entitled to the same remedies available to a package store
 17-15 permittee under Section 109.53 [~~of this code~~]. Except for actions
 17-16 brought against a person in the person's [~~his~~] capacity as the
 17-17 holder of or as the lessor of the holder of a wine and malt beverage
 17-18 [~~beer~~] retailer's permit, wine and malt beverage [~~beer~~] retailer's
 17-19 off-premise permit, mixed beverage permit, or private club
 17-20 registration permit, the statute of limitations for any action
 17-21 brought under this section or Section 109.53 [~~of this code~~] for any
 17-22 cause of action arising after the effective date of this Act is four
 17-23 years unless a false affidavit has been filed with the commission in
 17-24 which event the statute of limitations is 10 years for all purposes.

17-25 (e) When a designation under Subsection (b) [~~of this~~
 17-26 ~~section~~] is made by a wine and malt beverage [~~beer~~] retailer or a
 17-27 malt beverage [~~beer~~] retailer, selling primarily for off-premise
 17-28 consumption, or by a wine and malt beverage [~~beer~~] retailer's
 17-29 off-premise permittee, no more than 20 percent of the retail floor
 17-30 and display space of the entire premises may be included in the
 17-31 licensed premises, and all the retail floor and display space in the
 17-32 licensed premises must be compact and contiguous and may not be
 17-33 gerrymandered. However, the retail floor and display space
 17-34 included in the licensed premises may be in two separate locations
 17-35 within the retail premises if the total retail floor and display
 17-36 space included in the licensed premises does not exceed 20 percent
 17-37 of the floor and display space of the entire premises and each of
 17-38 the two portions of floor and display space included in the licensed
 17-39 premises is itself compact and contiguous and not gerrymandered.
 17-40 In addition to the one or two separate locations of retail floor and
 17-41 display space on the premises, the licensed premises may include
 17-42 the cash register and check-out portions of the premises provided
 17-43 that (1) no alcoholic beverages are displayed in the check-out or
 17-44 cash register portion of the premises, and (2) the area of the
 17-45 check-out and cash register portions of the premises are counted
 17-46 towards the total of 20 percent of the retail floor and display
 17-47 space that may be dedicated to the sale and display of wine and malt
 17-48 beverages [~~beer~~]. A storage area that is not accessible or visible
 17-49 to the public may be included in the licensed premises but shall not
 17-50 be considered retail floor and display space for purposes of this
 17-51 section. The commission or administrator shall adopt rules to
 17-52 implement this subsection and to prevent gerrymandering.

17-53 SECTION 43. Sections 11.492(a) and (b), Alcoholic Beverage
 17-54 Code, are amended to read as follows:

17-55 (a) A holder of a wine and malt beverage [~~beer~~] retailer's
 17-56 permit may change the permit to a wine and malt beverage [~~beer~~]
 17-57 retailer's off-premise permit, and a holder of a retail dealer's
 17-58 on-premise license may change the license to a retail dealer's
 17-59 off-premise license, in the manner provided by this section.

17-60 (b) Any time before the expiration of a wine and malt
 17-61 beverage [~~beer~~] retailer's permit or a retail dealer's on-premise
 17-62 license the permittee or licensee may file an application for a
 17-63 change of permit or license under Subsection (a) [~~of this section~~].
 17-64 The applicant must make the application on a form provided by the
 17-65 commission and the application must be accompanied by the
 17-66 appropriate fee for the permit or license sought.

17-67 SECTION 44. (a) Effective December 31, 2020, Section
 17-68 11.52, Alcoholic Beverage Code, is amended to read as follows:

17-69 Sec. 11.52. RESTRICTIONS ON LOCATION IN CERTAIN

18-1 MUNICIPALITIES. (a) In a municipality with a population of
18-2 1,500,000 or more, an applicant for an original or renewal ~~[on the~~
18-3 ~~assertion by any person of any justiciable grounds for a~~
18-4 ~~suspension, denial, cancellation, or refusal of a]~~ mixed beverage
18-5 permit or [a] wine and beer retailer's permit~~[, the commission or~~
18-6 ~~county judge, as applicable,]~~ shall provide the notice required by
18-7 Subsection (b) [hold a hearing] if:

18-8 (1) any point of the property line of the premise is
18-9 less than 300 feet from the nearest point on a property line of a
18-10 residence, church, school, hospital, day-care facility, or social
18-11 service facility, as measured in a straight line; and

18-12 (2) 75 percent or more of the permittee's ~~[or~~
18-13 ~~licensee's]~~ actual or anticipated gross revenue is from the sale of
18-14 alcoholic beverages.

18-15 (b) An applicant for an original or renewal permit shall
18-16 give notice to all tenants or property owners affected in the area
18-17 described by Subsection (a) [of this section] that an application
18-18 has been made within five days after the application is first filed
18-19 for an original application and at least 30 days prior to the
18-20 expiration date of a permit in the case of a renewal application.

18-21 (b) Effective September 1, 2021, Section 11.52(a),
18-22 Alcoholic Beverage Code, is amended to read as follows:

18-23 (a) In a municipality with a population of 1,500,000 or
18-24 more, an applicant for an original or renewal ~~[on the assertion by~~
18-25 ~~any person of any justiciable grounds for a suspension, denial,~~
18-26 ~~cancellation, or refusal of a]~~ mixed beverage permit or [a] wine and
18-27 malt beverage ~~[beer]~~ retailer's permit~~[, the commission or county~~
18-28 ~~judge, as applicable,]~~ shall provide the notice required by
18-29 Subsection (b) [hold a hearing] if:

18-30 (1) any point of the property line of the premise is
18-31 less than 300 feet from the nearest point on a property line of a
18-32 residence, church, school, hospital, day-care facility, or social
18-33 service facility, as measured in a straight line; and

18-34 (2) 75 percent or more of the permittee's ~~[or~~
18-35 ~~licensee's]~~ actual or anticipated gross revenue is from the sale of
18-36 alcoholic beverages.

18-37 SECTION 45. (a) Effective September 1, 2019, Section
18-38 11.61(b), Alcoholic Beverage Code, is amended to read as follows:

18-39 (b) The commission or administrator may suspend for not more
18-40 than 60 days or cancel an original or renewal permit if it is found,
18-41 after notice and hearing, that any of the following is true:

18-42 (1) the permittee has been finally convicted of a
18-43 violation of this code;

18-44 (2) the permittee violated a provision of this code or
18-45 a rule of the commission;

18-46 (3) the permittee was finally convicted of a felony
18-47 while holding an original or renewal permit;

18-48 (4) the permittee made a false or misleading statement
18-49 in connection with the permittee's [his] original or renewal
18-50 application, either in the formal application itself or in any
18-51 other written instrument relating to the application submitted to
18-52 the commission, its officers, or employees;

18-53 (5) the permittee is indebted to the state for taxes,
18-54 fees, or payment of penalties imposed by this code, by a rule of the
18-55 commission, or by Chapter 183, Tax Code;

18-56 (6) the permittee is not of good moral character or the
18-57 permittee's [his] reputation for being a peaceable and law-abiding
18-58 citizen in the community where the permittee [he] resides is bad;

18-59 (7) the place or manner in which the permittee
18-60 conducts the permittee's [his] business warrants the cancellation
18-61 or suspension of the permit based on the general welfare, health,
18-62 peace, morals, and safety of the people and on the public sense of
18-63 decency;

18-64 (8) the permittee is not maintaining an acceptable
18-65 bond;

18-66 (9) the permittee maintains a noisy, lewd, disorderly,
18-67 or unsanitary establishment or has supplied impure or otherwise
18-68 deleterious beverages;

18-69 (10) the permittee is insolvent or has developed an

19-1 incapacity that prevents or could prevent the permittee from
 19-2 carrying on the management of the permittee's establishment with
 19-3 reasonable skill, competence, and safety to the public [~~mentally~~
 19-4 ~~or physically unable to carry on the management of his~~
 19-5 ~~establishment~~];

19-6 (11) the permittee is in the habit of using alcoholic
 19-7 beverages to excess;

19-8 (12) the permittee knowingly misrepresented to a
 19-9 customer or the public any liquor sold by the permittee [~~him~~];

19-10 (13) the permittee was intoxicated on the licensed
 19-11 premises;

19-12 (14) the permittee sold or delivered an alcoholic
 19-13 beverage to an intoxicated person;

19-14 (15) the permittee possessed on the licensed premises
 19-15 an alcoholic beverage that the permittee [~~he~~] was not authorized
 19-16 under the [~~by his~~] permit to purchase and sell;

19-17 (16) a package store or wine only package store
 19-18 permittee transported or shipped liquor, or caused it to be
 19-19 transported or shipped, into a dry state or a dry area within this
 19-20 state;

19-21 (17) the permittee is residentially domiciled with a
 19-22 person who has a financial interest in an establishment engaged in
 19-23 the business of selling beer at retail, other than a mixed beverage
 19-24 establishment, except as authorized by Section 22.06, 24.05, or
 19-25 102.05 [~~of this code~~];

19-26 (18) the permittee is residentially domiciled with a
 19-27 person whose permit or license was cancelled for cause within the
 19-28 12-month period preceding the permittee's [~~his~~] own application;

19-29 (19) the permittee is not a citizen of the United
 19-30 States or has not been a citizen of Texas for a period of one year
 19-31 immediately preceding the filing of the permittee's [~~his~~]
 19-32 application, unless the permittee [~~he~~] was issued an original or
 19-33 renewal permit on or before September 1, 1948, and has been a United
 19-34 States citizen at some time;

19-35 (20) the permittee permitted a person to open a
 19-36 container of alcoholic beverage or possess an open container of
 19-37 alcoholic beverage on the licensed premises unless a mixed beverage
 19-38 permit has been issued for the premises;

19-39 (21) the permittee failed to promptly report to the
 19-40 commission a breach of the peace occurring on the permittee's
 19-41 licensed premises;

19-42 (22) the permittee consumed an alcoholic beverage or
 19-43 permitted one to be consumed on the licensed premises at a time when
 19-44 the consumption of alcoholic beverages is prohibited by this code;
 19-45 or

19-46 (23) the permittee sold, served, or delivered an
 19-47 alcoholic beverage at a time when its sale is prohibited.

19-48 (b) Effective September 1, 2021, Section 11.61(b),
 19-49 Alcoholic Beverage Code, is amended to read as follows:

19-50 (b) The commission or administrator may suspend for not more
 19-51 than 60 days or cancel an original or renewal permit if it is found,
 19-52 after notice and hearing, that any of the following is true:

19-53 (1) the permittee has been finally convicted of a
 19-54 violation of this code;

19-55 (2) the permittee violated a provision of this code or
 19-56 a rule of the commission;

19-57 (3) the permittee was finally convicted of a felony
 19-58 while holding an original or renewal permit;

19-59 (4) the permittee made a false or misleading statement
 19-60 in connection with the permittee's [~~his~~] original or renewal
 19-61 application, either in the formal application itself or in any
 19-62 other written instrument relating to the application submitted to
 19-63 the commission, its officers, or employees;

19-64 (5) the permittee is indebted to the state for taxes,
 19-65 fees, or payment of penalties imposed by this code, by a rule of the
 19-66 commission, or by Chapter 183, Tax Code;

19-67 (6) the permittee is not of good moral character or the
 19-68 permittee's [~~his~~] reputation for being a peaceable and law-abiding
 19-69 citizen in the community where the permittee [~~he~~] resides is bad;

20-1 (7) the place or manner in which the permittee
20-2 conducts the permittee's [~~his~~] business warrants the cancellation
20-3 or suspension of the permit based on the general welfare, health,
20-4 peace, morals, and safety of the people and on the public sense of
20-5 decency;

20-6 (8) the permittee is not maintaining an acceptable
20-7 bond;

20-8 (9) the permittee maintains a noisy, lewd, disorderly,
20-9 or unsanitary establishment or has supplied impure or otherwise
20-10 deleterious beverages;

20-11 (10) the permittee is insolvent or has developed an
20-12 incapacity that prevents or could prevent the permittee from
20-13 carrying on the management of the permittee's establishment with
20-14 reasonable skill, competence, and safety to the public [~~mentally~~
20-15 ~~or physically unable to carry on the management of his~~
20-16 ~~establishment~~];

20-17 (11) the permittee is in the habit of using alcoholic
20-18 beverages to excess;

20-19 (12) the permittee knowingly misrepresented to a
20-20 customer or the public any liquor sold by the permittee [~~him~~];

20-21 (13) the permittee was intoxicated on the licensed
20-22 premises;

20-23 (14) the permittee sold or delivered an alcoholic
20-24 beverage to an intoxicated person;

20-25 (15) the permittee possessed on the licensed premises
20-26 an alcoholic beverage that the permittee [~~he~~] was not authorized
20-27 under the [~~by his~~] permit to purchase and sell;

20-28 (16) a package store or wine only package store
20-29 permittee transported or shipped liquor, or caused it to be
20-30 transported or shipped, into a dry state or a dry area within this
20-31 state;

20-32 (17) the permittee is residentially domiciled with a
20-33 person who has a financial interest in an establishment engaged in
20-34 the business of selling malt beverages [~~beer~~] at retail, other than
20-35 a mixed beverage establishment, except as authorized by Section
20-36 22.06, 24.05, or 102.05 [~~of this code~~];

20-37 (18) the permittee is residentially domiciled with a
20-38 person whose permit or license was cancelled for cause within the
20-39 12-month period preceding the permittee's [~~his~~] own application;

20-40 (19) the permittee is not a citizen of the United
20-41 States or has not been a citizen of Texas for a period of one year
20-42 immediately preceding the filing of the permittee's [~~his~~]
20-43 application, unless the permittee [~~he~~] was issued an original or
20-44 renewal permit on or before September 1, 1948, and has been a United
20-45 States citizen at some time;

20-46 (20) the permittee permitted a person to open a
20-47 container of alcoholic beverage or possess an open container of
20-48 alcoholic beverage on the licensed premises unless a mixed beverage
20-49 permit has been issued for the premises;

20-50 (21) the permittee failed to promptly report to the
20-51 commission a breach of the peace occurring on the permittee's
20-52 licensed premises;

20-53 (22) the permittee consumed an alcoholic beverage or
20-54 permitted one to be consumed on the licensed premises at a time when
20-55 the consumption of alcoholic beverages is prohibited by this code;
20-56 or

20-57 (23) the permittee sold, served, or delivered an
20-58 alcoholic beverage at a time when its sale is prohibited.

20-59 SECTION 46. Sections 11.61(b-1), (d), and (j), Alcoholic
20-60 Beverage Code, are amended to read as follows:

20-61 (b-1) Notwithstanding Section 204.01 and any other
20-62 provision of this code, a person applying for a license or permit
20-63 under Chapter 25 or 69 for the on-premises consumption of malt
20-64 beverages [~~beer~~] exclusively or malt beverages [~~beer~~] and wine
20-65 exclusively, other than a license or permit for an establishment
20-66 holding a food and beverage certificate whose primary business
20-67 being operated on the premises is food service, must file with the
20-68 commission a surety bond, in an amount to be determined by the
20-69 commission, conditioned on the licensee's or permittee's

21-1 conformance with the alcoholic beverage law. The bond is forfeited
 21-2 to the commission on the suspension of the license or permit for the
 21-3 first time under this section or Section 61.71. Before the
 21-4 suspended license or permit may be reinstated, the licensee or
 21-5 permittee must furnish a second surety bond, similarly conditioned,
 21-6 in an amount greater than the initial surety bond, the amount to be
 21-7 determined by the commission. If the same license or permit is
 21-8 suspended under this section or Section 61.71 a second time, the
 21-9 bond is again forfeited to the commission. Before the suspended
 21-10 license or permit may be reinstated, the licensee or permittee
 21-11 shall furnish a third surety bond, similarly conditioned, in an
 21-12 amount greater than the second surety bond, the amount to be
 21-13 determined by the commission. If the same license or permit is
 21-14 suspended under this section or Section 61.71 a third time, the bond
 21-15 is again forfeited to the commission and the license or permit shall
 21-16 be canceled by the commission. This subsection applies only to a
 21-17 license or permit held in connection with an establishment located
 21-18 in a county with a population of 1.4 million or more.

21-19 (d) The commission or administrator without a hearing may
 21-20 for investigative purposes summarily suspend a mixed beverage
 21-21 permit or a wine and malt beverage [~~beer~~] retailer's permit for not
 21-22 more than seven days if the commission or administrator finds that a
 21-23 shooting, stabbing, or murder has occurred on the licensed premises
 21-24 which is likely to result in a subsequent act of violence. Notice
 21-25 of the order suspending the permit shall be given to the permittee
 21-26 personally within 24 hours of the time the violent act occurs. If
 21-27 the permittee cannot be located, notice shall be provided by
 21-28 posting a copy of the order on the front door of the licensed
 21-29 premises.

21-30 (j) A hearing under Subsection (b) must be concluded not
 21-31 later than the 60th day after notice is provided under that
 21-32 subsection. Neither the permittee nor the commission may waive the
 21-33 provisions of this subsection. This subsection applies only to a
 21-34 hearing in connection with a wine and malt beverage [~~beer~~]
 21-35 retailer's permit, other than a permit held with a food and beverage
 21-36 certificate, for premises located in a county with a population of
 21-37 1.4 million or more.

21-38 SECTION 47. (a) Effective December 31, 2020, Section
 21-39 11.612(a), Alcoholic Beverage Code, is amended to read as follows:

21-40 (a) The commission or administrator may cancel an original
 21-41 or a renewal permit issued under Chapter 32 or 33 and the commission
 21-42 may deny an application for [~~refuse to issue~~] any new alcoholic
 21-43 beverage permit for the same premises for one year after the date of
 21-44 cancellation if:

21-45 (1) the chief of police of the municipality, if the
 21-46 premises are located in an incorporated area, or the sheriff of the
 21-47 county in which the premises are located has submitted a sworn
 21-48 statement to the commission stating specific allegations that the
 21-49 place or manner in which the permittee conducts its business
 21-50 endangers the general welfare, health, peace, morals, or safety of
 21-51 the community; and

21-52 (2) the commission or administrator finds, after
 21-53 notice and hearing within the county where the premises are
 21-54 located, that the place or manner in which the permittee conducts
 21-55 its business does in fact endanger the general welfare, health,
 21-56 peace, morals, or safety of the community.

21-57 (b) Effective September 1, 2021, Section 11.612(a),
 21-58 Alcoholic Beverage Code, is amended to read as follows:

21-59 (a) The commission or administrator may cancel an original
 21-60 or a renewal certificate [~~permit~~] issued under Chapter 29 to the
 21-61 holder of a private club registration permit or a permit issued
 21-62 under Chapter 32 [~~or 33~~] and the commission may deny an application
 21-63 for [~~refuse to issue~~] any new alcoholic beverage permit for the same
 21-64 premises for one year after the date of cancellation if:

21-65 (1) the chief of police of the municipality, if the
 21-66 premises are located in an incorporated area, or the sheriff of the
 21-67 county in which the premises are located has submitted a sworn
 21-68 statement to the commission stating specific allegations that the
 21-69 place or manner in which the permittee conducts its business

22-1 endangers the general welfare, health, peace, morals, or safety of
22-2 the community; and

22-3 (2) the commission or administrator finds, after
22-4 notice and hearing within the county where the premises are
22-5 located, that the place or manner in which the permittee conducts
22-6 its business does in fact endanger the general welfare, health,
22-7 peace, morals, or safety of the community.

22-8 SECTION 48. Section 11.613, Alcoholic Beverage Code, is
22-9 amended to read as follows:

22-10 Sec. 11.613. SUMMARY SUSPENSION OF PRIVATE CLUB PERMIT.
22-11 The commission or administrator without a hearing may for
22-12 investigative purposes summarily suspend a certificate [permit]
22-13 issued under Chapter 29 to the holder of a private club registration
22-14 permit or a permit issued under Chapter 32 [~~or 33~~] for not more than
22-15 seven days if the commission or administrator finds that a
22-16 shooting, stabbing, or murder has occurred on the licensed premises
22-17 that is likely to result in a subsequent act of violence. Notice of
22-18 the order suspending the permit shall be given to the permittee
22-19 personally within 72 hours of the time the violent act occurs. If
22-20 the permittee cannot be located, notice shall be provided by
22-21 posting a copy of the order on the front door of the licensed
22-22 premises.

22-23 SECTION 49. Effective September 1, 2019, Subchapter C,
22-24 Chapter 11, Alcoholic Beverage Code, is amended by adding Sections
22-25 11.614 and 11.615 to read as follows:

22-26 Sec. 11.614. ORDER SUSPENDING PERMIT OR LICENSE. (a) If
22-27 the commission or administrator determines that the continued
22-28 operation of a permitted or licensed business would constitute a
22-29 continuing threat to the public welfare, the commission or
22-30 administrator may issue an emergency order, without a hearing,
22-31 suspending the permit or license for not more than 90 days.

22-32 (b) An order suspending a permit or license under this
22-33 section must state the length of the suspension in the order.

22-34 (c) If an emergency order is issued without a hearing under
22-35 this section, the commission or administrator shall set the time
22-36 and place for a hearing to be conducted not later than the 10th day
22-37 after the date the order was issued. A hearing under this section
22-38 to affirm, modify, or set aside the emergency order shall be
22-39 conducted by the State Office of Administrative Hearings at a
22-40 location authorized by Section 11.015. The order shall be affirmed
22-41 to the extent that reasonable cause existed to issue the order.

22-42 (d) The commission by rule may prescribe procedures for the
22-43 determination and appeal of an emergency order issued under this
22-44 section, including a rule allowing the commission to affirm,
22-45 modify, or set aside a decision made by the State Office of
22-46 Administrative Hearings under Subsection (c).

22-47 (e) A proceeding under this section is a contested case
22-48 under Chapter 2001, Government Code.

22-49 Sec. 11.615. DISCIPLINARY ACTION FOR VIOLATION OF ORDER.
22-50 The commission may deny an application for an original or renewal
22-51 permit or license or take other disciplinary action against a
22-52 permit or license holder who violates an order of the commission or
22-53 administrator.

22-54 SECTION 50. Effective December 31, 2020, Section 11.63,
22-55 Alcoholic Beverage Code, is amended to read as follows:

22-56 Sec. 11.63. NOTICE OF HEARING. At least 10 days' notice
22-57 shall be given when a hearing is provided by this code. A notice of
22-58 hearing for the denial [refusal], cancellation, or suspension of a
22-59 license or permit may be served personally by a representative of
22-60 the commission or sent by registered or certified mail addressed to
22-61 the licensee or permittee.

22-62 SECTION 51. Effective September 1, 2019, Sections 11.641(a)
22-63 and (b), Alcoholic Beverage Code, are amended to read as follows:

22-64 (a) The amount of the civil penalty under Section 11.64 must
22-65 be appropriate for the nature and seriousness of the violation. In
22-66 determining the amount of the civil penalty, the commission or
22-67 administrator shall consider:

- 22-68 (1) the type of license or permit held;
- 22-69 (2) the type of violation;

23-1 (3) any aggravating or ameliorating circumstances
 23-2 concerning the violation, including those enumerated in Section
 23-3 11.64(c); ~~and~~
 23-4 (4) the permittee's or licensee's previous violations;
 23-5 and
 23-6 (5) if the commission or administrator determines the
 23-7 permittee or licensee has previously violated this code, whether
 23-8 the permittee or licensee profited from the violation, and if so the
 23-9 amount of the permittee's or licensee's profit.

23-10 (b) Except as provided by Subsection (a), the ~~[The]~~ amount
 23-11 of the civil penalty may not be based on:
 23-12 (1) the volume of alcoholic beverages sold;
 23-13 (2) the receipts of the business;
 23-14 (3) the taxes paid; or
 23-15 (4) the financial condition of the permittee or
 23-16 licensee.

23-17 SECTION 52. Effective December 31, 2020, the heading to
 23-18 Section 11.67, Alcoholic Beverage Code, is amended to read as
 23-19 follows:

23-20 Sec. 11.67. APPEAL FROM CANCELLATION, SUSPENSION, OR DENIAL
 23-21 ~~[REFUSAL]~~ OF LICENSE OR PERMIT.

23-22 SECTION 53. Effective December 31, 2020, Sections 11.67(a),
 23-23 (c), and (d), Alcoholic Beverage Code, are amended to read as
 23-24 follows:

23-25 (a) An appeal from an order of the commission or
 23-26 administrator ~~[refusing,~~ cancelling~~]~~ or suspending a permit or
 23-27 license may be taken to the district court of the county in which
 23-28 the ~~[applicant,~~ licensee~~]~~ or permittee resides or in which the
 23-29 owner of involved real or personal property resides.

23-30 (c) A local official~~]~~ on record as protesting the issuance
 23-31 or renewal of a permit or license ~~[at a hearing provided by this~~
 23-32 ~~code,~~ is entitled to notice of the appeal. If other persons are on
 23-33 record as protesting the issuance or renewal of a permit or license
 23-34 ~~[at a hearing provided by this code],~~ the first three persons to be
 23-35 on record are entitled to notice of the appeal. The appellant is
 23-36 responsible for causing the notice to be given. The notice shall be
 23-37 given by sending, on or before the third day after the date on which
 23-38 the appeal is filed, a copy of the petition by registered or
 23-39 certified mail to the persons entitled to receive the notice.

23-40 (d) If the appeal is from an order denying an application
 23-41 for an original ~~[refusing the issuance]~~ or renewal ~~[of a]~~ permit or
 23-42 license for a business that is sexually oriented, any person may
 23-43 appear on appeal against the issuance or renewal of the license or
 23-44 permit. However, the court may grant a motion to strike the
 23-45 person's appearance on a showing that the person does not have a
 23-46 justiciable or administratively cognizable interest in the
 23-47 proceeding.

23-48 SECTION 54. Effective September 1, 2019, Section 11.72,
 23-49 Alcoholic Beverage Code, is amended to read as follows:

23-50 Sec. 11.72. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS
 23-51 RETENTION. (a) The commission or administrator may suspend or
 23-52 revoke the permit of a person who is represented by ~~[the holder of]~~
 23-53 an agent ~~[agent's permit]~~ under Section 15.01, 35.01, or 36.01 or
 23-54 otherwise discipline the person based on an act or omission of the
 23-55 person's agent ~~[holder of the agent's permit]~~ only if an individual
 23-56 employed by the person in a supervisory position:

23-57 (1) was directly involved in the act or omission of the
 23-58 agent ~~[holder of the agent's permit]~~;
 23-59 (2) had notice or knowledge of the act or omission; or
 23-60 (3) failed to take reasonable steps to prevent the act
 23-61 or omission.

23-62 (b) The holder of a permit who is represented by an agent
 23-63 shall maintain records relating to the agent's activities,
 23-64 including any representation agreement, employment records, or
 23-65 similar documents, for not less than four years from the date the
 23-66 record is created.

23-67 SECTION 55. Effective September 1, 2019, Section 11.73,
 23-68 Alcoholic Beverage Code, is amended to read as follows:

23-69 Sec. 11.73. AFFIRMATION OF COMPLIANCE. A person who holds a

24-1 permit under Chapter 19, 20, [21,] or 23 may not be subject to an
24-2 administrative sanction for selling or delivering an alcoholic
24-3 beverage to a retailer not authorized to purchase and receive the
24-4 alcoholic beverage if the permit holder:

24-5 (1) reasonably believes that the retailer is
24-6 authorized to purchase and receive that type of alcoholic beverage;
24-7 and

24-8 (2) obtains from the retailer at the time of delivery a
24-9 written affirmation, which may be printed or stamped on a sales
24-10 invoice evidencing the sale or delivery of alcoholic beverages by
24-11 the permit holder, that the retailer is authorized to purchase and
24-12 receive the type of alcoholic beverage sold and delivered by the
24-13 permit holder.

24-14 SECTION 56. (a) Effective September 1, 2019, Chapter 12,
24-15 Alcoholic Beverage Code, is amended by adding Section 12.015 to
24-16 read as follows:

24-17 Sec. 12.015. IMPORTATION OF ALE AND MALT LIQUOR FOR
24-18 MANUFACTURE. (a) The holder of a brewer's permit may:

24-19 (1) import ale and malt liquor for manufacturing
24-20 purposes from a holder of a nonresident brewer's permit; and

24-21 (2) mix and blend ale and malt liquor imported under
24-22 Subdivision (1) and bottle and sell the resultant product.

24-23 (b) The state tax on ale and malt liquor imported for
24-24 manufacturing purposes does not accrue until:

24-25 (1) the ale or malt liquor has been used for
24-26 manufacturing purposes; and

24-27 (2) the resultant product has been placed in
24-28 containers for sale.

24-29 (b) If a conflict exists between this Act and S.B. 928, Acts
24-30 of the 86th Legislature, Regular Session, 2019, this Act controls
24-31 without regard to the relative dates of enactment.

24-32 SECTION 57. Effective September 1, 2019, Section 14.01(a),
24-33 Alcoholic Beverage Code, is amended to read as follows:

24-34 (a) The holder of a distiller's and rectifier's permit may:

24-35 (1) manufacture distilled spirits;

24-36 (2) rectify, purify, and refine distilled spirits and
24-37 wines;

24-38 (3) mix wines, distilled spirits, or other liquors;

24-39 (4) bottle, label, and package the permit holder's
24-40 finished products;

24-41 (5) sell the finished products in this state to
24-42 holders of wholesaler's permits and to qualified persons outside
24-43 the state;

24-44 (6) purchase distilled spirits, to be used only for
24-45 manufacturing or rectification purposes, from holders of
24-46 nonresident seller's permits or distiller's and rectifier's
24-47 permits;

24-48 (7) dispense free distilled spirits for consumption on
24-49 the permitted premises under Section 14.04;

24-50 (8) sell bulk alcohol produced by the permit holder
24-51 for purposes described by Section 38.01 [~~to holders of industrial~~
24-52 ~~permits in this state~~]; and

24-53 (9) sell distilled spirits to ultimate consumers under
24-54 Section 14.04 or 14.05.

24-55 SECTION 58. Effective September 1, 2019, Section 14.06,
24-56 Alcoholic Beverage Code, is amended to read as follows:

24-57 Sec. 14.06. REPORT OF CERTAIN SALES. A holder of a
24-58 distiller's and rectifier's permit who sells distilled spirits [~~to~~
24-59 ~~a holder of an industrial permit~~] under Section 14.01(a)(8) shall
24-60 keep records of those sales in a manner prescribed by the commission
24-61 or administrator.

24-62 SECTION 59. Chapter 14, Alcoholic Beverage Code, is amended
24-63 by adding Section 14.07 to read as follows:

24-64 Sec. 14.07. TRANSPORTING LIQUOR. (a) The holder of a
24-65 distiller's and rectifier's permit may transport liquor, if the
24-66 transportation is for a lawful purpose, from:

24-67 (1) the place of purchase to the holder's place of
24-68 business; and

24-69 (2) the place of sale or distribution to the

25-1 purchaser.
 25-2 (b) The holder of a distiller's and rectifier's permit may
 25-3 transport liquor from one wet area to another wet area across a dry
 25-4 area if that course of transportation is necessary or convenient.
 25-5 (c) The holder of a distiller's and rectifier's permit
 25-6 transporting liquor under this section shall provide to the
 25-7 commission:
 25-8 (1) a full description of each motor vehicle used by
 25-9 the permit holder for transporting liquor; and
 25-10 (2) any other information the commission requires.
 25-11 (d) The holder of a distiller's and rectifier's permit may
 25-12 transport liquor only in a vehicle that is:
 25-13 (1) described by Subsection (c)(1);
 25-14 (2) owned or leased in good faith by the permit holder
 25-15 or by the permit holder's agent; and
 25-16 (3) printed or painted with the designation required
 25-17 by the commission.
 25-18 SECTION 60. Chapter 14, Alcoholic Beverage Code, is amended
 25-19 by adding Section 14.08 to read as follows:
 25-20 Sec. 14.08. STORAGE. (a) The holder of a distiller's and
 25-21 rectifier's permit may store liquor:
 25-22 (1) on the permit holder's premises; or
 25-23 (2) inside the county in which the permit holder's
 25-24 business is located in a:
 25-25 (A) public bonded warehouse authorized to store
 25-26 liquor under Chapter 46; or
 25-27 (B) private warehouse that is:
 25-28 (i) owned or leased by the permit holder;
 25-29 and
 25-30 (ii) operated by the permit holder.
 25-31 (b) The holder of a distiller's and rectifier's permit may
 25-32 not store liquor in a dry area.
 25-33 SECTION 61. Effective September 1, 2019, the heading to
 25-34 Chapter 15, Alcoholic Beverage Code, is amended to read as follows:
 25-35 CHAPTER 15. DISTILLER'S AGENT [~~AGENT'S PERMIT~~]
 25-36 SECTION 62. Effective September 1, 2019, Section 15.01,
 25-37 Alcoholic Beverage Code, is amended to read as follows:
 25-38 Sec. 15.01. AUTHORIZED ACTIVITIES. (a) A [~~The holder of a~~
 25-39 distiller's agent [~~agent's permit~~] may:
 25-40 (1) represent the holder of a distiller's and
 25-41 rectifier's permit;
 25-42 (2) solicit and take orders from a holder of a
 25-43 wholesaler's permit for the sale of distilled spirits manufactured
 25-44 by the permit holder represented by the agent; and
 25-45 (3) conduct free distilled spirits tastings for
 25-46 consumers on the premises of the holder of a package store permit.
 25-47 (b) A person acting as an agent may only represent one
 25-48 permitted or licensed business at a time while soliciting or taking
 25-49 orders.
 25-50 SECTION 63. Effective September 1, 2019, Section 15.04,
 25-51 Alcoholic Beverage Code, is amended to read as follows:
 25-52 Sec. 15.04. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR
 25-53 PRIVATE CLUB PERMIT. A [~~holder of a~~] distiller's agent [~~agent's~~
 25-54 ~~permit~~] may not solicit business directly or indirectly from a
 25-55 holder of a mixed beverage permit or a private club registration
 25-56 permit unless the distiller's agent is accompanied by the holder of
 25-57 a wholesaler's permit or the wholesaler's agent.
 25-58 SECTION 64. Effective September 1, 2019, Section 15.05,
 25-59 Alcoholic Beverage Code, is amended to read as follows:
 25-60 Sec. 15.05. UNAUTHORIZED REPRESENTATION. A [~~holder of a~~
 25-61 distiller's agent [~~agent's permit~~] in soliciting or taking orders
 25-62 for the sale of liquor may not represent that the agent [~~permit~~
 25-63 ~~holder~~] is an agent of any person other than the person who employs
 25-64 the agent or who has authorized the agent to represent the person
 25-65 [~~designated in the permit holder's application~~].
 25-66 SECTION 65. Effective September 1, 2019, Section 16.01(a),
 25-67 Alcoholic Beverage Code, is amended to read as follows:
 25-68 (a) Except as provided by Section 16.011, the holder of a
 25-69 winery permit may:

- 26-1 (1) manufacture, bottle, label, and package wine
- 26-2 containing not more than 24 percent alcohol by volume;
- 26-3 (2) manufacture fruit brandy and:
- 26-4 (A) use that brandy on the winery permit holder's
- 26-5 permitted premises for fortifying purposes only; or
- 26-6 (B) sell that brandy to other winery permit
- 26-7 holders;
- 26-8 (3) import or buy fruit brandy from a permit holder
- 26-9 authorized to manufacture fruit brandy and use that brandy on the
- 26-10 winery permit holder's permitted premises for fortifying purposes
- 26-11 only;
- 26-12 (4) sell wine in this state to or buy wine from permit
- 26-13 holders authorized to purchase and sell wine, including holders of
- 26-14 wholesaler's permits and[7] winery permits[~~7, and wine bottler's~~
- 26-15 ~~permits~~];
- 26-16 (5) sell wine to ultimate consumers:
- 26-17 (A) for consumption on the winery premises; or
- 26-18 (B) in unbroken packages for off-premises
- 26-19 consumption in an amount not to exceed 35,000 gallons annually;
- 26-20 (6) sell the wine outside this state to qualified
- 26-21 persons;
- 26-22 (7) blend wines;
- 26-23 (8) dispense free wine for consumption on the winery
- 26-24 premises; and
- 26-25 (9) purchase and import wine from the holder of a
- 26-26 nonresident seller's permit.

26-27 SECTION 66. Effective September 1, 2019, Section 16.04,

26-28 Alcoholic Beverage Code, is amended to read as follows:
26-29 Sec. 16.04. FEDERAL PERMIT REQUIRED. A winery permit may be
26-30 granted only on presentation of an appropriate [a winemaker's and
26-31 ~~blender's basic permit of the]~~ federal wine permit ~~[alcohol tax~~
26-32 ~~unit]~~.

26-33 SECTION 67. Section 16.08(b), Alcoholic Beverage Code, is
26-34 amended to read as follows:

26-35 (b) The holder of a winery permit may sell wine to the holder
26-36 of a wine and malt beverage retailer's permit, mixed beverage
26-37 permit, private club permit, or nonprofit entity temporary event
26-38 permit [issued under Chapter 27, 30, or 33] for an event that is
26-39 approved by the commission and organized to celebrate and promote
26-40 the wine industry in this state.

26-41 SECTION 68. Chapter 16, Alcoholic Beverage Code, is amended
26-42 by adding Section 16.10 to read as follows:

26-43 Sec. 16.10. TRANSPORTING WINE. (a) The holder of a winery
26-44 permit may transport wine, if the transportation is for a lawful
26-45 purpose, from:

- 26-46 (1) the place of purchase to the holder's place of
- 26-47 business; and
- 26-48 (2) the place of sale or distribution to the
- 26-49 purchaser.

26-50 (b) The holder of a winery permit may transport wine from
26-51 one wet area to another wet area across a dry area if that course of
26-52 transportation is necessary or convenient.

26-53 (c) The holder of a winery permit may transport wine only in
26-54 a vehicle that is owned or leased in good faith by the permit holder
26-55 or by the permit holder's agent.

26-56 SECTION 69. Chapter 16, Alcoholic Beverage Code, is amended
26-57 by adding Section 16.11 to read as follows:

26-58 Sec. 16.11. STORAGE. (a) The holder of a winery permit may
26-59 store wine:

- 26-60 (1) on the permit holder's premises; or
- 26-61 (2) inside or outside the county in which the permit
- 26-62 holder's business is located in a:

26-63 (A) public bonded warehouse that is authorized to
26-64 store liquor under Chapter 46; or

26-65 (B) private warehouse that is:

- 26-66 (i) owned or leased by the permit holder;
- 26-67 and
- 26-68 (ii) operated by the permit holder.

26-69 (b) The holder of a winery permit whose winery is located in

27-1 a county all or part of which is in a dry area may store the winery's
27-2 product in a dry area of that county if the product to be stored is
27-3 owned by the permit holder and remains in the permit holder's
27-4 possession.

27-5 SECTION 70. Chapter 16, Alcoholic Beverage Code, is amended
27-6 by adding Section 16.12 to read as follows:

27-7 Sec. 16.12. SALES AT TEMPORARY LOCATION. (a) The holder of
27-8 a winery permit may sell wine at a civic or wine festival, farmers'
27-9 market, celebration, or similar event.

27-10 (b) The holder of a winery permit may not offer wine for sale
27-11 under this section on more than four consecutive days at the same
27-12 location.

27-13 (c) The commission shall adopt rules to implement this
27-14 section, including rules that:

27-15 (1) require the permit holder to notify the commission
27-16 of the dates on which and location where the permit holder will
27-17 temporarily offer wine for sale under this section;

27-18 (2) establish a procedure to verify the wet or dry
27-19 status of the location where the permit holder intends to
27-20 temporarily sell wine under this section;

27-21 (3) detail the circumstances when a permit holder may
27-22 temporarily sell wine under this section with just a notification
27-23 to the commission and the circumstances that require the
27-24 commission's preapproval before a permit holder may temporarily
27-25 sell wine under this section; and

27-26 (4) require the permit holder to provide any other
27-27 information the commission determines necessary.

27-28 (d) The provisions of this code applicable to the sale of
27-29 wine on the permitted premises of the holder of a winery permit
27-30 apply to the sale of wine under this section.

27-31 SECTION 71. (a) Effective September 1, 2019, Section
27-32 19.01, Alcoholic Beverage Code, is amended to read as follows:

27-33 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a
27-34 wholesaler's permit may:

27-35 (1) purchase and import liquor from distillers,
27-36 brewers, wineries, ~~[wine bottlers,]~~ rectifiers, and manufacturers
27-37 who are holders of nonresident seller's permits or from their
27-38 agents ~~[who hold manufacturer's agents permits];~~

27-39 (2) purchase liquor from other wholesalers in the
27-40 state;

27-41 (3) sell liquor in the original containers in which it
27-42 is received to retailers and wholesalers in this state authorized
27-43 to sell the liquor;

27-44 (4) sell liquor to qualified persons outside the
27-45 state; and

27-46 (5) sell ale and malt liquor to a holder of a private
27-47 club registration permit.

27-48 (b) Effective September 1, 2021, Section 19.01, Alcoholic
27-49 Beverage Code, is amended to read as follows:

27-50 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a
27-51 wholesaler's permit may:

27-52 (1) purchase and import liquor from distillers,
27-53 ~~[brewers,]~~ wineries, and ~~[wine bottlers,]~~ rectifiers~~[, and~~
27-54 ~~manufacturers]~~ who are holders of nonresident seller's permits or
27-55 from their agents ~~[who hold manufacturer's agents permits];~~

27-56 (2) purchase liquor from other wholesalers in the
27-57 state;

27-58 (3) sell liquor in the original containers in which it
27-59 is received to retailers and wholesalers in this state authorized
27-60 to sell the liquor; and

27-61 (4) sell liquor to qualified persons outside the
27-62 state~~[, and~~

27-63 ~~[(5) sell ale and malt liquor to a holder of a private~~
27-64 ~~club registration permit].~~

27-65 SECTION 72. Section 19.03, Alcoholic Beverage Code, is
27-66 amended to read as follows:

27-67 Sec. 19.03. PROMOTIONAL ACTIVITIES. The holder of a
27-68 wholesaler's permit or the permittee's ~~[his]~~ agent may enter the
27-69 licensed premises of a mixed beverage permittee or private club

28-1 registration permittee to determine the brands offered for sale and
 28-2 suggest or promote the sale of other brands, to the extent
 28-3 authorized by Section 102.07 [~~of this code~~]. The holder of a
 28-4 wholesaler's permit or the permittee's [~~his~~] agent may not accept a
 28-5 direct order from a mixed beverage permittee except for wine [~~or~~
 28-6 ~~malt liquor~~].

28-7 SECTION 73. Section 19.04, Alcoholic Beverage Code, is
 28-8 amended to read as follows:

28-9 Sec. 19.04. MINIATURE CONTAINERS. In addition to other
 28-10 authorized containers, a wholesaler's permittee may import, sell,
 28-11 offer for sale, and possess for the purpose of resale distilled
 28-12 spirits, wine, and vinous liquors in containers of not less than one
 28-13 ounce nor more than two ounces. Liquor in containers of that size
 28-14 may be sold to:

28-15 (1) package store permittees for resale to certain
 28-16 passenger transportation [airline beverage] permittees, as
 28-17 provided in Section 48.03 [34.05 of this code]; and

28-18 (2) local distributor's permittees.

28-19 SECTION 74. Chapter 19, Alcoholic Beverage Code, is amended
 28-20 by adding Section 19.06 to read as follows:

28-21 Sec. 19.06. TRANSPORTING LIQUOR. (a) The holder of a
 28-22 wholesaler's permit may transport liquor, if the transportation is
 28-23 for a lawful purpose, from:

28-24 (1) the place of purchase to the holder's place of
 28-25 business; and

28-26 (2) the place of sale or distribution to the
 28-27 purchaser.

28-28 (b) The holder of a wholesaler's permit may transport liquor
 28-29 from one wet area to another wet area across a dry area if that
 28-30 course of transportation is necessary or convenient.

28-31 (c) The holder of a wholesaler's permit transporting liquor
 28-32 under this section shall provide to the commission:

28-33 (1) a full description of each motor vehicle used by
 28-34 the permit holder for transporting liquor; and

28-35 (2) any other information the commission requires.

28-36 (d) The holder of a wholesaler's permit may transport liquor
 28-37 only in a vehicle that is:

28-38 (1) described by Subsection (c)(1);

28-39 (2) owned or leased in good faith by the permit holder
 28-40 or by the permit holder's agent; and

28-41 (3) printed or painted with the designation required
 28-42 by the commission.

28-43 SECTION 75. Chapter 19, Alcoholic Beverage Code, is amended
 28-44 by adding Section 19.07 to read as follows:

28-45 Sec. 19.07. STORAGE. (a) The holder of a wholesaler's
 28-46 permit may store liquor:

28-47 (1) on the permit holder's premises; or

28-48 (2) inside the county in which the permit holder's
 28-49 business is located in a:

28-50 (A) public bonded warehouse authorized to store
 28-51 liquor under Chapter 46; or

28-52 (B) private warehouse that is:

28-53 (i) owned or leased by the permit holder;

28-54 and

28-55 (ii) operated by the permit holder.

28-56 (b) The holder of a wholesaler's permit may not store liquor
 28-57 in a dry area.

28-58 SECTION 76. (a) Effective September 1, 2019, Section
 28-59 20.01, Alcoholic Beverage Code, is amended to read as follows:

28-60 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general
 28-61 class B wholesaler's permit may:

28-62 (1) purchase and import malt and vinous liquors from
 28-63 brewers, wineries, rectifiers, and wine manufacturers [~~and wine~~
 28-64 ~~bottlers~~] who are the holders of nonresident seller's permits or
 28-65 their agents [~~who are holders of manufacturer's agent permits~~];

28-66 (2) purchase malt and vinous liquors from holders of
 28-67 brewer's permits, holders of brewpub licenses, or other wholesalers
 28-68 in the state;

28-69 (3) sell the malt and vinous liquors in the original

29-1 containers in which they are received to retailers and wholesalers
 29-2 authorized to sell them in this state, including holders of local
 29-3 distributor's permits, mixed beverage permits, and daily temporary
 29-4 mixed beverage permits;

29-5 (4) sell the malt and vinous liquors to qualified
 29-6 persons outside the state; and

29-7 (5) sell ale and malt liquor to a holder of a private
 29-8 club registration permit.

29-9 (b) Effective September 1, 2021, Section 20.01, Alcoholic
 29-10 Beverage Code, is amended to read as follows:

29-11 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general
 29-12 class B wholesaler's permit may:

29-13 (1) purchase and import [~~malt and~~] vinous liquors from
 29-14 [~~brewers,~~] wineries, rectifiers, and wine manufacturers [~~and wine~~
 29-15 ~~bottlers~~] who are the holders of nonresident seller's permits or
 29-16 their agents [~~who are holders of manufacturer's agent permits~~];

29-17 (2) purchase [~~malt and~~] vinous liquors from [~~holders~~
 29-18 ~~of brewer's permits, holders of brewpub licenses, or other~~]
 29-19 wholesalers in the state;

29-20 (3) sell the [~~malt and~~] vinous liquors in the original
 29-21 containers in which they are received to retailers and wholesalers
 29-22 authorized to sell them in this state, including holders of local
 29-23 distributor's permits, mixed beverage permits, and certain
 29-24 nonprofit entity [daily] temporary event [mixed beverage] permits;
 29-25 and

29-26 (4) sell the [~~malt and~~] vinous liquors to qualified
 29-27 persons outside the state[~~, and~~

29-28 [~~(5) sell ale and malt liquor to a holder of a private~~
 29-29 ~~club registration permit~~].

29-30 SECTION 77. Chapter 20, Alcoholic Beverage Code, is amended
 29-31 by adding Section 20.04 to read as follows:

29-32 Sec. 20.04. TRANSPORTING LIQUOR. (a) The holder of a
 29-33 general class B wholesaler's permit may transport liquor, if the
 29-34 transportation is for a lawful purpose, from:

29-35 (1) the place of purchase to the holder's place of
 29-36 business; and

29-37 (2) the place of sale or distribution to the
 29-38 purchaser.

29-39 (b) The holder of a general class B wholesaler's permit may
 29-40 transport liquor from one wet area to another wet area across a dry
 29-41 area if that course of transportation is necessary or convenient.

29-42 (c) The holder of a general class B wholesaler's permit
 29-43 transporting liquor under this section shall provide to the
 29-44 commission:

29-45 (1) a full description of each motor vehicle used by
 29-46 the permit holder for transporting liquor; and

29-47 (2) any other information the commission requires.

29-48 (d) The holder of a general class B wholesaler's permit may
 29-49 transport liquor only in a vehicle that is:

29-50 (1) described by Subsection (c)(1);

29-51 (2) owned or leased in good faith by the permit holder
 29-52 or by the permit holder's agent; and

29-53 (3) printed or painted with the designation required
 29-54 by the commission.

29-55 SECTION 78. Chapter 20, Alcoholic Beverage Code, is amended
 29-56 by adding Section 20.05 to read as follows:

29-57 Sec. 20.05. STORAGE. (a) The holder of a general class B
 29-58 wholesaler's permit may store liquor:

29-59 (1) on the permitted premises; or

29-60 (2) inside the county in which the permittee's
 29-61 business is located in a:

29-62 (A) public bonded warehouse authorized to store
 29-63 liquor under Chapter 46; or

29-64 (B) private warehouse that is:

29-65 (i) owned or leased by the permit holder;

29-66 and

29-67 (ii) operated by the permit holder.

29-68 (b) The holder of a general class B wholesaler's permit may
 29-69 not store liquor in a dry area.

30-1 SECTION 79. Section 22.01, Alcoholic Beverage Code, is
 30-2 amended to read as follows:

30-3 Sec. 22.01. AUTHORIZED ACTIVITIES. The holder of a package
 30-4 store permit may:

30-5 (1) purchase liquor in this state from the holder of a
 30-6 winery, wholesaler's, or class B wholesaler's [~~or wine bottler's~~]
 30-7 permit;

30-8 (2) purchase malt beverages in this state from the
 30-9 holder of a general or branch distributor's license;

30-10 (3) sell liquor and malt beverages in unbroken
 30-11 original containers on or from the holder's [~~his~~] licensed premises
 30-12 at retail to consumers for off-premises consumption only and not
 30-13 for the purpose of resale, except that if the permittee is a hotel,
 30-14 the permittee may deliver unbroken packages of liquor and malt
 30-15 beverages to bona fide guests of the hotel in their rooms for
 30-16 consumption in their rooms;

30-17 (4) [~~3~~] sell [~~malt and~~] vinous liquors in original
 30-18 containers of not less than six ounces; and

30-19 (5) [~~4~~] sell liquor to holders of passenger
 30-20 transportation [~~airline beverage~~] permits as provided in Section
 30-21 48.03 [~~34.05 of this code~~].

30-22 SECTION 80. Section 22.03, Alcoholic Beverage Code, is
 30-23 amended to read as follows:

30-24 Sec. 22.03. DELIVERIES TO CUSTOMERS. (a) The holder of a
 30-25 package store permit or wine only package store permit issued for a
 30-26 location within a city or town or within two miles of the corporate
 30-27 limits of a city or town [~~who also holds a local cartage permit,~~]
 30-28 may make deliveries of and collections for alcoholic beverages off
 30-29 the premises in areas where the sale of the beverages is legal. The
 30-30 permittee must travel by the most direct route and may make
 30-31 deliveries and collections only within the county or the city or
 30-32 town or within two miles of its corporate limits, and only in
 30-33 response to bona fide orders placed by the customer, either in
 30-34 person at the premises, in writing, by mail, or by telegraph or
 30-35 telephone. This section shall not be construed as preventing a
 30-36 holder of a package store permit or wine only package store permit
 30-37 from delivering alcoholic beverages to the holder of a carrier's
 30-38 permit for transportation to persons who have placed bona fide
 30-39 orders and who are located in an area that the holder of a package
 30-40 store permit or wine only package store permit [~~who also holds a~~
 30-41 ~~local cartage permit,~~] is authorized to directly deliver to under
 30-42 this section. The holder of a package store permit or wine only
 30-43 package store permit may also deliver alcoholic beverages to the
 30-44 holder of a carrier's permit for transportation outside of this
 30-45 state in response to bona fide orders placed by persons authorized
 30-46 to purchase the beverages.

30-47 (b) The holder of a package store permit [~~who also holds a~~
 30-48 ~~local cartage permit~~] may transport alcoholic beverages to a
 30-49 commercial airline in a regional airport located all or partly in an
 30-50 adjoining county if the airport is governed by a board, commission,
 30-51 or authority, some of whose members reside in the county where the
 30-52 package store is located.

30-53 SECTION 81. Section 22.06(a), Alcoholic Beverage Code, is
 30-54 amended to read as follows:

30-55 (a) Except as otherwise provided in Section 102.05 [~~of this~~
 30-56 ~~code and in Subsection (b) of this section~~], no person who holds a
 30-57 package store permit or owns an interest in a package store may have
 30-58 a direct or indirect interest in any of the following:

30-59 (1) a brewer's [~~manufacturer's~~], retail dealer's
 30-60 on-premise, or general or [~~or~~] branch [~~or local~~] distributor's
 30-61 license;

30-62 (2) a wine and malt beverage [~~beer~~] retailer's, wine
 30-63 and malt beverage [~~beer~~] retailer's off-premise, or mixed beverage
 30-64 permit; or

30-65 (3) the business of any of the permits or licenses
 30-66 listed in Subdivisions (1) and (2) of this subsection.

30-67 SECTION 82. Section 22.08, Alcoholic Beverage Code, is
 30-68 amended to read as follows:

30-69 Sec. 22.08. TRANSFER OF BEVERAGES. (a) The owner of more

31-1 than one package store [~~who is also the holder of a local cartage~~
31-2 ~~permit~~] may transfer alcoholic beverages between any of the owner's
31-3 [~~his~~] licensed premises in the same county between the hours of 7
31-4 a.m. and 9 p.m. on any day when the sale of those beverages is legal,
31-5 subject to rules prescribed by the commission.

31-6 (b) The holder of a package store permit may not transport
31-7 alcoholic beverages under Subsection (a) unless:

31-8 (1) the permit holder provides the commission with a
31-9 description, as required by the commission, of each motor vehicle
31-10 used by the permit holder to transport alcoholic beverages; and

31-11 (2) each motor vehicle is plainly marked or lettered
31-12 to indicate that it is being used by the permit holder to transport
31-13 alcoholic beverages.

31-14 (c) When transporting alcoholic beverages under this
31-15 section, the holder of a package store permit may not violate the
31-16 motor carrier laws of this state.

31-17 SECTION 83. Section 22.10, Alcoholic Beverage Code, is
31-18 amended to read as follows:

31-19 Sec. 22.10. OPENING CONTAINERS PROHIBITED. Except as
31-20 authorized under Section 22.18 [~~52.01 of this code~~], a [~~no~~] person
31-21 may not break or open a container containing liquor or a malt
31-22 beverage [~~beer~~] or possess an opened container of liquor or a malt
31-23 beverage [~~beer~~] on the premises of a package store.

31-24 SECTION 84. Section 22.11, Alcoholic Beverage Code, is
31-25 amended to read as follows:

31-26 Sec. 22.11. CONSUMPTION ON PREMISES PROHIBITED. Except as
31-27 authorized under Section 22.18 [~~52.01~~], a [~~no~~] person may not sell,
31-28 barter, exchange, deliver, or give away any drink or drinks of
31-29 alcoholic beverages from a container that has been opened or broken
31-30 on the premises of a package store.

31-31 SECTION 85. Chapter 22, Alcoholic Beverage Code, is amended
31-32 by adding Section 22.18 to read as follows:

31-33 Sec. 22.18. TASTINGS. (a) The holder of a package store
31-34 permit may conduct product tastings of distilled spirits, wine,
31-35 malt beverages, or spirit-based coolers on the permitted premises
31-36 during regular business hours as provided by this section.

31-37 (b) Written notification of a product tasting must be posted
31-38 on the premises of the package store permit holder not later than 48
31-39 hours before the tasting event. The notification shall clearly
31-40 state:

31-41 (1) the type and brand of alcoholic beverage to be
31-42 tasted;

31-43 (2) the date and hours the tasting is to take place;
31-44 and

31-45 (3) the address of the premises where the tasting is to
31-46 occur.

31-47 (c) A copy of the notification shall be kept on file and
31-48 available for inspection on the premises during all tasting hours.

31-49 (d) Sample portions at a product tasting shall be limited to
31-50 not more than:

31-51 (1) one-half ounce for distilled spirits;

31-52 (2) one ounce for wine; and

31-53 (3) one ounce for malt beverages and coolers.

31-54 (e) Not more than 20 different products may be made
31-55 available for tasting at any one time.

31-56 (f) No charge of any sort may be made for a sample serving.

31-57 (g) A person may be served more than one sample. Samples may
31-58 not be served to a minor or to an obviously intoxicated person. A
31-59 sample may not be removed from the permitted premises.

31-60 (h) During the tasting, not more than two containers of each
31-61 brand or type of product being tasted may be open on the premises at
31-62 one time.

31-63 (i) At the conclusion of the tasting, all empty or open
31-64 containers of alcoholic beverages used in the tasting shall be
31-65 removed from the premises or stored in a locked, secure area on the
31-66 permitted premises.

31-67 (j) A tasting event authorized by this section may not be
31-68 advertised except by on-site communications, by direct mail, by
31-69 electronic mail, or on the permit holder's Internet website.

32-1 (k) Except as provided by Subsection (l) or elsewhere in
 32-2 this code, a person other than the package store permittee or the
 32-3 permittee's agent or employee may not dispense or participate in
 32-4 the dispensing of alcoholic beverages under this section.

32-5 (l) The holder of a distiller's or rectifier's permit or
 32-6 nonresident seller's permit or that permit holder's agent or
 32-7 employee may participate in and conduct product tastings of
 32-8 alcoholic beverages at a retailer's premises and may open, touch,
 32-9 or pour alcoholic beverages, make a presentation, or answer
 32-10 questions at the tasting. Any alcoholic beverage tasted under this
 32-11 subsection must be purchased from the package store permit holder
 32-12 on whose premises the tasting is held. The permit holder may not
 32-13 require the purchase of more alcoholic beverages than are necessary
 32-14 for the tasting. This section does not authorize the holder of a
 32-15 distiller's or rectifier's permit or nonresident seller's permit or
 32-16 that permit holder's agent or employee to withdraw or purchase an
 32-17 alcoholic beverage from the holder of a wholesaler's permit or
 32-18 provide an alcoholic beverage for tasting on a retailer's premises
 32-19 that is not purchased from the retailer.

32-20 (m) For the purposes of this code and any other law or
 32-21 ordinance:

32-22 (1) a package store permit does not authorize the sale
 32-23 of alcoholic beverages for on-premise consumption; and

32-24 (2) none of the permit holder's income may be
 32-25 considered to be income from the sale of alcoholic beverages for
 32-26 on-premise consumption.

32-27 SECTION 86. Section 23.01, Alcoholic Beverage Code, is
 32-28 amended to read as follows:

32-29 Sec. 23.01. AUTHORIZED ACTIVITIES. (a) The holder of a
 32-30 local distributor's permit may:

32-31 (1) purchase alcoholic beverages, including malt
 32-32 beverages, from wholesalers and distributors authorized to sell
 32-33 them for resale, but may purchase only those brands available for
 32-34 general distribution to all local distributor's permittees;

32-35 (2) sell and distribute the alcoholic beverages,
 32-36 including malt beverages, to mixed beverage and private club
 32-37 registration permittees; ~~and~~

32-38 (3) sell and distribute distilled spirits to the
 32-39 holder of a nonprofit entity temporary event permit; and

32-40 (4) rent or sell to mixed beverage and private club
 32-41 registration permittees any equipment, fixtures, or supplies used
 32-42 in the selling or dispensing of distilled spirits.

32-43 (b) A local distributor's permittee may purchase liquor
 32-44 only from a wholesaler's ~~[r]~~ or general class B wholesaler's ~~[r or~~
 32-45 ~~local class B wholesaler's]~~ permittee and may purchase only the
 32-46 types of liquor the particular wholesaler is authorized by the
 32-47 wholesaler's [his] permit to sell.

32-48 SECTION 87. Section 23.04, Alcoholic Beverage Code, is
 32-49 amended to read as follows:

32-50 Sec. 23.04. MAY TRANSFER BEVERAGES. (a) The [If the]
 32-51 holder of a local distributor's permit [also holds a local cartage
 32-52 permit, he] may transfer alcoholic beverages:

32-53 (1) to any place where the sale of alcoholic beverages
 32-54 is legal in the city or county where the permit holder's [his]
 32-55 premises are located; and

32-56 (2) to a regional airport located all or partly in an
 32-57 adjoining county if the airport is governed by a board, commission,
 32-58 or authority, some of whose members reside in the county where the
 32-59 local distributor's premises are located.

32-60 (b) The holder of a local distributor's permit may not
 32-61 transport alcoholic beverages under Subsection (a) unless:

32-62 (1) the permit holder provides the commission with a
 32-63 description, as required by the commission, of each motor vehicle
 32-64 used by the permit holder to transport alcoholic beverages; and

32-65 (2) each motor vehicle is plainly marked or lettered
 32-66 to indicate that it is being used by the permit holder to transport
 32-67 alcoholic beverages.

32-68 (c) When transporting alcoholic beverages under this
 32-69 section, the holder of a local distributor's permit may not violate

33-1 the motor carrier laws of this state.

33-2 SECTION 88. Section 24.01(a), Alcoholic Beverage Code, is
33-3 amended to read as follows:

33-4 (a) The holder of a wine only package store permit may:

33-5 (1) purchase ~~[ale,]~~ wine~~[,]~~ and vinous liquors in this
33-6 state from the holder of a winery, ~~[wine bottler's,]~~ wholesaler's,
33-7 or class B wholesaler's permit; ~~[and]~~

33-8 (2) purchase malt beverages from the holder of a
33-9 general or branch distributor's license; and

33-10 (3) sell those beverages to consumers at retail on or
33-11 from the licensed premises in unbroken original containers of not
33-12 less than six ounces for off-premises consumption only and not for
33-13 the purpose of resale.

33-14 SECTION 89. Section 24.04, Alcoholic Beverage Code, is
33-15 amended to read as follows:

33-16 Sec. 24.04. DESIGNATION OF PLACE OF STORAGE; TRANSPORT OF
33-17 BEVERAGES. (a) The owner of more than one wine only package store
33-18 ~~[who is also the holder of a local cartage permit]~~ may designate one
33-19 of the permit holder's [his] places of business as a place of
33-20 storage. The permit holder [He] may transfer alcoholic beverages
33-21 to and from the [his] place of storage and the permit holder's [his]
33-22 other stores in the same county, subject to rules prescribed by the
33-23 commission.

33-24 (b) A wine only package store permit holder may not
33-25 transport alcoholic beverages under Subsection (a) unless:

33-26 (1) the permit holder provides the commission with a
33-27 description, as required by the commission, of each motor vehicle
33-28 used by the permit holder to transport alcoholic beverages; and

33-29 (2) each motor vehicle is plainly marked or lettered
33-30 to indicate that it is being used by the permit holder to transport
33-31 alcoholic beverages.

33-32 (c) When transporting alcoholic beverages under this
33-33 section, the holder of a wine only package store permit may not
33-34 violate the motor carrier laws of this state.

33-35 SECTION 90. Section 24.05(c), Alcoholic Beverage Code, is
33-36 amended to read as follows:

33-37 (c) A person may not hold a wine and malt beverage [beer]
33-38 retailer's or wine and malt beverage [beer] retailer's off-premise
33-39 permit at the same location where the person holds a wine only
33-40 package store permit.

33-41 SECTION 91. Section 24.07, Alcoholic Beverage Code, is
33-42 amended to read as follows:

33-43 Sec. 24.07. ~~[WHEN LICENSE ALSO HELD.]~~ HOURS OF SALE~~[, ETC.]~~.
33-44 A holder of a wine only package store permit ~~[who also holds a~~
33-45 ~~retail dealer's off-premise license for the same location]~~ may
33-46 remain open and sell malt beverages [ale], wine, and vinous
33-47 liquors, ~~[and beer,]~~ for off-premises consumption only, on any day
33-48 and during the same hours that the holder of a wine and malt
33-49 beverage [beer] retailer's permit may sell malt beverages [ale,
33-50 beer,] and wine, except that the permittee [he] may not sell wine or
33-51 vinous liquor containing more than 17 percent alcohol by volume on a
33-52 Sunday or after 10 p.m. on any day.

33-53 SECTION 92. Section 24.09, Alcoholic Beverage Code, is
33-54 amended to read as follows:

33-55 Sec. 24.09. OPENING CONTAINERS PROHIBITED. Except as
33-56 provided by Section 24.12 [52.01], a person may not break or open a
33-57 container of liquor or malt beverages [beer] or possess an opened
33-58 container of liquor or malt beverages [beer] on the premises of a
33-59 wine only package store.

33-60 SECTION 93. Section 24.10, Alcoholic Beverage Code, is
33-61 amended to read as follows:

33-62 Sec. 24.10. BEVERAGE FROM OPENED CONTAINER. Except as
33-63 provided by Section 24.12 [52.01], a person may not sell, barter,
33-64 exchange, deliver, or give away a drink of alcoholic beverage from a
33-65 container that has been opened or broken on the premises of a wine
33-66 only package store.

33-67 SECTION 94. Section 24.12, Alcoholic Beverage Code, is
33-68 amended to read as follows:

33-69 Sec. 24.12. WINE AND MALT BEVERAGES [ALE] SAMPLING. (a)

34-1 The holder of a wine only package store permit may conduct free
 34-2 product samplings of wine or malt beverages [ale] on the permit
 34-3 holder's premises during regular business hours as provided by this
 34-4 section.

34-5 (b) An agent or employee of the holder of a wine only package
 34-6 store permit may open, touch, or pour wine or malt beverages [ale],
 34-7 make a presentation, or answer questions at a sampling event.

34-8 (c) For the purposes of this code and any other law or
 34-9 ordinance:

34-10 (1) a wine only package store permit does not
 34-11 authorize the sale of alcoholic beverages for on-premise
 34-12 consumption; and

34-13 (2) none of the permit holder's income may be
 34-14 considered to be income from the sale of alcoholic beverages for
 34-15 on-premise consumption.

34-16 (d) Any wine or malt beverages [ale] used in a sampling
 34-17 event under this section must be purchased from or provided by the
 34-18 retailer on whose premises the sampling event is held. The retailer
 34-19 may not require the purchase of more alcoholic beverages than are
 34-20 necessary for the tasting. This section does not authorize the
 34-21 holder of a nonresident seller's permit or that permit holder's
 34-22 agent or employee to withdraw or purchase an alcoholic beverage
 34-23 from the holder of a wholesaler's permit or provide an alcoholic
 34-24 beverage for tasting on a retailer's premises that is not purchased
 34-25 from the retailer.

34-26 (e) When a sampling event under this section is held on the
 34-27 premises of a wine only package store permit located in an area
 34-28 which is wet for the sale of wine but which is not wet for the sale
 34-29 of higher alcohol content wines that may be sold under an
 34-30 unrestricted wine only package store permit, the only wines that
 34-31 may be sampled are wines which may be legally sold by the wine only
 34-32 package store permittee as restricted under Section 251.81.

34-33 (f) Written notification of a product tasting must be posted
 34-34 on the premises of the wine only package store permit holder not
 34-35 later than 48 hours before the tasting event. The notification
 34-36 shall clearly state:

34-37 (1) the type and brand of alcoholic beverage to be
 34-38 tasted;

34-39 (2) the date and hours the tasting is to take place;
 34-40 and

34-41 (3) the address of the premises where the tasting is to
 34-42 occur.

34-43 (g) A copy of the notification shall be kept on file and
 34-44 available for inspection on the premises during all tasting hours.

34-45 (h) Sample portions at a product tasting shall be limited to
 34-46 no more than:

34-47 (1) one ounce for wine; and

34-48 (2) one ounce for malt beverages and coolers.

34-49 (i) Not more than 20 different products may be made
 34-50 available for tasting at any one time.

34-51 (j) No charge of any sort may be made for a sample serving.

34-52 (k) A person may be served more than one sample. Samples may
 34-53 not be served to a minor or to an obviously intoxicated person. A
 34-54 sample may not be removed from the permitted premises.

34-55 (l) During the tasting, not more than two containers of each
 34-56 brand or type of product being tasted may be open on the premises at
 34-57 one time.

34-58 (m) At the conclusion of the tasting, all empty or open
 34-59 containers of alcoholic beverages used in the tasting shall be
 34-60 removed from the premises or stored in a locked, secure area on the
 34-61 permitted premises.

34-62 (n) A tasting event authorized by this section may not be
 34-63 advertised except by on-site communications, by direct mail, by
 34-64 electronic mail, or on the permit holder's Internet website.

34-65 (o) Except as provided by Subsection (p) or elsewhere in
 34-66 this code, a person other than the wine only package store permittee
 34-67 or the permittee's agent or employee may not dispense or
 34-68 participate in the dispensing of alcoholic beverages under this
 34-69 section.

35-1 (p) The holder of a nonresident seller's permit or that
 35-2 permit holder's agent or employee may participate in and conduct
 35-3 product tastings of alcoholic beverages at a retailer's premises
 35-4 and may open, touch, or pour alcoholic beverages, make a
 35-5 presentation, or answer questions at the tasting.

35-6 SECTION 95. The heading to Chapter 25, Alcoholic Beverage
 35-7 Code, is amended to read as follows:

35-8 CHAPTER 25. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S PERMIT

35-9 SECTION 96. Section 25.01, Alcoholic Beverage Code, is
 35-10 amended to read as follows:

35-11 Sec. 25.01. AUTHORIZED ACTIVITIES. The holder of a wine and
 35-12 malt beverage [~~beer~~] retailer's permit may sell:

35-13 (1) for consumption on or off the premises where sold,
 35-14 but not for resale, wine[~~, beer,~~] and malt beverages [~~liquors~~]
 35-15 containing alcohol in excess of one-half of one percent by volume
 35-16 and not more than 17 percent by volume; and

35-17 (2) for consumption on the premises traditional port
 35-18 or sherry containing alcohol in excess of one-half of one percent by
 35-19 volume and not more than 24 percent by volume.

35-20 SECTION 97. Effective September 1, 2019, the heading to
 35-21 Section 25.03, Alcoholic Beverage Code, is amended to read as
 35-22 follows:

35-23 Sec. 25.03. [~~RAILWAY CARS AND~~] EXCURSION BOATS: PERMITS,
 35-24 FEES.

35-25 SECTION 98. Effective September 1, 2019, Sections 25.03(c)
 35-26 and (d), Alcoholic Beverage Code, are amended to read as follows:

35-27 (c) Application for a permit for [~~a railway car or~~] an
 35-28 excursion boat and payment of the required fee shall be made
 35-29 directly to the commission.

35-30 (d) A permit for [~~a railway car or~~] an excursion boat is
 35-31 inoperative in a dry area.

35-32 SECTION 99. (a) Effective December 31, 2020, Section
 35-33 25.04(a), Alcoholic Beverage Code, is amended to read as follows:

35-34 (a) A wine and beer retailer's permit is issued by the
 35-35 commission [~~or administrator~~]. The qualification of applicants and
 35-36 the application for and issuance of the permit are governed by the
 35-37 same provisions which apply to the application for and issuance of a
 35-38 retail dealer's on-premise license.

35-39 (b) Effective September 1, 2021, Section 25.04, Alcoholic
 35-40 Beverage Code, is amended to read as follows:

35-41 Sec. 25.04. ISSUANCE, CANCELLATION, AND SUSPENSION OF
 35-42 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's permit is
 35-43 issued by the commission [~~or administrator~~]. The qualification of
 35-44 applicants and the application for and issuance of the permit are
 35-45 governed by the same provisions which apply to the application for
 35-46 and issuance of a retail dealer's on-premise license.

35-47 (b) The provisions of this code applicable to the
 35-48 cancellation and suspension of a retail dealer's on-premise license
 35-49 also apply to the cancellation and suspension of a wine and malt
 35-50 beverage [~~beer~~] retailer's permit.

35-51 SECTION 100. (a) Effective December 31, 2020, Section
 35-52 25.05(a), Alcoholic Beverage Code, is amended to read as follows:

35-53 (a) On receipt of an original application for a wine and
 35-54 beer retailer's permit, the commission [~~county judge~~] shall give
 35-55 notice of all hearings before the commission [~~him~~] concerning the
 35-56 application to [~~the commission,~~] the sheriff[~~,~~] and the chief of
 35-57 police of the incorporated city in which, or nearest which, the
 35-58 premises for which the permit is sought are located.

35-59 (b) Effective September 1, 2021, Section 25.05(a),
 35-60 Alcoholic Beverage Code, is amended to read as follows:

35-61 (a) On receipt of an original application for a wine and
 35-62 malt beverage [~~beer~~] retailer's permit, the commission [~~county~~
 35-63 ~~judge~~] shall give notice of all hearings before the commission
 35-64 [~~him~~] concerning the application to [~~the commission,~~] the
 35-65 sheriff[~~,~~] and the chief of police of the incorporated city in
 35-66 which, or nearest which, the premises for which the permit is sought
 35-67 are located.

35-68 SECTION 101. (a) Effective December 31, 2020, Sections
 35-69 25.06(a), (b), and (c), Alcoholic Beverage Code, are amended to

36-1 read as follows:

36-2 (a) The commission [~~county judge~~] shall deny an original
36-3 application for a wine and beer retailer's permit if the commission
36-4 [~~he~~] finds that the applicant, or the applicant's spouse, during
36-5 the five years immediately preceding the application, was finally
36-6 convicted of a felony or one of the following offenses:

- 36-7 (1) prostitution;
- 36-8 (2) a vagrancy offense involving moral turpitude;
- 36-9 (3) bookmaking;
- 36-10 (4) gambling or gaming;
- 36-11 (5) an offense involving controlled substances as
36-12 defined in Chapter 481, Health and Safety Code, or other dangerous
36-13 drugs;
- 36-14 (6) a violation of this code resulting in the
36-15 cancellation of a license or permit, or a fine of not less than
36-16 \$500;
- 36-17 (7) more than three violations of this code relating
36-18 to minors;
- 36-19 (8) bootlegging; or
- 36-20 (9) an offense involving firearms or a deadly weapon.

36-21 (b) The commission [~~county judge~~] shall also deny an
36-22 original application for a permit if the commission [~~he~~] finds that
36-23 five years have not elapsed since the termination of a sentence,
36-24 parole, or probation served by the applicant or the applicant's
36-25 spouse because of a felony conviction or conviction of any of the
36-26 offenses described in Subsection (a) [~~of this section~~].

36-27 (c) The commission shall deny an application for [~~refuse to~~
36-28 ~~issue~~] a renewal of a wine and and [~~or~~] beer retailer's permit if the
36-29 commission [~~it~~] finds:

- 36-30 (1) that the applicant, or the applicant's spouse, has
36-31 been convicted of a felony or one of the offenses listed in
36-32 Subsection (a) [~~of this section~~] at any time during the five years
36-33 immediately preceding the filing of the application for renewal; or
- 36-34 (2) that five years have not elapsed since the
36-35 termination of a sentence, parole, or probation served by the
36-36 applicant, or the applicant's spouse, of a felony conviction or
36-37 conviction of any of the offenses described in Subsection (a) [~~of~~
36-38 ~~this section~~].

36-39 (b) Effective September 1, 2021, Sections 25.06(a) and (c),
36-40 Alcoholic Beverage Code, are amended to read as follows:

36-41 (a) The commission [~~county judge~~] shall deny an original
36-42 application for a wine and malt beverage [~~beer~~] retailer's permit
36-43 if the commission [~~he~~] finds that the applicant, or the applicant's
36-44 spouse, during the five years immediately preceding the
36-45 application, was finally convicted of a felony or one of the
36-46 following offenses:

- 36-47 (1) prostitution;
- 36-48 (2) a vagrancy offense involving moral turpitude;
- 36-49 (3) bookmaking;
- 36-50 (4) gambling or gaming;
- 36-51 (5) an offense involving controlled substances as
36-52 defined in Chapter 481, Health and Safety Code, or other dangerous
36-53 drugs;
- 36-54 (6) a violation of this code resulting in the
36-55 cancellation of a license or permit, or a fine of not less than
36-56 \$500;
- 36-57 (7) more than three violations of this code relating
36-58 to minors;
- 36-59 (8) bootlegging; or
- 36-60 (9) an offense involving firearms or a deadly weapon.

36-61 (c) The commission shall deny an application for [~~refuse to~~
36-62 ~~issue~~] a renewal of a wine and malt beverage [~~or beer~~] retailer's
36-63 permit if the commission [~~it~~] finds:

- 36-64 (1) that the applicant, or the applicant's spouse, has
36-65 been convicted of a felony or one of the offenses listed in
36-66 Subsection (a) [~~of this section~~] at any time during the five years
36-67 immediately preceding the filing of the application for renewal; or
- 36-68 (2) that five years have not elapsed since the
36-69 termination of a sentence, parole, or probation served by the

37-1 applicant, or the applicant's spouse, of a felony conviction or
 37-2 conviction of any of the offenses described in Subsection (a) [~~of~~
 37-3 ~~this section~~].

37-4 SECTION 102. Section 25.09, Alcoholic Beverage Code, is
 37-5 amended to read as follows:

37-6 Sec. 25.09. POSSESSION OF CERTAIN BEVERAGES PROHIBITED.

37-7 (a) Except as provided by this section, a wine and malt beverage
 37-8 [~~beer~~] retailer's permittee or an officer of the permittee may not
 37-9 possess distilled spirits or liquor containing alcohol in excess of
 37-10 17 percent by volume on the licensed premises.

37-11 (b) The commission by rule may allow a wine and malt
 37-12 beverage [~~beer~~] retailer's permittee or the permittee's officer to
 37-13 possess and use alcoholic beverages in excess of 17 percent by
 37-14 volume on the licensed premises for cooking purposes.

37-15 SECTION 103. Section 25.10, Alcoholic Beverage Code, is
 37-16 amended to read as follows:

37-17 Sec. 25.10. APPLICATION OF OTHER CODE PROVISIONS. Sections
 37-18 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine
 37-19 and malt beverage [~~beer~~] retailer's permit. The restrictions in
 37-20 this code relating to malt beverages [~~beer~~] as to the application of
 37-21 local restrictions, sales to minors and intoxicated persons, age of
 37-22 employees, and the use of blinds or barriers apply to the sale of
 37-23 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's
 37-24 permittee.

37-25 SECTION 104. Section 25.11, Alcoholic Beverage Code, is
 37-26 amended to read as follows:

37-27 Sec. 25.11. SEATING AREA REQUIRED. A wine and malt beverage
 37-28 [~~beer~~] retailer's permittee must have an area designated on the
 37-29 premises for the permittee's customers to sit if they wish to
 37-30 consume beverages sold by the permittee on the premises.

37-31 SECTION 105. Section 25.12(a), Alcoholic Beverage Code, is
 37-32 amended to read as follows:

37-33 (a) Notwithstanding any provision of this code to the
 37-34 contrary, the premises of a wine and malt beverage [~~beer~~]
 37-35 retailer's permittee who leases space in a food court includes the
 37-36 seating area that the permittee shares with the other lessees that
 37-37 occupy the food court.

37-38 SECTION 106. Sections 25.13(a), (a-1), and (d), Alcoholic
 37-39 Beverage Code, are amended to read as follows:

37-40 (a) In this section, "location" means the designated
 37-41 physical address of the wine and malt beverage [~~beer~~] retailer's
 37-42 permit and includes all areas at the address where the permit holder
 37-43 may sell or deliver alcoholic beverages for immediate consumption
 37-44 regardless of whether some of those areas are occupied by other
 37-45 businesses.

37-46 (a-1) A holder of a wine and malt beverage [~~beer~~] retailer's
 37-47 permit may be issued a food and beverage certificate by the
 37-48 commission if the commission finds that the receipts from the sale
 37-49 of alcoholic beverages by the permit holder at the location are 60
 37-50 percent or less of the total receipts from the location.

37-51 (d) A certificate issued under this section expires on the
 37-52 expiration of the primary wine and malt beverage [~~beer~~] retailer's
 37-53 permit. A certificate may be canceled at any time, and the renewal
 37-54 of a certificate may be denied, if the commission finds that the
 37-55 holder of the certificate is in violation of Subsection (a-1) or (b)
 37-56 or a rule adopted under Subsection (b-1). On finding that the
 37-57 permittee knowingly operated under a food and beverage certificate
 37-58 while not complying with this section or a rule adopted under
 37-59 Subsection (b-1), the commission may cancel or deny the renewal of
 37-60 the permittee's wine and malt beverage [~~beer~~] retailer's
 37-61 permit. The holder of a wine and malt beverage [~~beer~~] retailer's
 37-62 permit whose certificate has been canceled or who is denied renewal
 37-63 of a certificate under this subsection may not apply for a new
 37-64 certificate until the day after the first anniversary of the date
 37-65 the certificate was canceled or the renewal of the certificate was
 37-66 denied.

37-67 SECTION 107. Section 25.14(a), Alcoholic Beverage Code, is
 37-68 amended to read as follows:

37-69 (a) Notwithstanding any other provision of this code, a

38-1 permit under this chapter may be issued for a premises in an area in
 38-2 which the voters have approved the following alcoholic beverage
 38-3 ballot issues in a local option election:

38-4 (1) "The legal sale of malt beverages [~~beer~~] and wine
 38-5 for off-premise consumption only."; and

38-6 (2) either:
 38-7 (A) "The legal sale of mixed beverages."; or
 38-8 (B) "The legal sale of mixed beverages in
 38-9 restaurants by food and beverage certificate holders only."

38-10 SECTION 108. Chapter 25, Alcoholic Beverage Code, is
 38-11 amended by adding Section 25.15 to read as follows:

38-12 Sec. 25.15. SALES AT TEMPORARY LOCATION. (a) The holder of
 38-13 a wine and malt beverage retailer's permit may temporarily at a
 38-14 location other than the permit holder's premises sell for
 38-15 consumption on or off the premises where sold, but not for resale,
 38-16 wine and malt beverages containing alcohol in excess of one-half of
 38-17 one percent by volume but not more than 17 percent by volume at a
 38-18 picnic, celebration, or similar event.

38-19 (b) The holder of a wine and malt beverage retailer's permit
 38-20 may temporarily sell wine and malt beverages for not more than four
 38-21 consecutive days at the same location under Subsection (a) and not
 38-22 more than five consecutive days at an event under Subsection (d) or
 38-23 six days if necessary to accommodate the postponement of scheduled
 38-24 racing events due to an act of nature.

38-25 (c) The commission shall adopt rules to implement this
 38-26 section, including rules that:

38-27 (1) require the permit holder to notify the commission
 38-28 of the dates on which and location where the permit holder will
 38-29 temporarily offer wine and malt beverages for sale under this
 38-30 section;

38-31 (2) establish a procedure to verify the wet or dry
 38-32 status of the location where the permit holder intends to
 38-33 temporarily sell wine and malt beverages under this section;

38-34 (3) detail the circumstances when a permit holder may
 38-35 temporarily sell wine and malt beverages under this section with
 38-36 only a notification to the commission and the circumstances that
 38-37 require the commission's preapproval before a permit holder may
 38-38 temporarily sell wine and malt beverages under this section;

38-39 (4) establish the length of time a permit holder may
 38-40 sell wine and malt beverages under this section at the same
 38-41 location; and

38-42 (5) require the permit holder to provide any other
 38-43 information the commission determines necessary.

38-44 (d) The holder of a wine and malt beverage retailer's permit
 38-45 may temporarily sell wine and malt beverages in an area of a
 38-46 facility with a seating capacity of more than 150,000 that is open
 38-47 to the public and not otherwise covered by a license or permit
 38-48 during a motor vehicle racing event sponsored by a professional
 38-49 motor racing association.

38-50 (e) The holder of a wine and malt beverage retailer's permit
 38-51 who temporarily sells wine and malt beverages under Subsection (d)
 38-52 may not:

38-53 (1) sell under this section at the facility more than
 38-54 four times in a calendar year;

38-55 (2) sell alcoholic beverages in factory-sealed
 38-56 containers;

38-57 (3) sell more than two drinks to a single consumer at
 38-58 one time;

38-59 (4) sell alcoholic beverages at more than 50 percent
 38-60 of the food and beverage concession stands that are open for
 38-61 business at any one time; and

38-62 (5) sell alcoholic beverages after:

38-63 (A) 75 percent of the feature race is complete on
 38-64 the day that race is held; and

38-65 (B) one hour before the scheduled completion of
 38-66 the last spectator event on a day other than the feature race day.

38-67 (f) A holder of a wine and malt beverage retailer's permit
 38-68 that sells wine or malt beverages under that permit in a county
 38-69 other than the county in which the premises covered by the permit is

39-1 located must:

39-2 (1) purchase the beverages from a distributor or
 39-3 wholesaler authorized under this code to sell the beverages in the
 39-4 county in which the permit holder sells the beverages under this
 39-5 section; and

39-6 (2) report to the commission, in the manner prescribed
 39-7 by the commission by rule, the amount of beverages purchased and
 39-8 sold under this section, by type.

39-9 SECTION 109. The heading to Chapter 26, Alcoholic Beverage
 39-10 Code, is amended to read as follows:

39-11 CHAPTER 26. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S OFF-PREMISE
 39-12 PERMIT

39-13 SECTION 110. Section 26.01, Alcoholic Beverage Code, is
 39-14 amended to read as follows:

39-15 Sec. 26.01. AUTHORIZED ACTIVITIES. (a) The holder of a
 39-16 wine and malt beverage [~~beer~~] retailer's off-premise permit may
 39-17 sell for off-premises consumption only, in unbroken original
 39-18 containers, but not for resale, wine[~~, beer~~] and malt beverages
 39-19 [~~liquors~~] containing alcohol in excess of one-half of one percent
 39-20 by volume but not more than 17 percent by volume.

39-21 (b) The holder of a wine and malt beverage [~~beer~~] retailer's
 39-22 off-premise permit may conduct free product samplings of wine[~~, beer~~]
 39-23 and malt beverages [~~liquor~~] containing alcohol in excess of
 39-24 one-half of one percent by volume but not more than 17 percent by
 39-25 volume on the permit holder's premises during regular business
 39-26 hours as provided by Section 26.08.

39-27 SECTION 111. (a) Effective December 31, 2020, Section
 39-28 26.03(a), Alcoholic Beverage Code, is amended to read as follows:

39-29 (a) A wine and beer retailer's off-premise permit is issued
 39-30 by the commission [~~or administrator~~]. The qualifications of
 39-31 applicants and the application for and issuance of the permit are
 39-32 governed by the same provisions which apply to the application for
 39-33 and issuance of a retail dealer's off-premise license.

39-34 (b) Effective September 1, 2021, Section 26.03, Alcoholic
 39-35 Beverage Code, is amended to read as follows:

39-36 Sec. 26.03. ISSUANCE, CANCELLATION, AND SUSPENSION OF
 39-37 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's off-premise
 39-38 permit is issued by the commission [~~or administrator~~]. The
 39-39 qualifications of applicants and the application for and issuance
 39-40 of the permit are governed by the same provisions which apply to the
 39-41 application for and issuance of a retail dealer's off-premise
 39-42 license.

39-43 (b) The provisions of this code applicable to the
 39-44 cancellation and suspension of a retail dealer's off-premise
 39-45 license also apply to the cancellation and suspension of a wine and
 39-46 malt beverage [~~beer~~] retailer's off-premise permit.

39-47 SECTION 112. Section 26.04, Alcoholic Beverage Code, is
 39-48 amended to read as follows:

39-49 Sec. 26.04. APPLICATION OF OTHER CODE PROVISIONS. Sections
 39-50 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine
 39-51 and malt beverage [~~beer~~] retailer's off-premise permit. The
 39-52 restrictions in this code relating to malt beverages [~~beer~~] as to
 39-53 the application of local restrictions, sales to minors and
 39-54 intoxicated persons, and age of employees apply to the sale of
 39-55 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's
 39-56 off-premise permittee.

39-57 SECTION 113. Section 26.05(a), Alcoholic Beverage Code, is
 39-58 amended to read as follows:

39-59 (a) Each holder of a wine and malt beverage [~~beer~~]
 39-60 retailer's off-premise permit shall display in a prominent place on
 39-61 the permittee's [~~his~~] premises a sign stating in letters at least
 39-62 two inches high: IT IS A CRIME (MISDEMEANOR) TO CONSUME LIQUOR OR
 39-63 MALT BEVERAGES [~~BEER~~] ON THESE PREMISES. The commission or
 39-64 administrator may require the holder of the permit to also display
 39-65 the sign in a language other than English if it can be observed or
 39-66 determined that a substantial portion of the expected customers
 39-67 speak the other language as their familiar language.

39-68 SECTION 114. Section 26.08, Alcoholic Beverage Code, is
 39-69 amended to read as follows:

40-1 Sec. 26.08. SAMPLING EVENT. (a) An employee of the holder
40-2 of a wine and malt beverage [~~beer~~] retailer's off-premise permit
40-3 may open, touch, or pour wine[~~, beer,~~] or malt beverages [~~liquor~~],
40-4 make a presentation, or answer questions at a sampling event.

40-5 (b) For purposes of this code and any other law or
40-6 ordinance:

40-7 (1) a wine and malt beverage [~~beer~~] retailer's
40-8 off-premise permit does not authorize the sale of alcoholic
40-9 beverages for on-premises consumption; and

40-10 (2) none of the permit holder's income may be
40-11 considered to be income from the sale of alcoholic beverages for
40-12 on-premises consumption.

40-13 (c) Any wine[~~, beer,~~] or malt beverages [~~liquor~~] used in a
40-14 sampling event under this section must be purchased from or
40-15 provided by the retailer on whose premises the sampling event is
40-16 held. This section does not authorize the holder of a wine and malt
40-17 beverage [~~beer~~] retailer's off-premise permit to withdraw or
40-18 purchase alcoholic beverages from the holder of a wholesaler's
40-19 permit or a distributor's license or provide alcoholic beverages
40-20 for a sampling on a retailer's premises that is not purchased from
40-21 the retailer. The amount of alcoholic beverages purchased from the
40-22 retailer may not exceed the amount of alcoholic beverages used in
40-23 the sampling event.

40-24 SECTION 115. Sections 28.01(b) and (c), Alcoholic Beverage
40-25 Code, are amended to read as follows:

40-26 (b) The holder of a mixed beverage permit for an
40-27 establishment in a hotel may deliver mixed beverages, including
40-28 wine and malt beverages [~~beer~~], to individual rooms of the hotel or
40-29 to any other location in the hotel building or grounds, except a
40-30 parking area or the licensed premises of another alcoholic beverage
40-31 establishment, without regard to whether the place of delivery is
40-32 part of the licensed premises. A permittee in a hotel may allow a
40-33 patron or visitor to enter or leave the licensed premises, even
40-34 though the patron or visitor possesses an alcoholic beverage, if
40-35 the beverage is in an open container and appears to be possessed for
40-36 present consumption.

40-37 (c) The holder of a mixed beverage permit may also:

40-38 (1) purchase wine[~~, beer, ale,~~] and malt beverages
40-39 [~~liquor~~] containing alcohol of not more than 21 percent by volume in
40-40 containers of any legal size from any permittee or licensee
40-41 authorized to sell those beverages for resale; and

40-42 (2) sell the wine[~~, beer, ale,~~] and malt beverages
40-43 [~~liquor~~] for consumption on the licensed premises.

40-44 SECTION 116. Section 28.07, Alcoholic Beverage Code, is
40-45 amended by amending Subsections (b) and (c) and adding Subsection
40-46 (d) to read as follows:

40-47 (b) If a holder of a mixed beverage permit is in a county
40-48 where there are no local distributors, the permit holder [~~he~~] may
40-49 purchase alcoholic beverages in the nearest county where local
40-50 distributors are located and may transport them to the permit
40-51 holder's [~~his~~] premises [~~provided that he is also a holder of a~~
40-52 ~~beverage cartage permit~~]. The transporter may acquire the
40-53 alcoholic beverages only on the written order of the holder of the
40-54 mixed beverage permit. The alcoholic beverages must be accompanied
40-55 by a written statement furnished and signed by the local
40-56 distributor showing the name and address of the consignee and
40-57 consignor, the origin and destination of the shipment, and any
40-58 other information required by the commission or administrator. The
40-59 person in charge of the alcoholic beverages while they are being
40-60 transported shall exhibit the written statement to any
40-61 representative of the commission or any peace officer on demand,
40-62 and the statement shall be accepted by the representative or
40-63 officer as prima facie evidence of the lawful right to transport the
40-64 alcoholic beverages.

40-65 (c) If a mixed beverage permittee's [~~permittee holds a~~
40-66 ~~beverage cartage permit and his~~] premises are located in a regional
40-67 airport governed by a board, commission, or authority composed of
40-68 members from two or more counties, and there is no local distributor
40-69 at the airport, the mixed beverage permittee may purchase alcoholic

41-1 beverages from any local distributor in a trade area served by the
41-2 airport and transport the alcoholic beverages [them] to the permit
41-3 holder's [his] licensed premises. The transportation of the
41-4 beverages must be in accordance with Subsection (b) [of this
41-5 section].

41-6 (d) The holder of a mixed beverage permit may transfer
41-7 alcoholic beverages from the place of purchase to the permitted
41-8 premises as provided in this code.

41-9 SECTION 117. Section 28.10(b), Alcoholic Beverage Code, is
41-10 amended to read as follows:

41-11 (b) A mixed beverage permittee may not permit any person to
41-12 take any alcoholic beverage purchased on the licensed premises from
41-13 the premises where sold, except that:

41-14 (1) a person who orders wine with food and has a
41-15 portion of the open container remaining may remove the open
41-16 container of wine from the premises; and

41-17 (2) a mixed beverage permittee who also holds a
41-18 brewpub license may sell or offer without charge on the premises of
41-19 the brewpub, to an ultimate consumer for consumption on or off the
41-20 premises, malt beverages [liquor, ale, or beer] produced by the
41-21 permittee, in or from a lawful container in an amount that does not
41-22 exceed one-half barrel, provided that the aggregate amount of malt
41-23 beverages [liquor, ale, and beer] removed from the premises under
41-24 this subdivision does not exceed 1,000 barrels annually.

41-25 SECTION 118. Chapter 28, Alcoholic Beverage Code, is
41-26 amended by adding Section 28.19 to read as follows:

41-27 Sec. 28.19. SALES AT TEMPORARY LOCATION. (a) The holder of
41-28 a mixed beverage permit may temporarily sell authorized alcoholic
41-29 beverages at:

41-30 (1) a picnic, celebration, or similar event; or

41-31 (2) a place other than the premises for which the
41-32 holder's mixed beverage permit is issued only in:

41-33 (A) an area where the sale of mixed beverages has
41-34 been authorized by a local option election; or

41-35 (B) an area that:

41-36 (i) is adjacent to a county with a home-rule
41-37 municipality with a population of more than 350,000:

41-38 (a) that has in its charter a
41-39 provision allowing for limited purpose annexation for zoning;

41-40 (b) that has previously disannexed
41-41 territory annexed for limited purposes; and

41-42 (c) that allows the sale of mixed
41-43 beverages;

41-44 (ii) does not comprise an entire county;

41-45 and

41-46 (iii) is not within the corporate limits of
41-47 a municipality.

41-48 (b) Distilled spirits sold at a temporary location under
41-49 this section must be purchased from the holder of a local
41-50 distributor's permit.

41-51 (c) The commission shall adopt rules to implement this
41-52 section, including rules that:

41-53 (1) require the permit holder to notify the commission
41-54 of the dates on which and location where the permit holder will
41-55 temporarily offer alcoholic beverages for sale under this section;

41-56 (2) establish a procedure to verify the wet or dry
41-57 status of the location where the permit holder intends to
41-58 temporarily sell alcoholic beverages under this section;

41-59 (3) detail the circumstances when a permit holder may
41-60 temporarily sell alcoholic beverages under this section with only a
41-61 notification to the commission and the circumstances that require
41-62 the commission's preapproval before a permit holder may temporarily
41-63 sell alcoholic beverages under this section;

41-64 (4) establish the length of time a permit holder may
41-65 sell alcoholic beverages under this section at the same location;
41-66 and

41-67 (5) require the permit holder to provide any other
41-68 information the commission determines necessary.

41-69 (d) Notwithstanding any other law, the temporary sale of

42-1 alcoholic beverages by a mixed beverage permit holder under this
42-2 section in an area located on property owned by a municipality that
42-3 contains a municipally owned conference center and that borders a
42-4 lake may permit a patron to leave the area, even though the patron
42-5 possesses an alcoholic beverage, if:

42-6 (1) the beverage is in an open container and appears to
42-7 be possessed for present consumption; and

42-8 (2) the public consumption of alcoholic beverages or
42-9 possession of an open container of an alcoholic beverage is not
42-10 prohibited on the municipally owned property where the area is
42-11 located.

42-12 (e) Subsection (d) applies only to a mixed beverage permit
42-13 holder operating under this section in an area in a municipality
42-14 that:

42-15 (1) has a population of less than 15,000;

42-16 (2) is located in a county with a population of less
42-17 than 65,000; and

42-18 (3) contains a historic preservation district that
42-19 borders a lake.

42-20 (f) Subsection (d) does not affect the prohibition against
42-21 possessing an open container in a passenger area of a motor vehicle
42-22 under Section 49.031, Penal Code.

42-23 SECTION 119. Chapter 29, Alcoholic Beverage Code, is
42-24 amended to read as follows:

42-25 CHAPTER 29. RETAILER [~~MIXED BEVERAGE~~] LATE HOURS CERTIFICATE
42-26 [~~PERMIT~~]

42-27 Sec. 29.01. ELIGIBLE PERMIT AND LICENSE HOLDERS. A
42-28 retailer late hours certificate may be issued to the holder of a
42-29 mixed beverage permit, private club registration permit, or retail
42-30 dealer's on-premise license.

42-31 Sec. 29.02. AUTHORIZED ACTIVITIES. The holder of a
42-32 retailer late hours certificate [~~mixed beverage late hours permit~~]
42-33 may sell or serve the alcoholic beverages the holder is authorized
42-34 to sell or serve under its primary permit or license [~~mixed~~
42-35 beverages] on Sunday between the hours of 1:00 a.m. and 2 a.m. and
42-36 on any other day between the hours of 12 midnight and 2 a.m. if the
42-37 premises covered by the license or permit are in an area where the
42-38 sale or service of those alcoholic [~~mixed~~] beverages during those
42-39 hours is authorized by this code.

42-40 [~~Sec. 29.02. FEE. The annual state fee for a mixed beverage~~
42-41 late hours permit is \$150.]

42-42 Sec. 29.03. ISSUANCE OF CERTIFICATE AUTHORIZED FOR CERTAIN
42-43 AREAS. (a) Notwithstanding any other provision of this code, a
42-44 retailer late hours certificate may be issued to the holder of a
42-45 retail dealer's on-premise license in an area in which the voters
42-46 have approved the following alcoholic beverage ballot issues in a
42-47 local option election:

42-48 (1) either:

42-49 (A) "The legal sale of beer and wine for
42-50 off-premise consumption only."; or

42-51 (B) "The legal sale of malt beverages and wine
42-52 for off-premise consumption only."; and

42-53 (2) either:

42-54 (A) "The legal sale of mixed beverages."; or

42-55 (B) "The legal sale of mixed beverages in
42-56 restaurants by food and beverage certificate holders only."

42-57 (b) A premises that qualifies for a certificate under this
42-58 chapter because it is located in an area that approved the ballot
42-59 issue described by Subsection (a)(2)(B) may be issued a certificate
42-60 under this chapter only if the premises is issued a food and
42-61 beverage certificate [~~APPLICATION OF PROVISIONS REGULATING MIXED~~
42-62 BEVERAGE PERMITS. All provisions of this code which apply to a
42-63 mixed beverage permit also apply to a mixed beverage late hours
42-64 permit].

42-65 SECTION 120. Chapter 30, Alcoholic Beverage Code, is
42-66 amended to read as follows:

42-67 CHAPTER 30. NONPROFIT ENTITY [~~DAILY~~] TEMPORARY EVENT [~~MIXED~~
42-68 BEVERAGE] PERMIT

42-69 Sec. 30.01. DEFINITION. In this chapter, "nonprofit

43-1 entity" means:
 43-2 (1) a nonprofit corporation;
 43-3 (2) a nonprofit charitable, civic, or religious
 43-4 organization;
 43-5 (3) a political party or political association
 43-6 supporting a candidate for public office or a proposed amendment to
 43-7 the Texas Constitution or other ballot measure;
 43-8 (4) a fraternal organization with a regular membership
 43-9 that has been in continuous existence for more than five years; or
 43-10 (5) a person or group of persons who are subject to
 43-11 recordkeeping requirements under Chapter 254, Election Code.

43-12 Sec. 30.02. AUTHORIZED ACTIVITIES. The holder of a
 43-13 nonprofit entity [daily] temporary event [mixed beverage] permit
 43-14 may sell [mixed beverages] for consumption on the premises for
 43-15 which the permit is issued any alcoholic beverage that is
 43-16 authorized to be sold where the event is held.

43-17 Sec. 30.03. [Sec. 30.02. FEE. The state fee for a daily
 43-18 temporary mixed beverage permit is \$50 per day.

43-19 [Sec. 30.03.] ISSUANCE OF PERMIT. [-(a)] The commission may[,
 43-20 in its discretion,] issue [on] a nonprofit entity temporary event
 43-21 [basis a daily temporary mixed beverage] permit to a nonprofit
 43-22 entity for the sale of alcoholic beverages at an event sponsored by
 43-23 the permit holder including [— A daily temporary mixed beverage
 43-24 permit may be issued only to a holder of a mixed beverage permit for
 43-25 the temporary sale of authorized alcoholic beverages at] picnics,
 43-26 celebrations, or similar events [— or to a political party or
 43-27 political association supporting a candidate for public office or a
 43-28 proposed amendment to the Texas Constitution or other ballot
 43-29 measure, to an organization formed for a specific charitable or
 43-30 civic purpose, to a fraternal organization in existence for over
 43-31 five years with a regular membership, or to a religious
 43-32 organization. The commission shall not issue more than 10
 43-33 temporary mixed beverage permits in each calendar year to a person
 43-34 who does not also hold a mixed beverage permit].

43-35 [(b) The provisions of this code which apply to the
 43-36 application for and issuance of other permits do not apply to the
 43-37 application and issuance of a daily temporary mixed beverage
 43-38 permit.]

43-39 Sec. 30.04. NOTATION OF DATES PERMIT IS VALID. When issuing
 43-40 a nonprofit entity temporary event permit under this chapter, the
 43-41 commission shall, on the face of the permit, indicate the dates on
 43-42 which the permit is valid.

43-43 Sec. 30.05. PURCHASE OF DISTILLED SPIRITS. Distilled
 43-44 spirits sold by the holder of a nonprofit entity [under a daily]
 43-45 temporary event [mixed beverage] permit must be purchased from the
 43-46 holder of a local distributor's permit.

43-47 Sec. 30.06 [30.05]. AUCTION OF ALCOHOLIC BEVERAGES. (a)
 43-48 The holder of a nonprofit entity temporary event permit may auction
 43-49 alcoholic beverages, for consumption off premises, to raise money
 43-50 to support the stated purpose of the permit holder.

43-51 (b) The proceeds from an auction authorized by this section
 43-52 shall be deposited to the account of the holder of a nonprofit
 43-53 entity temporary event permit.

43-54 (c) The holder of a nonprofit entity temporary event permit
 43-55 may not:

43-56 (1) auction distilled spirits or wine that has not
 43-57 been donated to the organization;

43-58 (2) auction alcoholic beverages if any taxes are owed
 43-59 on the beverages; or

43-60 (3) pay a commission or promotional allowance to a
 43-61 person to:

43-62 (A) arrange or conduct an auction under this
 43-63 section; or

43-64 (B) arrange the donation of alcoholic beverages
 43-65 to be auctioned by the organization [APPLICATION OF PROVISIONS

43-66 REGULATING MIXED BEVERAGE PERMITS. All provisions of this code
 43-67 applicable to a mixed beverage permit also apply to a daily
 43-68 temporary mixed beverage permit unless there is a special provision
 43-69 to the contrary].

44-1 Sec. 30.07 [~~30.06~~]. APPLICATION OF OTHER LAW. Section
44-2 11.39 does not apply to an applicant for a nonprofit entity
44-3 temporary event permit.

44-4 Sec. 30.08. ADOPTION OF RULES. The commission shall ~~may~~
44-5 adopt rules which it determines to be necessary to implement and
44-6 administer the provisions of this chapter, including:

44-7 (1) limitations on the number of times during any
44-8 calendar year a nonprofit entity [~~qualified organization~~] may be
44-9 issued a permit under this chapter, which may vary based on the type
44-10 of entity and other factors the commission determines relevant;

44-11 (2) the duration for a permit issued under this
44-12 chapter which may vary depending on the length of the event for
44-13 which the permit is being issued; and

44-14 (3) penalties for a violation of this code or a rule
44-15 adopted under this code.

44-16 Sec. 30.09. EVENTS IN DRY AREA. (a) The commission may
44-17 issue a nonprofit entity temporary event permit to a nonprofit
44-18 corporation for a fund-raising event for the nonprofit corporation
44-19 that is located in a dry area.

44-20 (b) A nonprofit entity temporary event permit under this
44-21 section may only be issued for an event:

44-22 (1) in the county where the nonprofit corporation is
44-23 located; and

44-24 (2) that lasts not longer than eight hours.

44-25 (c) A nonprofit corporation may be issued only one nonprofit
44-26 entity temporary event permit under this section in each calendar
44-27 year.

44-28 (d) The commission by rule shall establish the procedure for
44-29 obtaining and operating under a nonprofit entity temporary event
44-30 permit issued under this section.

44-31 SECTION 121. Section 32.01(b), Alcoholic Beverage Code, is
44-32 amended to read as follows:

44-33 (b) An applicant for or the holder of a private club
44-34 registration permit may apply to the commission to have the
44-35 activities authorized under the permit restricted to the storage
44-36 and service of wine[~~, beer,~~] and malt beverages [~~liquor~~]
44-37 for members of the club. Except as otherwise provided by this chapter,
44-38 an applicant for or the holder of a permit that is restricted under
44-39 this subsection is subject to all the requirements of this chapter.
44-40 The commission may adopt rules as necessary to implement this
44-41 subsection.

44-42 SECTION 122. Section 32.08, Alcoholic Beverage Code, is
44-43 amended by amending Subsections (b) and (c) and adding Subsection
44-44 (d) to read as follows:

44-45 (b) If the club holding the permit is in an area where there
44-46 are no local distributors, alcoholic beverages may be purchased in
44-47 any area where local distributors are located and may be
44-48 transported to the club premises [~~if the club also holds a beverage~~
44-49 ~~cartage permit~~]. The transporter may acquire the alcoholic
44-50 beverages only on the written order of an officer or manager of the
44-51 club holding the permit. The alcoholic beverages must be
44-52 accompanied by a written statement furnished and signed by the
44-53 local distributor showing the name and address of the consignee and
44-54 consignor, the origin and destination of the shipment, and any
44-55 other information required by the commission or administrator. The
44-56 person in charge of the alcoholic beverages while they are being
44-57 transported shall exhibit the written statement to any
44-58 representative of the commission or any peace officer on demand,
44-59 and the statement shall be accepted by the representative or
44-60 officer as prima facie evidence of the lawful right to transport the
44-61 alcoholic beverages.

44-62 (c) If a private club registration permittee's [~~permittee~~
44-63 ~~holds a beverage cartage permit and his~~] premises are located in a
44-64 regional airport governed by a board, commission, or authority
44-65 composed of members from two or more counties, and there is no local
44-66 distributor at the airport, the private club registration permittee
44-67 may purchase alcoholic beverages from any local distributor in a
44-68 trade area served by the airport and transport the alcoholic
44-69 beverages [~~them~~] to the permit holder's [~~his~~] licensed premises.

45-1 The transportation of the beverages must be in accordance with
45-2 Subsection (b) [~~of this section~~].

45-3 (d) The holder of a private club registration permit may
45-4 transfer alcoholic beverages from the place of purchase to the
45-5 permitted premises as provided in this code.

45-6 SECTION 123. Sections 32.17(a) and (c), Alcoholic Beverage
45-7 Code, are amended to read as follows:

45-8 (a) The commission or administrator may cancel or suspend
45-9 for a period of time not exceeding 60 days, after notice and
45-10 hearing, an original or renewal private club registration permit on
45-11 finding that the permittee club has:

45-12 (1) sold, offered for sale, purchased, or held title
45-13 to any alcoholic beverage so as to constitute an open saloon;

45-14 (2) refused to allow an authorized agent or
45-15 representative of the commission or a peace officer to come on the
45-16 club premises for the purposes of inspecting alcoholic beverages
45-17 stored on the premises or investigating compliance with the
45-18 provisions of this code;

45-19 (3) refused to furnish the commission or its agent or
45-20 representative when requested any information pertaining to the
45-21 storage, possession, serving, or consumption of alcoholic
45-22 beverages on club premises;

45-23 (4) permitted or allowed any alcoholic beverages
45-24 stored on club premises to be served or consumed at any place other
45-25 than on the club premises;

45-26 (5) failed to maintain an adequate building at the
45-27 address for which the private club registration permit was issued;

45-28 (6) caused, permitted, or allowed any member of a club
45-29 in a dry area to store any liquor on club premises except under the
45-30 locker system;

45-31 (7) caused, permitted, or allowed any person to
45-32 consume or be served any alcoholic beverage on the club premises:

45-33 (A) at any time on Sunday between the hours of
45-34 1:15 a.m. and 10 a.m. or on any other day at any time between the
45-35 hours of 12:15 a.m. and 7 a.m., if the club does not have a retailer
45-36 [~~private club~~] late hours certificate [~~permit~~], except that an
45-37 alcoholic beverage served to a customer between 10 a.m. and 12 noon
45-38 on Sunday must be provided during the service of food to the
45-39 customer; or

45-40 (B) at any time on Sunday between the hours of 2
45-41 a.m. and 10 a.m. or on any other day at any time between the hours of
45-42 2 a.m. and 7 a.m., if the club has a retailer [~~private club~~] late
45-43 hours certificate [~~permit~~], except that an alcoholic beverage
45-44 served to a customer between 10 a.m. and 12 noon on Sunday must be
45-45 provided during the service of food to the customer; or

45-46 (8) violated or assisted, aided or abetted the
45-47 violation of any provision of this code.

45-48 (c) After notice and an opportunity for a hearing, the
45-49 commission or administrator may cancel or suspend the private club
45-50 registration permit of a permit holder who has restricted the
45-51 holder's authorized activities under the permit as provided by
45-52 Section 32.01(b) [~~of this code~~] on a determination that the permit
45-53 holder is storing or serving alcoholic beverages to club members
45-54 other than, or in addition to, wine[~~, beer~~] and malt beverages
45-55 [~~liquor~~].

45-56 SECTION 124. Chapter 32, Alcoholic Beverage Code, is
45-57 amended by adding Section 32.25 to read as follows:

45-58 Sec. 32.25. SALES AT TEMPORARY LOCATION. (a) The holder of
45-59 a private club registration permit may temporarily serve authorized
45-60 alcoholic beverages at a picnic, celebration, or similar event:

45-61 (1) sponsored by:

45-62 (A) a political party or political association
45-63 supporting a candidate for public office or a proposed amendment to
45-64 the Texas Constitution or other ballot measure;

45-65 (B) a charitable or civic organization;

45-66 (C) a fraternal organization with a regular
45-67 membership that has been in continuous existence for more than five
45-68 years; or

45-69 (D) a religious organization; and

46-1 (2) that is located in the county where the private
46-2 club registration permit is issued.

46-3 (b) The holder of a private club registration permit may
46-4 temporarily serve alcoholic beverages under this section not more
46-5 than two times in each calendar year for the same party,
46-6 association, or organization.

46-7 (c) Distilled spirits served under this section must be
46-8 purchased from the holder of a local distributor's permit.

46-9 (d) The commission shall adopt rules to implement this
46-10 section, including rules that:

46-11 (1) require the permit holder to notify the commission
46-12 of the dates on which and location where the permit holder will
46-13 temporarily offer alcoholic beverages for sale under this section;

46-14 (2) establish a procedure to verify the wet or dry
46-15 status of the location where the permit holder intends to
46-16 temporarily sell alcoholic beverages under this section;

46-17 (3) detail the circumstances when a permit holder may
46-18 temporarily sell alcoholic beverages under this section with only a
46-19 notification to the commission and the circumstances that require
46-20 the commission's preapproval before a permit holder may temporarily
46-21 sell alcoholic beverages under this section; and

46-22 (4) require the permit holder to provide any other
46-23 information the commission determines necessary.

46-24 SECTION 125. Effective September 1, 2019, the heading to
46-25 Chapter 35, Alcoholic Beverage Code, is amended to read as follows:

46-26 CHAPTER 35. AGENTS [~~AGENT'S PERMIT~~]

46-27 SECTION 126. Effective September 1, 2019, Section 35.01,
46-28 Alcoholic Beverage Code, is amended to read as follows:

46-29 Sec. 35.01. AUTHORIZED ACTIVITIES. (a) An agent [~~The~~
46-30 ~~holder of an agent's permit~~] may:

46-31 (1) represent permittees other than retailers within
46-32 this state who are authorized to sell liquor to retail dealers in
46-33 the state; and

46-34 (2) solicit and take orders for the sale of liquor from
46-35 authorized permittees.

46-36 (b) A person acting as an agent may only represent one
46-37 permitted or licensed business at a time while soliciting or taking
46-38 orders.

46-39 SECTION 127. Effective September 1, 2019, Section 35.05,
46-40 Alcoholic Beverage Code, is amended to read as follows:

46-41 Sec. 35.05. SAMPLES. An agent [~~The holder of an agent's~~
46-42 ~~permit~~] may not transport or carry liquor as samples, but may carry
46-43 or display empty sample containers.

46-44 SECTION 128. Effective September 1, 2019, Section 35.06,
46-45 Alcoholic Beverage Code, is amended to read as follows:

46-46 Sec. 35.06. INELIGIBILITY TO SERVE AS NONRESIDENT SELLER'S
46-47 AGENT [~~FOR MANUFACTURER'S AGENT'S PERMIT~~]. A person acting as an
46-48 agent under this chapter [~~holding an agent's permit~~] may not act as
46-49 [~~be issued~~] a nonresident seller's agent under Chapter 36
46-50 [~~manufacturer's agent's permit~~].

46-51 SECTION 129. Effective September 1, 2019, Section 35.07,
46-52 Alcoholic Beverage Code, is amended to read as follows:

46-53 Sec. 35.07. UNAUTHORIZED REPRESENTATION. An agent [~~A~~
46-54 ~~holder of an agent's permit~~] in soliciting or taking orders for the
46-55 sale of liquor may not represent that the agent is [~~himself to be~~]
46-56 an agent of any person other than the person who employs the agent
46-57 or who has authorized the agent to represent the person [~~designated~~
46-58 ~~in his permit application~~].

46-59 SECTION 130. Effective September 1, 2019, the heading to
46-60 Chapter 36, Alcoholic Beverage Code, is amended to read as follows:

46-61 CHAPTER 36. NONRESIDENT SELLER'S AGENTS [~~MANUFACTURER'S AGENT'S~~
46-62 ~~PERMIT~~]

46-63 SECTION 131. Effective September 1, 2019, Section 36.01,
46-64 Alcoholic Beverage Code, is amended to read as follows:

46-65 Sec. 36.01. AUTHORIZED ACTIVITIES. (a) A nonresident
46-66 seller's agent [~~The holder of a manufacturer's agent's permit~~] may:

46-67 (1) represent only the holders of nonresident seller's
46-68 permits; and

46-69 (2) solicit and take orders for the sale of liquor from

47-1 permittees authorized to import liquor for the purpose of resale.

47-2 (b) A person acting as a nonresident seller's agent may only
 47-3 represent one permitted or licensed business at a time while
 47-4 soliciting or taking orders.

47-5 SECTION 132. Effective September 1, 2019, Section 36.04,
 47-6 Alcoholic Beverage Code, is amended to read as follows:

47-7 Sec. 36.04. INELIGIBILITY TO SERVE AS AN AGENT [~~FOR AGENT'S~~
 47-8 ~~PERMIT~~]. A person acting as [holder of] a nonresident seller's
 47-9 agent [manufacturer's agent's permit] may not act as an agent under
 47-10 Chapter 35 [be issued an agent's permit].

47-11 SECTION 133. Effective September 1, 2019, Section 36.05,
 47-12 Alcoholic Beverage Code, is amended to read as follows:

47-13 Sec. 36.05. SAMPLES. A nonresident seller's agent [The
 47-14 holder of a manufacturer's agent's permit] may not transport or
 47-15 carry liquor as samples, but may carry or display empty sample
 47-16 containers.

47-17 SECTION 134. Effective September 1, 2019, Section 36.06,
 47-18 Alcoholic Beverage Code, is amended to read as follows:

47-19 Sec. 36.06. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR
 47-20 PRIVATE CLUB PERMIT. A nonresident seller's agent [holder of a
 47-21 manufacturer's agent's permit] may not solicit business directly or
 47-22 indirectly from a holder of a mixed beverage permit or a private
 47-23 club registration permit unless the agent [he] is accompanied by
 47-24 the holder of a wholesaler's permit or the wholesaler's agent.

47-25 SECTION 135. Effective September 1, 2019, Section 36.07,
 47-26 Alcoholic Beverage Code, is amended to read as follows:

47-27 Sec. 36.07. UNAUTHORIZED REPRESENTATION. A nonresident
 47-28 seller's agent [holder of a manufacturer's agent's permit] in
 47-29 soliciting or taking orders for the sale of liquor may not represent
 47-30 that the agent is [himself as] an agent of a person other than the
 47-31 person who employs the agent or who has authorized the agent to
 47-32 represent the person [designated in his permit application].

47-33 SECTION 136. Effective September 1, 2019, Section 36.08,
 47-34 Alcoholic Beverage Code, is amended to read as follows:

47-35 Sec. 36.08. RESTRICTION AS TO SOURCE OF SUPPLY. A
 47-36 nonresident seller's agent [manufacturer's agent's permittee] may
 47-37 not represent a person with respect to an alcoholic beverage unless
 47-38 the person represented is the primary American source of supply of
 47-39 the beverage as defined in Section 37.10 [of this code].

47-40 SECTION 137. Section 37.01(b), Alcoholic Beverage Code, is
 47-41 amended to read as follows:

47-42 (b) The holder of a nonresident seller's permit who owns a
 47-43 winery [~~or brewery~~] outside of the state may conduct samplings of
 47-44 the kinds of alcoholic beverages the permit holder is authorized to
 47-45 produce, including tastings, at a retailer's premises. An
 47-46 employee of the winery [~~or brewery~~] may open, touch, or pour the
 47-47 alcoholic beverages, make a presentation, or answer questions at a
 47-48 sampling event.

47-49 SECTION 138. Effective September 1, 2019, Section 37.01(c),
 47-50 Alcoholic Beverage Code, is amended to read as follows:

47-51 (c) Any alcoholic beverages used in a sampling event under
 47-52 this section must be purchased from the retailer on whose premises
 47-53 the sampling event is held. This section does not authorize the
 47-54 holder of a nonresident seller's permit or the [manufacturer's
 47-55 agent's] permit holder's agent to withdraw or purchase alcoholic
 47-56 beverages from the holder of a wholesaler's permit or provide
 47-57 alcoholic beverages for a sampling event on a retailer's premises
 47-58 that is not purchased from the retailer. The amount of alcoholic
 47-59 beverages purchased from the retailer may not exceed the amount of
 47-60 alcoholic beverages used in the sampling event.

47-61 SECTION 139. Effective September 1, 2019, the heading to
 47-62 Chapter 38, Alcoholic Beverage Code, is amended to read as follows:

47-63 CHAPTER 38. INDUSTRIAL USE OF ALCOHOL [~~PERMIT~~]

47-64 SECTION 140. Effective September 1, 2019, Section 38.01,
 47-65 Alcoholic Beverage Code, is amended to read as follows:

47-66 Sec. 38.01. AUTHORIZED ACTIVITIES. (a) In this section,
 47-67 "industrial alcohol" means an alcohol that is produced for
 47-68 industrial purposes only and is not fit for human consumption.

47-69 (b) A person may:

48-1 (1) manufacture, rectify, refine, transport, and
 48-2 store industrial alcohol;

48-3 (2) denature industrial alcohol;

48-4 (3) sell denatured or industrial alcohol to qualified
 48-5 persons inside or outside the state; and

48-6 (4) blend industrial alcohol with petroleum
 48-7 distillates and sell or use the resulting product as a motor fuel.

48-8 (c) A person [The holder of an industrial permit] may
 48-9 import, transport, and use alcohol or denatured alcohol for the
 48-10 manufacture and sale of any of the following products:

48-11 (1) denatured alcohol;

48-12 (2) patent, proprietary, medicinal, pharmaceutical,
 48-13 antiseptic, and toilet preparations;

48-14 (3) flavoring extracts, syrups, condiments, and food
 48-15 products; and

48-16 (4) scientific, chemical, mechanical, and industrial
 48-17 products, or products used for scientific, chemical, mechanical,
 48-18 industrial, or medicinal purposes.

48-19 SECTION 141. Effective September 1, 2019, Section 38.05,
 48-20 Alcoholic Beverage Code, is amended to read as follows:

48-21 Sec. 38.05. OTHER CODE PROVISIONS INAPPLICABLE. The [No]
 48-22 provisions of this code do not [other than this chapter] apply to
 48-23 alcohol intended for industrial, medicinal, mechanical, or
 48-24 scientific purposes.

48-25 SECTION 142. Effective September 1, 2019, Section 38.06,
 48-26 Alcoholic Beverage Code, is amended to read as follows:

48-27 Sec. 38.06. ACTIVITIES TAX FREE. The taxes imposed by this
 48-28 code do not apply to activities authorized in Section 38.01 [~~of this~~
 48-29 ~~code~~].

48-30 SECTION 143. Section 43.01, Alcoholic Beverage Code, is
 48-31 amended to read as follows:

48-32 Sec. 43.01. AUTHORIZED ACTIVITIES. [~~(a)~~] A warehouse or
 48-33 transfer company that holds a local cartage permit may transport
 48-34 liquor for hire inside the corporate limits of any city or town in
 48-35 the state.

48-36 [~~(b) A package store, wine only package store, or local~~
 48-37 ~~distributor's permittee who also holds a local cartage permit may~~
 48-38 ~~transfer alcoholic beverages in accordance with Sections 22.08,~~
 48-39 ~~23.04, and 24.04 of this code.]~~

48-40 SECTION 144. Section 43.04, Alcoholic Beverage Code, is
 48-41 amended to read as follows:

48-42 Sec. 43.04. ELIGIBILITY FOR PERMIT. The commission may
 48-43 issue a local cartage permit to a warehouse or transfer company [~~or~~
 48-44 ~~to a holder of a package store, wine only package store, or local~~
 48-45 ~~distributor's permit~~].

48-46 SECTION 145. Chapter 48, Alcoholic Beverage Code, is
 48-47 amended to read as follows:

48-48 CHAPTER 48. PASSENGER TRANSPORTATION [~~TRAIN BEVERAGE~~] PERMIT

48-49 Sec. 48.01. AUTHORIZED ACTIVITIES. A [The holder of a]
 48-50 passenger transportation permit authorizes the [train beverage]
 48-51 permit holder to sell or serve the types [has the same rights with
 48-52 respect to the sale] of alcoholic beverages specifically authorized
 48-53 by this chapter [on a passenger train to which this chapter applies
 48-54 as the holder of an airline beverage permit has with respect to the
 48-55 sale of alcoholic beverages on a commercial passenger airplane
 48-56 under Section 34.01 of this code].

48-57 Sec. 48.02. PERMIT FOR EXCURSION BOAT. (a) A passenger
 48-58 transportation permit may be issued for:

48-59 (1) a regularly scheduled excursion boat which is
 48-60 licensed by the United States Coast Guard to carry passengers on the
 48-61 navigable waters of the state if the boat:

48-62 (A) carries at least 45 passengers;

48-63 (B) weighs at least 35 gross tons; and

48-64 (C) is at least 55 feet long; or

48-65 (2) a boat that:

48-66 (A) carries at least 350 passengers;

48-67 (B) weighs at least 90 gross tons; and

48-68 (C) is at least 80 feet long.

48-69 (b) The holder of a passenger transportation permit issued

49-1 under Subsection (a)(1) may sell the same alcoholic beverages as
 49-2 the holder of a mixed beverage permit if:

49-3 (1) the home port of the boat is in an area where the
 49-4 sale of mixed beverages is legal or the boat is regularly used for
 49-5 voyages in international waters as provided by Subsection (h); and

49-6 (2) the owner or operator of the boat is the sole
 49-7 permit holder for the boat.

49-8 (c) The holder of a passenger transportation permit issued
 49-9 under Subsection (a)(1) may sell the same alcoholic beverages as
 49-10 the holder of a wine and malt beverage retailer's permit if the home
 49-11 port of the boat is in an area where the sale of malt beverages and
 49-12 wine is legal.

49-13 (d) The holder of a passenger transportation permit issued
 49-14 under Subsection (a)(2) may sell the same alcoholic beverages as
 49-15 the holder of a mixed beverage permit if:

49-16 (1) the home port of the boat is in an area where the
 49-17 sale of mixed beverages is legal; or

49-18 (2) the boat is regularly used for voyages in
 49-19 international waters as provided by Subsection (h).

49-20 (e) A passenger transportation permit issued under this
 49-21 section is inoperative in a dry area.

49-22 (f) For purposes of Section 11.38, the home port of the boat
 49-23 is treated as the location of the permitted premises.

49-24 (g) The provisions of Section 109.53 that relate to
 49-25 residency requirements and compliance with Texas laws of
 49-26 incorporation do not apply to the holder of a passenger
 49-27 transportation permit under this section.

49-28 (h) A passenger transportation permit may be issued under
 49-29 this section to a boat regularly used for voyages in international
 49-30 waters regardless of whether the sale of mixed beverages is lawful
 49-31 in the area of the home port. A person having authority to deliver
 49-32 alcoholic beverages to a passenger transportation permit holder in
 49-33 the county where the permitted premises is located may deliver
 49-34 alcoholic beverages purchased by the permit holder [FEE. The
 49-35 annual fee for a passenger train beverage permit is \$500].

49-36 Sec. 48.03. [ELIGIBILITY FOR] PERMIT FOR AIRLINE. (a) A
 49-37 [The commission or administrator may issue a] passenger
 49-38 transportation [train beverage] permit may be issued to any
 49-39 corporation operating a commercial airline in or through the state.

49-40 (b) The holder of a passenger transportation permit issued
 49-41 under this section may:

49-42 (1) sell or serve alcoholic beverages in or from any
 49-43 size container on a commercial passenger airplane operated in
 49-44 compliance with a valid license, permit, or certificate issued
 49-45 under the authority of the United States or of this state, even
 49-46 though the plane, in the course of its flight, may cross an area in
 49-47 which the sale of alcoholic beverages is prohibited; and

49-48 (2) store alcoholic beverages in sealed containers of
 49-49 any size at any airport regularly served by the permittee, in
 49-50 accordance with rules and regulations promulgated by the
 49-51 commission.

49-52 (c) Only the holder of a package store permit may sell
 49-53 liquor to the holder of a passenger transportation permit issued
 49-54 under this section. For the purposes of this code, a sale of liquor
 49-55 to a holder of a passenger transportation permit shall be
 49-56 considered as a sale at retail to a consumer.

49-57 (d) The holder of a package store permit may sell liquor in
 49-58 any size container authorized by Section 101.46 to holders of a
 49-59 passenger transportation permit issued under this section, and may
 49-60 purchase liquor in any size container for resale from the holders of
 49-61 a wholesaler's permit. A holder of a wholesaler's permit may
 49-62 import, sell, offer for sale, or possess for resale to package store
 49-63 permittees to resell to holders of a passenger transportation
 49-64 permit liquor in any authorized size containers.

49-65 (e) The preparation and service of alcoholic beverages by
 49-66 the holder of a passenger transportation permit issued under this
 49-67 section is exempt from a tax imposed by this code and from the tax
 49-68 imposed by Chapter 151, Tax Code.

49-69 (f) Section 109.53 does not apply to a passenger

50-1 transportation permit issued under this section.

50-2 Sec. 48.04. PERMIT FOR PASSENGER TRAIN. (a) A passenger
 50-3 transportation permit may be issued to any corporation organized
 50-4 under the Business Organizations Code or former Title 112, Revised
 50-5 Statutes, or under the Rail Passenger Service Act of 1970, as
 50-6 amended (45 U.S.C.A. Section 501 et seq.), operating a commercial
 50-7 passenger train service in or through the state.

50-8 (b) The holder of a passenger transportation permit issued
 50-9 under this section may sell or serve alcoholic beverages in or from
 50-10 any size container on a passenger train even though the train, in
 50-11 the course of its travel, may cross an area in which the sale of
 50-12 alcoholic beverages is prohibited [Application and payment of the
 50-13 fee shall be made directly to the commission].

50-14 (c) [Sec. 48.04. EXEMPTION FROM TAXES.] The preparation
 50-15 and service of alcoholic beverages by the holder of a passenger
 50-16 transportation [train beverage] permit issued under this section is
 50-17 exempt from a tax imposed by this code [chapter] and from the tax
 50-18 imposed by Chapter 151, Tax Code.

50-19 (d) Section 109.53 does not apply to a passenger
 50-20 transportation permit issued under this section.

50-21 Sec. 48.05. PERMIT FOR PASSENGER BUS. (a) A [INAPPLICABLE
 50-22 PROVISION. Section 109.53 of this code does not apply to a]
 50-23 passenger transportation [train beverage] permit may be issued to
 50-24 any corporation operating a commercial passenger bus service in or
 50-25 through the state using a passenger bus that:

50-26 (1) is designed and used for the regularly scheduled
 50-27 intercity transportation of passengers for compensation;

50-28 (2) is characterized by integral construction with:

50-29 (A) an elevated passenger deck over a baggage
 50-30 compartment;

50-31 (B) a passenger seating capacity of at least 16
 50-32 and not more than 36; and

50-33 (C) a separate galley area;

50-34 (3) is at least 35 feet in length; and

50-35 (4) while transporting passengers for compensation,
 50-36 also transports an attendant who:

50-37 (A) is not the operator of the bus; and

50-38 (B) has attended a commission-approved seller
 50-39 training program.

50-40 (b) The holder of a passenger transportation permit issued
 50-41 under this section may:

50-42 (1) sell or serve alcoholic beverages in or from any
 50-43 size container on a passenger bus even though the bus, in the course
 50-44 of its drive, may cross an area in which the sale of alcoholic
 50-45 beverages is prohibited; and

50-46 (2) store alcoholic beverages at the permitted
 50-47 location.

50-48 (c) The preparation and service of alcoholic beverages by
 50-49 the holder of a passenger transportation permit issued under this
 50-50 section is exempt from a tax imposed by this code and from the tax
 50-51 imposed by Chapter 151, Tax Code.

50-52 (d) Section 109.53 does not apply to a passenger
 50-53 transportation permit issued under this section.

50-54 (e) Only a holder of a wholesale permit may sell liquor to
 50-55 the holder of a passenger transportation permit issued under this
 50-56 section. A sale of liquor to the holder of a passenger
 50-57 transportation permit issued under this section shall be considered
 50-58 as a sale at retail to a consumer.

50-59 SECTION 146. Section 50.001, Alcoholic Beverage Code, is
 50-60 amended to read as follows:

50-61 Sec. 50.001. AUTHORIZED ACTIVITIES. The holder of a
 50-62 promotional permit may, on behalf of a distiller, brewer,
 50-63 rectifier, or [manufacturer,] winery[, or wine bottler] with whom
 50-64 the promotional permit holder has entered into a contract for the
 50-65 purposes of this chapter, engage in activities to promote and
 50-66 enhance the sale of an alcoholic beverage in this state, including
 50-67 activities that take place on the premises of the holder of a permit
 50-68 or license under this code.

50-69 SECTION 147. The heading to Chapter 51, Alcoholic Beverage

51-1 Code, is amended to read as follows:

51-2 CHAPTER 51. OPERATION OF MINIBARS [~~MINIBAR PERMIT~~]

51-3 SECTION 148. Section 51.02, Alcoholic Beverage Code, is
51-4 amended to read as follows:

51-5 Sec. 51.02. AUTHORIZED ACTIVITIES. The holder of a mixed
51-6 beverage [~~minibar~~] permit issued for operation in a hotel may sell
51-7 the following alcoholic beverages out of a minibar:

51-8 (1) distilled spirits in containers of not less than
51-9 one ounce nor more than two ounces;

51-10 (2) wine and vinous liquors in containers of not more
51-11 than 13 fluid ounces; and

51-12 (3) [~~beer, ale, and~~] malt beverages [~~liquor~~] in
51-13 containers of not more than 12 fluid ounces.

51-14 SECTION 149. Section 51.03, Alcoholic Beverage Code, is
51-15 amended to read as follows:

51-16 Sec. 51.03. LIMITED ACCESS TO MINIBAR. (a) Minibars shall
51-17 be of such design as to prevent access to alcoholic beverages to all
51-18 persons who do not have a minibar key. The minibar key shall be
51-19 different from the hotel guestroom key, and the mixed beverage
51-20 permittee may [~~shall~~] not provide the minibar key to any person who
51-21 is not of legal drinking age.

51-22 (b) A mixed beverage permittee may not provide a minibar key
51-23 to any person other than an employee of the permittee or a
51-24 registered guest of the hotel.

51-25 SECTION 150. Sections 51.04(a), (c), and (d), Alcoholic
51-26 Beverage Code, are amended to read as follows:

51-27 (a) All employees handling distilled spirits, wine, [~~beer,~~
51-28 ~~ale,~~] and malt beverages [~~liquor~~] being stocked in the minibar must
51-29 be at least 18 years of age.

51-30 (c) A minibar may only be maintained, serviced, or stocked
51-31 with alcoholic beverages by a person who is an employee of the
51-32 holder of a mixed beverage [~~minibar~~] permit, and no other person
51-33 shall be authorized to add alcoholic beverages to a minibar or, with
51-34 the exception of a registered hotel guest consumer, to remove
51-35 alcoholic beverages from a minibar.

51-36 (d) A mixed beverage permit [~~The~~] holder who operates [~~of~~] a
51-37 minibar [~~permit~~] shall adhere to standards of quality and purity of
51-38 alcoholic beverages prescribed by the commission and shall destroy
51-39 any alcoholic beverages contained in a minibar on the date which is
51-40 considered by the manufacturer of the alcoholic beverage to be the
51-41 date the product becomes inappropriate for sale to a consumer.

51-42 SECTION 151. Section 51.06, Alcoholic Beverage Code, is
51-43 amended to read as follows:

51-44 Sec. 51.06. PROHIBITED INTERESTS. The holder of a mixed
51-45 beverage permit who operates a minibar [~~permit~~] may not have a
51-46 direct or indirect interest in a package store permit, and a [~~no~~]
51-47 package store may not be located on the premises of a hotel in which
51-48 a mixed beverage permittee operates [~~holds~~] a minibar [~~permit~~].

51-49 SECTION 152. Section 51.07, Alcoholic Beverage Code, is
51-50 amended to read as follows:

51-51 Sec. 51.07. MIXED BEVERAGE PERMIT IS PRIMARY. All
51-52 purchases made by a holder of a mixed beverage permit who operates a
51-53 minibar [~~permittee~~] shall be made under the authority of and
51-54 subject to the limitations imposed on the mixed beverage permit
51-55 held by the permittee. All sales [~~made by a minibar permittee~~]
51-56 shall, for tax purposes, be considered sales under the mixed
51-57 beverage permit held by the permittee and shall be taxed
51-58 accordingly. To ensure that the marketing of alcoholic beverages
51-59 for stocking minibars is not used by suppliers for purposes of
51-60 inducement or unauthorized or illegal advertising, it is further
51-61 provided that:

51-62 (1) No person who holds a permit or license
51-63 authorizing sale of any alcoholic beverage to mixed beverage
51-64 permittees may sell or offer to sell alcoholic beverages to the
51-65 mixed beverage [~~a minibar~~] permittee at a cost less than the
51-66 seller's laid-in cost plus the customary and normal profit margin
51-67 applicable to other container sizes. The laid-in cost shall be
51-68 defined as the manufacturer's or supplier's invoice price, plus all
51-69 applicable freight, taxes, and duties.

52-1 (2) Proof of laid-in cost shall become a part of the
 52-2 permanent records of each permittee or licensee supplying alcoholic
 52-3 beverages to a mixed beverage permittee who operates a minibar
 52-4 ~~[permittees]~~ and be available for a period of two years for
 52-5 inspection by the commission.

52-6 (3) No alcoholic beverages offered for use in a
 52-7 minibar may be sold in connection with or conveyed as part of any
 52-8 promotional program providing a discount on the purchase of any
 52-9 other type, size, or brand of alcoholic beverage.

52-10 (4) Distilled spirits in containers with a capacity of
 52-11 more than one but less than two fluid ounces must be invoiced
 52-12 separately from any other alcoholic beverage, and the price must be
 52-13 shown on the invoice.

52-14 (5) Distilled spirits in containers with a capacity of
 52-15 more than one but less than two fluid ounces may not be returned by
 52-16 the mixed beverage permit holder ~~[of a minibar permit]~~. Neither may
 52-17 the beverages be exchanged by the mixed beverage permit holder ~~[of a~~
 52-18 ~~minibar permit]~~ or redeemed for any reason other than damage noted
 52-19 at the time of delivery and approved by the commission. Claims for
 52-20 breakage or shortage after delivery to a mixed beverage permit
 52-21 holder who operates a minibar ~~[permittee]~~ shall not be allowed.

52-22 (6) No person holding a wholesaler's, local
 52-23 distributor's, or package store permit may participate in the cost
 52-24 of producing any room menu, beverage list, table tent, or any other
 52-25 device or novelty, written or printed, relating to the sale of
 52-26 distilled spirits in containers with a capacity of more than one but
 52-27 less than two fluid ounces. No permittee or licensee authorized to
 52-28 sell alcoholic beverages to a mixed beverage ~~[minibar]~~
 52-29 who operates a minibar may pay for or contribute to the cost of
 52-30 providing in-house television or radio announcements to be used by
 52-31 any holder of a mixed beverage permit who operates a minibar
 52-32 ~~[permit]~~ to promote the sale of alcoholic beverages.

52-33 SECTION 153. Sections 55.01(a), (b), and (c), Alcoholic
 52-34 Beverage Code, are amended to read as follows:

52-35 (a) The holder of a manufacturer's agent's warehousing
 52-36 permit may:

52-37 (1) receive ~~[beer, ale, or]~~ malt beverages ~~[liquor]~~
 52-38 from the holder of a nonresident brewer's ~~[permit or nonresident~~
 52-39 ~~manufacturer's]~~ license and store the alcoholic beverages on the
 52-40 permitted premises;

52-41 (2) ship, cause to be shipped, sell, and otherwise
 52-42 transfer the ~~[beer, ale, or]~~ malt beverages ~~[liquor]~~ to licensed
 52-43 ~~[or permitted]~~ distributors ~~[and wholesalers]~~ in this state and to
 52-44 persons outside this state who are qualified to receive the ~~[beer,~~
 52-45 ~~ale, or]~~ malt beverages ~~[liquor]~~ under the regulatory laws of the
 52-46 state or other jurisdiction in which the ~~[beer, ale, or]~~ malt
 52-47 beverages are ~~[liquor is]~~ received; and

52-48 (3) return ~~[beer, ale, or]~~ malt beverages ~~[liquor]~~ to
 52-49 the ~~[manufacturer or]~~ brewer from which they were ~~[it was]~~
 52-50 originally received.

52-51 (b) The holder of a manufacturer's agent's warehousing
 52-52 permit may ship only to ~~[wholesalers and]~~ distributors in this
 52-53 state who have been issued a territorial designation by the actual
 52-54 ~~[manufacturer or]~~ brewer of the brand or brands to be
 52-55 shipped. This territorial designation for the sale of malt
 52-56 beverages ~~[beer]~~ must be under and a part of the agreement entered
 52-57 into between the actual brewer ~~[manufacturer]~~ of the brand and the
 52-58 distributor under Subchapters C and D, Chapter 102. This chapter
 52-59 does not affect the requirement that the actual brewer
 52-60 ~~[manufacturer]~~, and the agreement between the actual brewer
 52-61 ~~[manufacturer]~~ and the distributor, comply with Subchapters C and
 52-62 D, Chapter 102.

52-63 (c) Malt beverages ~~[Beer, ale, or malt liquor]~~ received at
 52-64 premises permitted under this chapter that are ~~[is]~~ not labeled and
 52-65 approved for sale in this state may be held and stored at the
 52-66 premises and may be shipped from the premises if the malt beverages
 52-67 are ~~[it is]~~ consigned and transported to qualified persons in other
 52-68 states or jurisdictions where their ~~[its]~~ sale is legal.

52-69 SECTION 154. Section 55.03, Alcoholic Beverage Code, is

53-1 amended to read as follows:

53-2 Sec. 55.03. ELIGIBILITY FOR PERMIT. A manufacturer's
53-3 agent's warehousing permit may be issued to an entity:

53-4 (1) that receives [~~beer, ale, or~~] malt beverages
53-5 [~~liquor~~] from another entity, or that other entity's immediate
53-6 successor in interest, that:

53-7 (A) is located and chartered in the United
53-8 Mexican States;

53-9 (B) has held, for the two years preceding the
53-10 date of the application:

53-11 (i) a nonresident manufacturer's license,
53-12 nonresident brewer's permit, and a nonresident seller's permit;

53-13 (ii) a nonresident brewer's license and a
53-14 nonresident seller's permit; or

53-15 (iii) a combination of Subparagraph (i) and
53-16 Subparagraph (ii) [~~for the two years preceding the date of the~~
53-17 ~~application~~]; and

53-18 (C) during each of those two years has shipped or
53-19 caused to be shipped into this state for ultimate sale to qualified
53-20 distributors and wholesalers in this state at least one-half
53-21 million barrels of [~~beer, ale, or~~] malt beverages [~~liquor~~] of the
53-22 various brands manufactured or brewed by the entity; and

53-23 (2) whose employees, located in this state or
53-24 elsewhere, [~~hold permits and licenses issued under Chapters 36 and~~
53-25 ~~73 to~~] perform the activities authorized under Chapters 36 and 73
53-26 [~~those chapters~~] on behalf of the entity.

53-27 SECTION 155. Section 55.04, Alcoholic Beverage Code, is
53-28 amended to read as follows:

53-29 Sec. 55.04. LOCATION OF PREMISES. The premises of a permit
53-30 holder under this chapter must be located in an area that is wet for
53-31 the sale of [~~beer, ale, and~~] malt beverages [~~liquor~~].

53-32 SECTION 156. Section 55.05, Alcoholic Beverage Code, is
53-33 amended to read as follows:

53-34 Sec. 55.05. REPORTING REQUIREMENTS. The commission shall
53-35 require monthly reports from a permit holder under this chapter
53-36 showing the brands, types, sizes of containers, and quantities of
53-37 [~~beer, ale, or~~] malt beverages [~~liquor~~] received at and shipped
53-38 from the premises to persons authorized to receive them. The
53-39 reports must conform in all respects to the requirements and forms
53-40 prescribed by the commission and contain any other information
53-41 required by the commission.

53-42 SECTION 157. Section 56.02, Alcoholic Beverage Code, is
53-43 amended to read as follows:

53-44 Sec. 56.02. QUALIFICATIONS FOR PERMIT; ELIGIBLE PREMISES.

53-45 (a) A water park permit may be issued only to a person who:

53-46 (1) holds a wine and malt beverage [~~beer~~] retailer's
53-47 permit under Chapter 25; and

53-48 (2) operates a public venue that:

53-49 (A) involves waterslides, food service, music,
53-50 and amusement activities; and

53-51 (B) is located primarily along the banks of the
53-52 Comal River.

53-53 (b) A person described by Subsection (a) may be issued water
53-54 park permits for not more than five premises:

53-55 (1) for which wine and malt beverage [~~beer~~] retailer's
53-56 permits have been issued under Chapter 25; and

53-57 (2) that are located:

53-58 (A) in the public venue described in Subsection
53-59 (a)(2); or

53-60 (B) not more than one mile from the boundary of
53-61 that venue.

53-62 SECTION 158. Section 56.04, Alcoholic Beverage Code, is
53-63 amended to read as follows:

53-64 Sec. 56.04. APPLICABILITY OF OTHER LAW. Except as
53-65 otherwise provided in this chapter, the provisions of this code
53-66 applicable to a wine and malt beverage [~~beer~~] retailer's permit
53-67 apply to a water park permit.

53-68 SECTION 159. Section 61.01, Alcoholic Beverage Code, is
53-69 amended to read as follows:

54-1 Sec. 61.01. LICENSE REQUIRED. A ~~[No]~~ person may not
 54-2 ~~[manufacture or]~~ brew malt beverages ~~[beer]~~ for the purpose of
 54-3 sale, import malt beverages ~~[it]~~ into this state, distribute or
 54-4 sell malt beverages ~~[it]~~, or possess malt beverages ~~[it]~~ for the
 54-5 purpose of sale without having first obtained an appropriate
 54-6 license or permit as provided in this code. Each licensee shall
 54-7 display the ~~[his]~~ license at all times in a conspicuous place at the
 54-8 licensed place of business.

54-9 SECTION 160. Sections 61.03(a) and (b), Alcoholic Beverage
 54-10 Code, are amended to read as follows:

54-11 (a) Except as provided by Subsections (d) and (e) or another
 54-12 provision of this code, any license except a branch~~[, importer's,~~
 54-13 ~~importer's carrier's, or temporary]~~ license expires on the second
 54-14 anniversary of the date on which it is issued. ~~[Notwithstanding~~
 54-15 ~~Section 5.50(b), the commission shall require double the amount of~~
 54-16 ~~fees and surcharges otherwise applicable under this code for a~~
 54-17 ~~license with a two-year term.]~~

54-18 (b) A secondary license or certificate which requires the
 54-19 holder of the license or certificate to first obtain another
 54-20 license, including a retailer late hours certificate ~~[license or~~
 54-21 ~~temporary license]~~, expires on the same date the basic or primary
 54-22 license expires. The commission may not prorate or refund any part
 54-23 of the fee for the secondary license or certificate if the
 54-24 application of this section results in the expiration of the
 54-25 license in less than two years.

54-26 SECTION 161. Section 61.05, Alcoholic Beverage Code, is
 54-27 amended to read as follows:

54-28 Sec. 61.05. NAME OF BUSINESS. A ~~[No]~~ person may not conduct
 54-29 a business engaged in the brewing ~~[manufacture]~~, distribution,
 54-30 importation, or sale of malt beverages ~~[beer]~~ as owner or part owner
 54-31 except under the name to which the license covering the person's
 54-32 ~~[his]~~ place of business is issued.

54-33 SECTION 162. Section 61.06, Alcoholic Beverage Code, is
 54-34 amended to read as follows:

54-35 Sec. 61.06. PRIVILEGES LIMITED TO LICENSED PREMISES;
 54-36 DELIVERIES. A ~~[No]~~ person licensed to sell malt beverages ~~[beer]~~,
 54-37 ~~other than [except]~~ a brewer ~~[manufacturer]~~ or distributor, may not
 54-38 use or display a license or exercise a privilege granted by the
 54-39 license except at the licensed premises. Deliveries of malt
 54-40 beverages ~~[beer]~~ and collections may be made off the licensed
 54-41 premises in areas where the sale of malt beverages ~~[beer]~~ is legal
 54-42 inside the county where the license is issued, but only in response
 54-43 to orders placed by the customer in person at the licensed premises
 54-44 or by mail or telephone to the licensed premises.

54-45 SECTION 163. Section 61.07, Alcoholic Beverage Code, is
 54-46 amended to read as follows:

54-47 Sec. 61.07. AGENT FOR SERVICE. Each brewer ~~[manufacturer]~~,
 54-48 distributor, or person shipping or delivering malt beverages ~~[beer]~~
 54-49 into this state shall file a certificate with the secretary of state
 54-50 designating the name, street address, and business of the person's
 54-51 ~~[his]~~ agent on whom process may be served. If a certificate is not
 54-52 filed, service may be had on the secretary of state in any cause of
 54-53 action arising out of a violation of this code, and the secretary of
 54-54 state shall send any citation served on the secretary ~~[him]~~ by
 54-55 registered mail, return receipt requested, to the person for whom
 54-56 the citation is intended. The receipt is prima facie evidence of
 54-57 service on the person.

54-58 SECTION 164. Effective December 31, 2020, Section 61.09,
 54-59 Alcoholic Beverage Code, is amended to read as follows:

54-60 Sec. 61.09. CHANGE OF LOCATION. If a licensee desires to
 54-61 change the licensee's place of business, the licensee may do so by
 54-62 applying to the commission on a form prescribed by the commission
 54-63 and obtaining the commission's consent. The application may be
 54-64 subject to protest and hearing in the same way as an application for
 54-65 an original license. ~~[In the case of a required protest hearing,~~
 54-66 ~~the county judge may deny the application for any cause for which an~~
 54-67 ~~original license application may be denied.]~~ No additional license
 54-68 fee for the unexpired term of the license shall be required in the
 54-69 case of an application for a change of location.

55-1 SECTION 165. Section 61.111(a), Alcoholic Beverage Code, is
 55-2 amended to read as follows:

55-3 (a) The commission by rule shall require the holder of a
 55-4 license authorizing the sale of malt beverages [~~beer~~] for
 55-5 on-premises consumption to display a warning sign on the door to
 55-6 each restroom on the licensed premises that informs the public of
 55-7 the risks of drinking alcohol during pregnancy.

55-8 SECTION 166. Section 61.12, Alcoholic Beverage Code, is
 55-9 amended to read as follows:

55-10 Sec. 61.12. RESTRICTION ON CONSUMPTION. A [~~No~~] licensee
 55-11 other than [~~except~~] a holder of a license authorizing on-premises
 55-12 consumption of malt beverages [~~beer~~] may not permit malt beverages
 55-13 [~~beer~~] to be consumed on the premises where they are [~~it is~~] sold.

55-14 SECTION 167. (a) Effective December 31, 2020, Section
 55-15 61.31, Alcoholic Beverage Code, is amended to read as follows:

55-16 Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file
 55-17 an application for a license to manufacture, distribute, store, or
 55-18 sell beer with the commission on forms prescribed by the
 55-19 commission.

55-20 (b) On receipt of an application for a license under this
 55-21 code, the commission [~~or administrator~~] shall follow the procedure
 55-22 under Section 11.43 [~~determine whether a protest has been filed~~
 55-23 ~~against the application. If a protest against the application has~~
 55-24 ~~been filed, the commission or administrator shall investigate the~~
 55-25 ~~protest. If the commission or administrator finds that no~~
 55-26 ~~reasonable grounds exist for the protest, or if no protest has been~~
 55-27 ~~filed, the commission or administrator shall issue a license if the~~
 55-28 ~~commission or administrator finds that all facts stated in the~~
 55-29 ~~application are true and no legal ground to refuse a license exists.~~
 55-30 ~~If the commission or administrator finds that reasonable grounds~~
 55-31 ~~exist for the protest, the commission or administrator shall reject~~
 55-32 ~~the protested application and require the applicant to file the~~
 55-33 ~~application with the county judge of the county in which the~~
 55-34 ~~applicant desires to conduct business and submit to a hearing].~~

55-35 [~~(b) The county judge shall set a protested application for~~
 55-36 ~~a hearing to be held not less than 5 nor more than 10 days after the~~
 55-37 ~~date the county judge receives the protested application.]~~

55-38 (c) Each applicant for an original license [~~, other than a~~
 55-39 ~~branch or temporary license,]~~ shall pay [~~a hearing fee of \$25 to the~~
 55-40 ~~county clerk at the time of the hearing. The county clerk shall~~
 55-41 ~~deposit the fee in the county treasury. The applicant is liable for~~
 55-42 ~~no other fee except]~~ the annual license fee prescribed by this code.

55-43 (d) A [~~No~~] person may not sell beer during the pendency of
 55-44 the person's [~~his~~] original license application. An [~~No~~] official
 55-45 may not advise a person to the contrary.

55-46 (b) Effective September 1, 2021, Section 61.31, Alcoholic
 55-47 Beverage Code, is amended to read as follows:

55-48 Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file
 55-49 an application for a license to manufacture, distribute, store, or
 55-50 sell malt beverages [~~beer~~] with the commission on forms prescribed
 55-51 by the commission.

55-52 (b) On receipt of an application for a license under this
 55-53 code, the commission [~~or administrator~~] shall follow the procedure
 55-54 under Section 11.43 [~~determine whether a protest has been filed~~
 55-55 ~~against the application. If a protest against the application has~~
 55-56 ~~been filed, the commission or administrator shall investigate the~~
 55-57 ~~protest. If the commission or administrator finds that no~~
 55-58 ~~reasonable grounds exist for the protest, or if no protest has been~~
 55-59 ~~filed, the commission or administrator shall issue a license if the~~
 55-60 ~~commission or administrator finds that all facts stated in the~~
 55-61 ~~application are true and no legal ground to refuse a license exists.~~
 55-62 ~~If the commission or administrator finds that reasonable grounds~~
 55-63 ~~exist for the protest, the commission or administrator shall reject~~
 55-64 ~~the protested application and require the applicant to file the~~
 55-65 ~~application with the county judge of the county in which the~~
 55-66 ~~applicant desires to conduct business and submit to a hearing].~~

55-67 [~~(b) The county judge shall set a protested application for~~
 55-68 ~~a hearing to be held not less than 5 nor more than 10 days after the~~
 55-69 ~~date the county judge receives the protested application.]~~

56-1 (c) Each applicant for an original license [~~other than a~~
56-2 ~~branch or temporary license,~~] shall pay [~~a hearing fee of \$25 to the~~
56-3 ~~county clerk at the time of the hearing. The county clerk shall~~
56-4 ~~deposit the fee in the county treasury. The applicant is liable for~~
56-5 ~~no other fee except~~] the [annual] license fee authorized by
56-6 commission rule [prescribed by this code].

56-7 (d) A [~~No~~] person may not sell malt beverages [beer] during
56-8 the pendency of the person's [~~his~~] original license application.
56-9 An [~~No~~] official may not advise a person to the contrary.

56-10 SECTION 168. Effective December 31, 2020, Subchapter B,
56-11 Chapter 61, Alcoholic Beverage Code, is amended by adding Sections
56-12 61.313 and 61.314 to read as follows:

56-13 Sec. 61.313. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
56-14 of the public may protest an application for:

56-15 (1) an original retail dealer's on-premise license if
56-16 a sexually oriented business is to be operated on the premises to be
56-17 covered by the license;

56-18 (2) any renewal of a retail dealer's on-premise
56-19 license if a sexually oriented business is to be operated on the
56-20 premises to be covered by the license and a petition is presented to
56-21 the commission that is signed by 50 percent of the residents who
56-22 reside within 300 feet of any property line of the affected
56-23 premises; or

56-24 (3) a license authorizing the retail sale of malt
56-25 beverages for on-premises consumption if the person resides within
56-26 300 feet of any property line of the premises for which the license
56-27 is sought.

56-28 (b) In addition to the situations described by Subsection
56-29 (a), the commission by rule may authorize a member of the public to
56-30 protest other license applications the commission considers
56-31 appropriate.

56-32 (c) A protest made under this section must include an
56-33 allegation of grounds on which the original or renewal application,
56-34 as applicable, should be denied.

56-35 Sec. 61.314. PROTEST BY GOVERNMENT OFFICIAL. (a) The
56-36 following persons may protest an application for an alcoholic
56-37 beverage license:

56-38 (1) the state senator, state representative, county
56-39 commissioner, and city council member who represent the area in
56-40 which the premises sought to be licensed are located;

56-41 (2) the commissioners court of the county in which the
56-42 premises sought to be licensed are located;

56-43 (3) the county judge of the county in which the
56-44 premises sought to be licensed are located;

56-45 (4) the sheriff or county or district attorney of the
56-46 county in which the premises sought to be licensed are located;

56-47 (5) the mayor of the city or town in which the premises
56-48 sought to be licensed are located; and

56-49 (6) the chief of police, city marshal, or city
56-50 attorney of the city or town in which the premises sought to be
56-51 permitted are located.

56-52 (b) The commission may give due consideration to the
56-53 recommendations of a person listed under Subsection (a) when
56-54 evaluating an application for a license under this code.

56-55 SECTION 169. Effective December 31, 2020, Section 61.34(d),
56-56 Alcoholic Beverage Code, is amended to read as follows:

56-57 (d) A person appealing from an order denying a license
56-58 [under this section] shall give bond for all costs incident to the
56-59 appeal and shall be required to pay those costs if the judgment on
56-60 appeal is unfavorable to the applicant, but not otherwise. A [~~No~~]
56-61 bond is not required on appeals filed on behalf of the state.

56-62 SECTION 170. Sections 61.35(a) and (b), Alcoholic Beverage
56-63 Code, are amended to read as follows:

56-64 (a) A separate license fee is required for each place of
56-65 business that brews [manufactures], imports, or sells malt
56-66 beverages [beer].

56-67 (b) All license fees [~~except those for temporary~~
56-68 ~~licenses,~~] shall be deposited as provided in Section 205.02. Each
56-69 license application must be accompanied by a cashier's check, a

57-1 teller's check, a check drawn on the account of a corporation
 57-2 applying for a license or on the account of a corporation that is an
 57-3 agent for the person applying for a license, a money order, or
 57-4 payment by credit card, charge card, or other electronic form of
 57-5 payment approved by commission rule for the amount of the state fee,
 57-6 payable to the order of the comptroller.

57-7 SECTION 171. Section 61.36(a), Alcoholic Beverage Code, is
 57-8 amended to read as follows:

57-9 (a) The governing body of an incorporated city or town may
 57-10 levy and collect a fee [~~not to exceed one-half of the state fee~~] for
 57-11 each license [~~, except a temporary or agent's beer license,~~] issued
 57-12 for premises located within the city or town. The commissioners
 57-13 court of a county may levy and collect a fee [~~equal to one-half the~~
 57-14 ~~state fee~~] for each license [~~, except a temporary or agent's beer~~
 57-15 ~~license,~~] issued for premises located within the county. The fees
 57-16 authorized by this subsection may not exceed one-half the
 57-17 statutory fee provided in this code as of August 31, 2021, for the
 57-18 license issued. Those authorities may not levy or collect any other
 57-19 fee or tax from the licensee except general ad valorem taxes, the
 57-20 hotel occupancy tax levied under Chapter 351, Tax Code, and the
 57-21 local sales and use tax levied under Chapter 321, Tax Code.

57-22 SECTION 172. Effective December 31, 2020, Section 61.36(d),
 57-23 Alcoholic Beverage Code, is amended to read as follows:

57-24 (d) The commission or administrator may cancel or the
 57-25 commission may deny an application for a license for the retail sale
 57-26 of alcoholic beverages, including a license held by the holder of a
 57-27 food and beverage certificate, if it finds that the license holder
 57-28 or applicant has not paid delinquent ad valorem taxes due on that
 57-29 licensed premises or due from a business operated on that premises
 57-30 to any taxing authority in the county of the premises. For purposes
 57-31 of this subsection, a license holder or applicant is presumed
 57-32 delinquent in the payment of taxes due if the license holder or
 57-33 applicant:

57-34 (1) is placed on a delinquent tax roll prepared under
 57-35 Section 33.03, Tax Code;

57-36 (2) has received a notice of delinquency under Section
 57-37 33.04, Tax Code; and

57-38 (3) has not made a payment required under Section
 57-39 42.08, Tax Code.

57-40 SECTION 173. Effective September 1, 2019, Sections
 57-41 61.37(a), (b), and (d), Alcoholic Beverage Code, are amended to
 57-42 read as follows:

57-43 (a) Not later than the 30th day after the date a prospective
 57-44 applicant for a license issued by the commission requests
 57-45 certification, the [The] county clerk of the county in which the
 57-46 request [an application for a license] is made shall certify
 57-47 whether the location or address given in the request [application]
 57-48 is in a wet area and whether the sale of alcoholic beverages for
 57-49 which the license is sought is prohibited by any valid order of the
 57-50 commissioners court.

57-51 (b) Not later than the 30th day after the date a prospective
 57-52 applicant for a license issued by the commission requests
 57-53 certification, the [The] city secretary or clerk of the city in
 57-54 which the request [an application for a license] is made shall
 57-55 certify whether the location or address given in the request
 57-56 [application] is in a wet area and whether the sale of alcoholic
 57-57 beverages for which the license is sought is prohibited by charter
 57-58 or ordinance.

57-59 (d) Notwithstanding any other provision of this code, if the
 57-60 county clerk, city secretary, or city clerk certifies that the
 57-61 location or address given in the request [application] is not in a
 57-62 wet area or refuses to issue the certification required by this
 57-63 section, the prospective applicant is entitled to a hearing before
 57-64 the county judge to contest the certification or refusal to
 57-65 certify. The prospective applicant must submit a written request
 57-66 to the county judge for a hearing under this subsection. The county
 57-67 judge shall conduct a hearing required by this subsection not later
 57-68 than the 30th day after the date the county judge receives the
 57-69 written request.

58-1 SECTION 174. Section 61.38(a), Alcoholic Beverage Code, is
 58-2 amended to read as follows:

58-3 (a) Every original applicant for a license to brew
 58-4 ~~[manufacture]~~, distribute, or sell malt beverages ~~[beer]~~ at retail
 58-5 shall give notice of the application by electronic or nonelectronic
 58-6 publication at the applicant's own expense in two consecutive
 58-7 issues of a newspaper of general circulation published in the city
 58-8 or town in which the applicant's place of business is located. If
 58-9 no newspaper is published in that city or town, the notice must be
 58-10 published in a newspaper of general circulation published in the
 58-11 county where the applicant's business is located. If no newspaper
 58-12 is published in that county, the notice must be published in a
 58-13 qualified newspaper published in the closest neighboring county and
 58-14 circulated in the county where the applicant's business is located.

58-15 SECTION 175. Effective September 1, 2019, Section
 58-16 61.381(c), Alcoholic Beverage Code, is amended to read as follows:

58-17 (c) This section does not apply to an applicant for a
 58-18 license issued under Chapter 64, ~~[65,]~~ 66, or 71.

58-19 SECTION 176. Section 61.382(a), Alcoholic Beverage Code, is
 58-20 amended to read as follows:

58-21 (a) Except as provided by Subsection (b), a person who
 58-22 submits an original application for a license authorizing the
 58-23 retail sale of malt beverages ~~[beer]~~ for on-premises consumption
 58-24 shall give written notice of the application to each residential
 58-25 address and established neighborhood association located within
 58-26 300 feet of any property line of the premises for which the license
 58-27 is sought.

58-28 SECTION 177. (a) Effective December 31, 2020, Section
 58-29 61.41(c), Alcoholic Beverage Code, is amended to read as follows:

58-30 (c) If the holder of the existing license has made a
 58-31 declaration required by the commission that the license holder will
 58-32 no longer use the license, the license holder may not manufacture or
 58-33 sell beer or possess it for the purpose of sale until the license
 58-34 has been reinstated. The holder may apply to the commission for the
 58-35 reinstatement of the license in the same manner and according to the
 58-36 same procedure as in the case of an original license application.
 58-37 The ~~[county judge or the]~~ commission ~~[or administrator]~~ may deny
 58-38 reinstatement of the license for any cause for which an original
 58-39 license application may be denied.

58-40 (b) Effective September 1, 2021, Sections 61.41(c) and (d),
 58-41 Alcoholic Beverage Code, are amended to read as follows:

58-42 (c) If the holder of the existing license has made a
 58-43 declaration required by the commission that the license holder will
 58-44 no longer use the license, the license holder may not brew
 58-45 ~~[manufacture]~~ or sell malt beverages ~~[beer]~~ or possess malt
 58-46 beverages ~~[it]~~ for the purpose of sale until the license has been
 58-47 reinstated. The holder may apply to the commission for the
 58-48 reinstatement of the license in the same manner and according to the
 58-49 same procedure as in the case of an original license application.
 58-50 The ~~[county judge or the]~~ commission ~~[or administrator]~~ may deny
 58-51 reinstatement of the license for any cause for which an original
 58-52 license application may be denied.

58-53 (d) Notwithstanding Subsection (a) and Sections 11.49 and
 58-54 109.53, more than one brewer's ~~[manufacturer's]~~ or nonresident
 58-55 brewer's ~~[manufacturer's]~~ license may be issued for a single
 58-56 premises if the license holder for the premises has contracted with
 58-57 an entity under an alternating brewery proprietorship or contract
 58-58 brewing arrangement.

58-59 SECTION 178. (a) Effective September 1, 2019, Section
 58-60 61.42(a), Alcoholic Beverage Code, is amended to read as follows:

58-61 (a) The county judge shall refuse to approve an application
 58-62 for a license as a distributor or retailer if the county judge ~~[he]~~
 58-63 has reasonable grounds to believe and finds that:

- 58-64 (1) the applicant is a minor;
- 58-65 (2) the applicant is indebted to the state for any
 58-66 taxes, fees, or penalties imposed by this code or by rule of the
 58-67 commission;
- 58-68 (3) the place or manner in which the applicant for a
 58-69 retail dealer's license may conduct the applicant's ~~[his]~~ business

59-1 warrants a refusal of the application for a license based on the
 59-2 general welfare, health, peace, morals, safety, and sense of
 59-3 decency of the people;

59-4 (4) the applicant has developed an incapacity that
 59-5 prevents or could prevent the applicant from conducting the
 59-6 applicant's business with reasonable skill, competence, and safety
 59-7 to the public [~~is in the habit of using alcoholic beverages to~~
 59-8 ~~excess or is mentally or physically incompetent~~];

59-9 (5) the applicant is not a United States citizen or has
 59-10 not been a citizen of Texas for a period of one year immediately
 59-11 preceding the filing of the applicant's [~~his~~] application, unless
 59-12 the applicant [~~he~~] was issued an original or renewal license on or
 59-13 before September 1, 1948;

59-14 (6) the applicant was finally convicted of a felony
 59-15 during the five years immediately preceding the filing of the
 59-16 applicant's [~~his~~] application;

59-17 (7) the applicant is not of good moral character or the
 59-18 applicant's [~~his~~] reputation for being a peaceable, law-abiding
 59-19 citizen in the community where the applicant [~~he~~] resides is bad; or

59-20 (8) as to a corporation, it is not incorporated under
 59-21 the laws of this state, or at least 51 percent of the corporate
 59-22 stock is not owned at all times by persons who individually are
 59-23 qualified to obtain a license, except that this subdivision does
 59-24 not apply to a holder of any renewal of a distributor's license
 59-25 which was in effect on January 1, 1953[~~, or to an applicant for a~~
 59-26 ~~beer retailer's on-premise license for a railway car~~].

59-27 (b) Effective December 31, 2020, Section 61.42, Alcoholic
 59-28 Beverage Code, is amended to read as follows:

59-29 Sec. 61.42. MANDATORY GROUNDS FOR DENIAL [~~REFUSAL~~]:
 59-30 DISTRIBUTOR OR RETAILER. (a) The commission [~~county judge~~] shall
 59-31 deny [~~refuse to approve~~] an application for a license as a
 59-32 distributor or retailer if the commission [~~he~~] has reasonable
 59-33 grounds to believe and finds that:

59-34 (1) the applicant is a minor;

59-35 (2) the applicant is indebted to the state for any
 59-36 taxes, fees, or penalties imposed by this code or by rule of the
 59-37 commission;

59-38 (3) the place or manner in which the applicant for a
 59-39 retail dealer's license may conduct the applicant's [~~his~~] business
 59-40 warrants a denial [~~refusal~~] of the application for a license based
 59-41 on the general welfare, health, peace, morals, safety, and sense of
 59-42 decency of the people;

59-43 (4) the applicant has developed an incapacity that
 59-44 prevents or could prevent the applicant from conducting the
 59-45 applicant's business with reasonable skill, competence, and safety
 59-46 to the public [~~is in the habit of using alcoholic beverages to~~
 59-47 ~~excess or is mentally or physically incompetent~~];

59-48 (5) the applicant is not a United States citizen or has
 59-49 not been a citizen of Texas for a period of one year immediately
 59-50 preceding the filing of the applicant's [~~his~~] application, unless
 59-51 the applicant [~~he~~] was issued an original or renewal license on or
 59-52 before September 1, 1948;

59-53 (6) the applicant was finally convicted of a felony
 59-54 during the five years immediately preceding the filing of the
 59-55 applicant's [~~his~~] application;

59-56 (7) the applicant is not of good moral character or the
 59-57 applicant's [~~his~~] reputation for being a peaceable, law-abiding
 59-58 citizen in the community where the applicant [~~he~~] resides is bad; or

59-59 (8) as to a corporation, it is not incorporated under
 59-60 the laws of this state, or at least 51 percent of the corporate
 59-61 stock is not owned at all times by persons who individually are
 59-62 qualified to obtain a license, except that this subdivision does
 59-63 not apply to a holder of any renewal of a distributor's license
 59-64 which was in effect on January 1, 1953[~~, or to an applicant for a~~
 59-65 ~~beer retailer's on-premise license for a railway car~~].

59-66 (b) The [~~county judge~~] commission[~~, or administrator~~]
 59-67 shall deny an application for [~~refuse to approve or issue~~] an
 59-68 original retail dealer's or retail dealer's on-premise license
 59-69 unless the applicant for the license files with the application a

60-1 certificate issued by the comptroller of public accounts stating
 60-2 that the applicant holds, or has applied for and satisfies all legal
 60-3 requirements for the issuance of, a sales tax permit for the place
 60-4 of business for which the license is sought.

60-5 (c) The ~~[county judge,]~~ commission~~[, or administrator]~~
 60-6 shall deny ~~[refuse to approve or issue]~~ for a period of one year an
 60-7 application for a retail dealer's on-premise license or a wine and
 60-8 beer retailer's permit for a premises where a license or permit has
 60-9 been canceled during the preceding 12 months as a result of a
 60-10 shooting, stabbing, or other violent act, or as a result of an
 60-11 offense involving drugs, prostitution, or trafficking of persons.

60-12 (d) The ~~[county judge,]~~ commission~~[, or administrator]~~
 60-13 shall deny an application for ~~[refuse to approve or issue]~~ a license
 60-14 of ~~[to]~~ a person convicted of an offense under Section 101.76 for a
 60-15 period of five years from the date of the conviction.

60-16 (c) Effective September 1, 2021, Section 61.42(c),
 60-17 Alcoholic Beverage Code, is amended to read as follows:

60-18 (c) The ~~[county judge,]~~ commission~~[, or administrator]~~
 60-19 shall deny ~~[refuse to approve or issue]~~ for a period of one year an
 60-20 application for a retail dealer's on-premise license or a wine and
 60-21 malt beverage ~~[beer]~~ retailer's permit for a premises where a
 60-22 license or permit has been canceled during the preceding 12 months
 60-23 as a result of a shooting, stabbing, or other violent act, or as a
 60-24 result of an offense involving drugs, prostitution, or trafficking
 60-25 of persons.

60-26 SECTION 179. Effective December 31, 2020, the heading to
 60-27 Section 61.421, Alcoholic Beverage Code, is amended to read as
 60-28 follows:

60-29 Sec. 61.421. DENIAL ~~[REFUSAL]~~ OF LICENSE AUTHORIZING
 60-30 ON-PREMISES CONSUMPTION.

60-31 SECTION 180. Effective December 31, 2020, Section
 60-32 61.421(b), Alcoholic Beverage Code, is amended to read as follows:

60-33 (b) The commission ~~[or administrator, with or without a~~
 60-34 ~~hearing, or the county judge,]~~ shall deny an application for
 60-35 ~~[refuse to issue or approve]~~ an original or renewal license
 60-36 authorizing on-premises consumption of alcoholic beverages if the
 60-37 commission~~[, administrator, or county judge]~~ has reasonable
 60-38 grounds to believe and finds that, during the three years preceding
 60-39 the date the license application was filed, a license or permit
 60-40 previously held under this code by the applicant, a person who owns
 60-41 the premises for which the license is sought, or an officer of a
 60-42 person who owns the premises for which the license is sought was
 60-43 canceled or not renewed as a result of a shooting, stabbing, or
 60-44 other violent act.

60-45 SECTION 181. Section 61.421(c), Alcoholic Beverage Code, is
 60-46 amended to read as follows:

60-47 (c) This section does not apply to the issuance of an
 60-48 original or renewal license authorizing on-premises consumption
 60-49 for a location that holds a food and beverage certificate but does
 60-50 not hold a retailer late hours certificate ~~[license]~~.

60-51 SECTION 182. Effective December 31, 2020, Section 61.43,
 60-52 Alcoholic Beverage Code, is amended to read as follows:

60-53 Sec. 61.43. DISCRETIONARY GROUNDS FOR DENIAL
 60-54 ~~[REFUSAL]~~: DISTRIBUTOR OR RETAILER. The commission ~~[county~~
 60-55 ~~judge]~~ may deny ~~[refuse to approve]~~ an application for a license as
 60-56 a distributor or retailer if the commission ~~[county judge]~~ has
 60-57 reasonable grounds to believe and finds that:

60-58 (1) the applicant has been finally convicted in a
 60-59 court of competent jurisdiction for the violation of a provision of
 60-60 this code during the two years immediately preceding the filing of
 60-61 an application;

60-62 (2) five years has not elapsed since the termination,
 60-63 by pardon or otherwise, of a sentence imposed for conviction of a
 60-64 felony;

60-65 (3) the applicant has violated or caused to be
 60-66 violated a provision of this code or a rule or regulation of the
 60-67 commission, for which a suspension was not imposed, during the
 60-68 12-month period immediately preceding the filing of an application;

60-69 (4) the applicant failed to answer or falsely or

61-1 incorrectly answered a question in an original or renewal
61-2 application;

61-3 (5) the applicant for a retail dealer's license does
61-4 not have an adequate building available at the address for which the
61-5 license is sought before conducting any activity authorized by the
61-6 license;

61-7 (6) the applicant or a person with whom the applicant
61-8 is residentially domiciled had an interest in a license or permit
61-9 which was cancelled or revoked within the 12-month period
61-10 immediately preceding the filing of an application;

61-11 (7) the applicant failed or refused to furnish a true
61-12 copy of the application to the commission's district office in the
61-13 district in which the premises sought to be licensed are located;

61-14 (8) the applicant for a retail dealer's license will
61-15 conduct business in a manner contrary to law or in a place or manner
61-16 conducive to a violation of the law; or

61-17 (9) the place, building, or premises for which the
61-18 license is sought was used for selling alcoholic beverages in
61-19 violation of the law at any time during the six months immediately
61-20 preceding the filing of the application or was used, operated, or
61-21 frequented during that time for a purpose or in a manner which was
61-22 lewd, immoral, offensive to public decency, or contrary to this
61-23 code.

61-24 SECTION 183. (a) Effective December 31, 2020, Section
61-25 61.44, Alcoholic Beverage Code, is amended to read as follows:

61-26 Sec. 61.44. DENIAL [~~REFUSAL~~] OF DISTRIBUTOR'S OR RETAILER'S
61-27 LICENSE: PROHIBITED INTERESTS. (a) The commission [~~county judge~~]
61-28 may deny [~~refuse to approve~~] an application for a license as a
61-29 distributor or retailer if the commission [~~he~~] has reasonable
61-30 grounds to believe and finds that:

61-31 (1) the applicant has a financial interest in an
61-32 establishment authorized to sell distilled spirits, except as
61-33 authorized in Section 22.06, 24.05, or 102.05 [~~of this code~~];

61-34 (2) a person engaged in the business of selling
61-35 distilled spirits has a financial interest in the business to be
61-36 conducted under the license sought by the applicant, except as
61-37 authorized in Section 22.06, 24.05, or 102.05 [~~of this code~~]; or

61-38 (3) the applicant is residentially domiciled with a
61-39 person who has a financial interest in an establishment engaged in
61-40 the business of selling distilled spirits, except as authorized in
61-41 Section 22.06, 24.05, or 102.05 [~~of this code~~].

61-42 (b) The commission [~~county judge~~] may deny [~~refuse to~~
61-43 ~~approve~~] an application for a retail dealer's license if the
61-44 commission [~~he~~] has reasonable grounds to believe and finds that:

61-45 (1) the applicant has a real interest in the business
61-46 or premises of the holder of a manufacturer's or distributor's
61-47 license; or

61-48 (2) the premises sought to be licensed are owned in
61-49 whole or part by the holder of a manufacturer's or distributor's
61-50 license.

61-51 (b) Effective September 1, 2021, Section 61.44(b),
61-52 Alcoholic Beverage Code, is amended to read as follows:

61-53 (b) The commission [~~county judge~~] may deny [~~refuse to~~
61-54 ~~approve~~] an application for a retail dealer's license if the
61-55 commission [~~he~~] has reasonable grounds to believe and finds that:

61-56 (1) the applicant has a real interest in the business
61-57 or premises of the holder of a brewer's [~~manufacturer's~~] or
61-58 distributor's license; or

61-59 (2) the premises sought to be licensed are owned in
61-60 whole or part by the holder of a brewer's [~~manufacturer's~~] or
61-61 distributor's license.

61-62 SECTION 184. (a) Effective December 31, 2020, Section
61-63 61.45, Alcoholic Beverage Code, is amended to read as follows:

61-64 Sec. 61.45. DENIAL [~~REFUSAL~~] OF RETAILER'S OR DISTRIBUTOR'S
61-65 LICENSE: PROHIBITED INTEREST IN PREMISES. (a) The commission
61-66 [~~county judge~~] may deny [~~refuse to approve~~] an application for a
61-67 retail dealer's license if the commission [~~he~~] has reasonable
61-68 grounds to believe and finds that:

61-69 (1) the applicant owns or has an interest in the

62-1 premises covered by a manufacturer's or distributor's license; or
62-2 (2) the holder of a manufacturer's or distributor's
62-3 license owns or has an interest in the premises sought to be
62-4 licensed.

62-5 (b) The commission [~~county judge~~] may deny [~~refuse to~~
62-6 ~~approve~~] an application for a distributor's license if the
62-7 commission [~~he~~] has reasonable grounds to believe and finds that:

62-8 (1) the applicant owns or has an interest in the
62-9 premises covered by a retail dealer's license; or

62-10 (2) a holder of a retail dealer's license owns or has
62-11 an interest in the premises sought to be licensed.

62-12 (b) Effective September 1, 2021, Section 61.45(a),
62-13 Alcoholic Beverage Code, is amended to read as follows:

62-14 (a) The commission [~~county judge~~] may deny [~~refuse to~~
62-15 ~~approve~~] an application for a retail dealer's license if the
62-16 commission [~~he~~] has reasonable grounds to believe and finds that:

62-17 (1) the applicant owns or has an interest in the
62-18 premises covered by a brewer's [~~manufacturer's~~] or distributor's
62-19 license; or

62-20 (2) the holder of a brewer's [~~manufacturer's~~] or
62-21 distributor's license owns or has an interest in the premises
62-22 sought to be licensed.

62-23 SECTION 185. The heading to Section 61.46, Alcoholic
62-24 Beverage Code, is amended to read as follows:

62-25 Sec. 61.46. BREWER'S [~~MANUFACTURER'S~~] LICENSE: GROUNDS FOR
62-26 DENIAL [~~REFUSAL~~].

62-27 SECTION 186. Section 61.46(a), Alcoholic Beverage Code, is
62-28 amended to read as follows:

62-29 (a) This section applies to any applicant for a brewer's
62-30 [~~manufacturer's~~] license, including a domestic corporation or
62-31 foreign corporation qualified to do business in Texas,
62-32 administrator or executor, or other person. This section does not
62-33 apply to a holder of a subsequent renewal of a [~~manufacturer's~~]
62-34 license which was in effect on January 1, 1953, that authorized the
62-35 license holder to manufacture a type of malt beverage.

62-36 SECTION 187. (a) Effective December 31, 2020, Section
62-37 61.46(b), Alcoholic Beverage Code, is amended to read as follows:

62-38 (b) The commission [~~county judge~~] shall deny [~~refuse to~~
62-39 ~~approve~~] an application for a manufacturer's license if the
62-40 commission [~~he~~] has reasonable grounds to believe and finds that
62-41 the applicant has failed to state under oath that it will engage in
62-42 the business of brewing and packaging beer in this state within
62-43 three years after the issuance of its original license in
62-44 sufficient quantities as to make its operation that of a bona fide
62-45 brewing manufacturer.

62-46 (b) Effective September 1, 2021, Section 61.46(b),
62-47 Alcoholic Beverage Code, is amended to read as follows:

62-48 (b) The commission [~~county judge~~] shall deny [~~refuse to~~
62-49 ~~approve~~] an application for a brewer's [~~manufacturer's~~] license if
62-50 the commission [~~he~~] has reasonable grounds to believe and finds
62-51 that the applicant has failed to state under oath that it will
62-52 engage in the business of brewing and packaging malt beverages
62-53 [~~beer~~] in this state within three years after the issuance of its
62-54 original license in sufficient quantities as to make its operation
62-55 that of a bona fide brewer [~~brewing manufacturer~~].

62-56 SECTION 188. Effective December 31, 2020, Section 61.48,
62-57 Alcoholic Beverage Code, is amended to read as follows:

62-58 Sec. 61.48. RENEWAL APPLICATION. An application to renew a
62-59 license shall be filed with the commission not [~~no~~] earlier than the
62-60 30th day [~~30 days~~] before the date the license expires but not after
62-61 it expires. The application shall be signed by the applicant and
62-62 shall contain complete information required by the commission
62-63 showing that the applicant is not disqualified from holding a
62-64 license. The application shall be accompanied by the appropriate
62-65 license fee. An [~~No~~] applicant for a renewal may not be required to
62-66 pay any fee other than license fees and the filing fee [~~unless the~~
62-67 ~~applicant is required by the commission or administrator to submit~~
62-68 ~~to a renewal hearing before the county judge~~].

62-69 SECTION 189. Effective December 31, 2020, Section 61.49,

63-1 Alcoholic Beverage Code, is amended to read as follows:
63-2 Sec. 61.49. ACTION ON RENEWAL APPLICATION BY COMMISSION;
63-3 REFUND OF FEE. When the renewal application has been filed in
63-4 accordance with Section 61.48, the commission shall follow the
63-5 procedure under ~~[or administrator may in its discretion issue a~~
63-6 ~~renewal license or if an application for a renewal is protested~~
63-7 ~~reject the application and require the applicant to file an~~
63-8 ~~application with the county judge and submit to a hearing as is~~
63-9 ~~required by]~~ Section 11.43 [61.31].

63-10 SECTION 190. Effective December 31, 2020, Section 61.50,
63-11 Alcoholic Beverage Code, is amended to read as follows:

63-12 Sec. 61.50. RENEWAL OF RETAIL DEALER'S LICENSE: GROUNDS FOR
63-13 DENIAL [REFUSAL]. The commission ~~[or administrator, without a~~
63-14 ~~hearing,]~~ may deny an application for ~~[refuse to issue]~~ a renewal of
63-15 a retail dealer's license and require the applicant to make an
63-16 original application if it is found that circumstances exist which
63-17 would warrant the denial ~~[refusal]~~ of an original application under
63-18 any pertinent provision of this code.

63-19 SECTION 191. (a) Effective September 1, 2019, Section
63-20 61.71(a), Alcoholic Beverage Code, is amended to read as follows:

63-21 (a) The commission or administrator may suspend for not more
63-22 than 60 days or cancel an original or renewal retail dealer's on- or
63-23 off-premise license if it is found, after notice and hearing, that
63-24 the licensee:

63-25 (1) violated a provision of this code or a rule of the
63-26 commission during the existence of the license sought to be
63-27 cancelled or suspended or during the immediately preceding license
63-28 period;

63-29 (2) was finally convicted for violating a penal
63-30 provision of this code;

63-31 (3) was finally convicted of a felony while holding an
63-32 original or renewal license;

63-33 (4) made a false statement or a misrepresentation in
63-34 the licensee's original application or a renewal application;

63-35 (5) with criminal negligence sold, served, or
63-36 delivered an alcoholic beverage to a minor;

63-37 (6) sold, served, or delivered an alcoholic beverage
63-38 to an intoxicated person;

63-39 (7) sold, served, or delivered an alcoholic beverage
63-40 at a time when its sale is prohibited;

63-41 (8) entered or offered to enter an agreement,
63-42 condition, or system which would constitute the sale or possession
63-43 of alcoholic beverages on consignment;

63-44 (9) possessed on the licensed premises, or on adjacent
63-45 premises directly or indirectly under the licensee's control, an
63-46 alcoholic beverage not authorized to be sold on the licensed
63-47 premises, or permitted an agent, servant, or employee to do so,
63-48 except as permitted by Section 22.06, 24.05, or 102.05;

63-49 (10) permitted a person on the licensed premises to
63-50 engage in conduct which is lewd, immoral, or offensive to public
63-51 decency;

63-52 (11) employed a person under 18 years of age to sell,
63-53 handle, or dispense beer, or to assist in doing so, in an
63-54 establishment where beer is sold for on-premises consumption;

63-55 (12) conspired with a person to violate Section
63-56 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or
63-57 108.04-108.06, or a rule promulgated under Section 5.40, or
63-58 accepted a benefit from an act prohibited by any of these sections
63-59 or rules;

63-60 (13) refused to permit or interfered with an
63-61 inspection of the licensed premises by an authorized representative
63-62 of the commission or a peace officer;

63-63 (14) permitted the use or display of the licensee's
63-64 license in the conduct of a business for the benefit of a person not
63-65 authorized by law to have an interest in the license;

63-66 (15) maintained blinds or barriers at the licensee's
63-67 place of business in violation of this code;

63-68 (16) conducted the licensee's business in a place or
63-69 manner which warrants the cancellation or suspension of the license

64-1 based on the general welfare, health, peace, morals, safety, and
64-2 sense of decency of the people;

64-3 (17) consumed an alcoholic beverage or permitted one
64-4 to be consumed on the licensed premises at a time when the
64-5 consumption of alcoholic beverages is prohibited by this code;

64-6 (18) purchased beer for the purpose of resale from a
64-7 person other than the holder of a manufacturer's or distributor's
64-8 license;

64-9 (19) acquired an alcoholic beverage for the purpose of
64-10 resale from another retail dealer of alcoholic beverages;

64-11 (20) owned an interest of any kind in the business or
64-12 premises of the holder of a distributor's license;

64-13 (21) purchased, sold, offered for sale, distributed,
64-14 or delivered an alcoholic beverage, or consumed an alcoholic
64-15 beverage or permitted one to be consumed on the licensed premises
64-16 while the licensee's license was under suspension;

64-17 (22) purchased, possessed, stored, sold, or offered
64-18 for sale beer in or from an original package bearing a brand or
64-19 trade name of a manufacturer other than the brand or trade name
64-20 shown on the container;

64-21 (23) has developed an incapacity that prevents or
64-22 could prevent the license holder from managing the license holder's
64-23 establishment with reasonable skill, competence, and safety to the
64-24 public [habitually uses alcoholic beverages to excess, is mentally
64-25 incompetent, or is physically unable to manage the licensee's
64-26 establishment];

64-27 (24) imported beer into this state except as
64-28 authorized by Section 107.07;

64-29 (25) occupied premises in which the holder of a
64-30 manufacturer's or distributor's license had an interest of any
64-31 kind;

64-32 (26) knowingly permitted a person who had an interest
64-33 in a permit or license which was cancelled for cause to sell,
64-34 handle, or assist in selling or handling alcoholic beverages on the
64-35 licensed premises within one year after the cancellation;

64-36 (27) was financially interested in a place of business
64-37 engaged in the selling of distilled spirits or permitted a person
64-38 having an interest in that type of business to have a financial
64-39 interest in the business authorized by the licensee's license,
64-40 except as permitted by Section 22.06, 24.05, or 102.05;

64-41 (28) is residentially domiciled with or related to a
64-42 person engaged in selling distilled spirits, except as permitted by
64-43 Section 22.06, 24.05, or 102.05, so that there is a community of
64-44 interests which the commission or administrator finds contrary to
64-45 the purposes of this code;

64-46 (29) is residentially domiciled with or related to a
64-47 person whose license has been cancelled within the preceding 12
64-48 months so that there is a community of interests which the
64-49 commission or administrator finds contrary to the purposes of this
64-50 code; or

64-51 (30) failed to promptly report to the commission a
64-52 breach of the peace occurring on the licensee's licensed premises.

64-53 (b) Effective September 1, 2021, Section 61.71(a),
64-54 Alcoholic Beverage Code, is amended to read as follows:

64-55 (a) The commission or administrator may suspend for not more
64-56 than 60 days or cancel an original or renewal retail dealer's on- or
64-57 off-premise license if it is found, after notice and hearing, that
64-58 the licensee:

64-59 (1) violated a provision of this code or a rule of the
64-60 commission during the existence of the license sought to be
64-61 cancelled or suspended or during the immediately preceding license
64-62 period;

64-63 (2) was finally convicted for violating a penal
64-64 provision of this code;

64-65 (3) was finally convicted of a felony while holding an
64-66 original or renewal license;

64-67 (4) made a false statement or a misrepresentation in
64-68 the licensee's original application or a renewal application;

64-69 (5) with criminal negligence sold, served, or

65-1 delivered an alcoholic beverage to a minor;

65-2 (6) sold, served, or delivered an alcoholic beverage

65-3 to an intoxicated person;

65-4 (7) sold, served, or delivered an alcoholic beverage

65-5 at a time when its sale is prohibited;

65-6 (8) entered or offered to enter an agreement,

65-7 condition, or system which would constitute the sale or possession

65-8 of alcoholic beverages on consignment;

65-9 (9) possessed on the licensed premises, or on adjacent

65-10 premises directly or indirectly under the licensee's control, an

65-11 alcoholic beverage not authorized to be sold on the licensed

65-12 premises, or permitted an agent, servant, or employee to do so,

65-13 except as permitted by Section 22.06, 24.05, or 102.05;

65-14 (10) permitted a person on the licensed premises to

65-15 engage in conduct which is lewd, immoral, or offensive to public

65-16 decency;

65-17 (11) employed a person under 18 years of age to sell,

65-18 handle, or dispense malt beverages [~~beer~~], or to assist in doing so,

65-19 in an establishment where malt beverages are [~~beer is~~] sold for

65-20 on-premises consumption;

65-21 (12) conspired with a person to violate Section

65-22 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or

65-23 108.04-108.06, or a rule promulgated under Section 5.40, or

65-24 accepted a benefit from an act prohibited by any of these sections

65-25 or rules;

65-26 (13) refused to permit or interfered with an

65-27 inspection of the licensed premises by an authorized representative

65-28 of the commission or a peace officer;

65-29 (14) permitted the use or display of the licensee's

65-30 license in the conduct of a business for the benefit of a person not

65-31 authorized by law to have an interest in the license;

65-32 (15) maintained blinds or barriers at the licensee's

65-33 place of business in violation of this code;

65-34 (16) conducted the licensee's business in a place or

65-35 manner which warrants the cancellation or suspension of the license

65-36 based on the general welfare, health, peace, morals, safety, and

65-37 sense of decency of the people;

65-38 (17) consumed an alcoholic beverage or permitted one

65-39 to be consumed on the licensed premises at a time when the

65-40 consumption of alcoholic beverages is prohibited by this code;

65-41 (18) purchased malt beverages [~~beer~~] for the purpose

65-42 of resale from a person other than the holder of a brewer's

65-43 [~~manufacturer's~~] or distributor's license;

65-44 (19) acquired an alcoholic beverage for the purpose of

65-45 resale from another retail dealer of alcoholic beverages;

65-46 (20) owned an interest of any kind in the business or

65-47 premises of the holder of a distributor's license;

65-48 (21) purchased, sold, offered for sale, distributed,

65-49 or delivered an alcoholic beverage, or consumed an alcoholic

65-50 beverage or permitted one to be consumed on the licensed premises

65-51 while the licensee's license was under suspension;

65-52 (22) purchased, possessed, stored, sold, or offered

65-53 for sale malt beverages [~~beer~~] in or from an original package

65-54 bearing a brand or trade name of a manufacturer other than the brand

65-55 or trade name shown on the container;

65-56 (23) has developed an incapacity that prevents or

65-57 could prevent the license holder from managing the license holder's

65-58 establishment with reasonable skill, competence, and safety to the

65-59 public [~~habitually uses alcoholic beverages to excess, is mentally~~

65-60 ~~incompetent, or is physically unable to manage the licensee's~~

65-61 ~~establishment~~];

65-62 (24) imported malt beverages [~~beer~~] into this state

65-63 except as authorized by Section 107.07;

65-64 (25) occupied premises in which the holder of a

65-65 brewer's [~~manufacturer's~~] or distributor's license had an interest

65-66 of any kind;

65-67 (26) knowingly permitted a person who had an interest

65-68 in a permit or license which was cancelled for cause to sell,

65-69 handle, or assist in selling or handling alcoholic beverages on the

66-1 licensed premises within one year after the cancellation;
 66-2 (27) was financially interested in a place of business
 66-3 engaged in the selling of distilled spirits or permitted a person
 66-4 having an interest in that type of business to have a financial
 66-5 interest in the business authorized by the licensee's license,
 66-6 except as permitted by Section 22.06, 24.05, or 102.05;

66-7 (28) is residentially domiciled with or related to a
 66-8 person engaged in selling distilled spirits, except as permitted by
 66-9 Section 22.06, 24.05, or 102.05, so that there is a community of
 66-10 interests which the commission or administrator finds contrary to
 66-11 the purposes of this code;

66-12 (29) is residentially domiciled with or related to a
 66-13 person whose license has been cancelled within the preceding 12
 66-14 months so that there is a community of interests which the
 66-15 commission or administrator finds contrary to the purposes of this
 66-16 code; or

66-17 (30) failed to promptly report to the commission a
 66-18 breach of the peace occurring on the licensee's licensed premises.

66-19 SECTION 192. Effective December 31, 2020, Section 61.712,
 66-20 Alcoholic Beverage Code, is amended to read as follows:

66-21 Sec. 61.712. GROUNDS FOR CANCELLATION OR SUSPENSION: SALES
 66-22 TAX. The commission ~~[or administrator]~~ may deny an application for
 66-23 a renewal license ~~[refuse to renew]~~ or, after notice and hearing,
 66-24 the commission or administrator may suspend for not more than 60
 66-25 days or cancel a license if the commission or administrator finds
 66-26 that the licensee:

66-27 (1) no longer holds a sales tax permit, if required,
 66-28 for the place of business covered by the license; or

66-29 (2) is shown on the records of the comptroller of
 66-30 public accounts as being subject to a final determination of taxes
 66-31 due and payable under the Limited Sales, Excise and Use Tax Act
 66-32 (Chapter 151, Tax Code), or is shown on the records of the
 66-33 comptroller of public accounts as being subject to a final
 66-34 determination of taxes due and payable under Chapter 321, Tax Code.

66-35 SECTION 193. (a) Effective December 31, 2020, Section
 66-36 61.721, Alcoholic Beverage Code, is amended to read as follows:

66-37 Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN
 66-38 MUNICIPALITIES. The commission or administrator may cancel an
 66-39 original or a renewal wine and beer retailer's permit or retail
 66-40 dealer's on-premise license and the commission may deny an
 66-41 application for ~~[refuse to issue]~~ any new alcoholic beverage permit
 66-42 or license for the same premises for one year after the date of
 66-43 cancellation if:

66-44 (1) the chief of police of the city or the sheriff of
 66-45 the county in which the premises are located has submitted a sworn
 66-46 statement to the commission stating specific allegations that the
 66-47 place or manner in which the permittee or licensee conducts its
 66-48 business endangers the general welfare, health, peace, morals, or
 66-49 safety of the community and further stating that there is a
 66-50 reasonable likelihood that such conduct would continue at the same
 66-51 location under another licensee or permittee; and

66-52 (2) the commission ~~[or administrator]~~ finds, after
 66-53 notice and hearing within the county where the premises are
 66-54 located, that the place or manner in which the permittee or licensee
 66-55 conducts its business does in fact endanger the general welfare,
 66-56 health, peace, morals, or safety of the community and that there is
 66-57 a reasonable likelihood that such conduct would continue at the
 66-58 same location under another licensee or permittee.

66-59 (b) Effective September 1, 2021, Section 61.721, Alcoholic
 66-60 Beverage Code, is amended to read as follows:

66-61 Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN
 66-62 MUNICIPALITIES. The commission or administrator may cancel an
 66-63 original or a renewal wine and malt beverage ~~[beer]~~ retailer's
 66-64 permit or retail dealer's on-premise license and the commission may
 66-65 deny an application for ~~[refuse to issue]~~ any new alcoholic
 66-66 beverage permit or license for the same premises for one year after
 66-67 the date of cancellation if:

66-68 (1) the chief of police of the city or the sheriff of
 66-69 the county in which the premises are located has submitted a sworn

67-1 statement to the commission stating specific allegations that the
67-2 place or manner in which the permittee or licensee conducts its
67-3 business endangers the general welfare, health, peace, morals, or
67-4 safety of the community and further stating that there is a
67-5 reasonable likelihood that such conduct would continue at the same
67-6 location under another licensee or permittee; and

67-7 (2) the commission [~~or administrator~~] finds, after
67-8 notice and hearing within the county where the premises are
67-9 located, that the place or manner in which the permittee or licensee
67-10 conducts its business does in fact endanger the general welfare,
67-11 health, peace, morals, or safety of the community and that there is
67-12 a reasonable likelihood that such conduct would continue at the
67-13 same location under another licensee or permittee.

67-14 SECTION 194. Section 61.73, Alcoholic Beverage Code, is
67-15 amended to read as follows:

67-16 Sec. 61.73. RETAIL DEALER: CREDIT PURCHASE OR DISHONORED
67-17 CHECK. (a) The commission or administrator may suspend for not
67-18 more than 60 days or cancel an original or renewal retail dealer's
67-19 on- or off-premise license if it is found, after notice and hearing,
67-20 that the licensee purchased malt beverages [~~beer~~] or the containers
67-21 or original packages in which they are [~~it is~~] contained or packaged
67-22 except by cash payment to the seller on or before delivery. No
67-23 holder of either type of license may use a maneuver, device,
67-24 subterfuge, or shift by which credit is accepted, including payment
67-25 or attempted payment by a postdated check or draft. Credit for the
67-26 return of unbroken or undamaged containers or original packages
67-27 previously paid for by the purchaser may be accepted as cash by the
67-28 seller in an amount not more than the amount originally paid for
67-29 them by the purchaser.

67-30 (b) The commission or administrator may suspend for not more
67-31 than 60 days or cancel an original or renewal retail dealer's on- or
67-32 off-premise license if it is found, after notice and hearing, that
67-33 the licensee gave a check, as maker or endorser, or a draft, as
67-34 drawer or endorser, as full or partial payment for malt beverages
67-35 [~~beer~~] or the containers or packages in which they are [~~it is~~]
67-36 contained or packaged, which is dishonored when presented for
67-37 payment.

67-38 SECTION 195. (a) Effective September 1, 2019, Section
67-39 61.74(a), Alcoholic Beverage Code, is amended to read as follows:

67-40 (a) The commission or administrator may suspend for not more
67-41 than 60 days or cancel an original or renewal general[~~, local,~~] or
67-42 branch distributor's license if it is found, after notice and
67-43 hearing, that the licensee:

67-44 (1) violated a provision of this code or a rule of the
67-45 commission during the existence of the license sought to be
67-46 cancelled or suspended or during the immediately preceding license
67-47 period;

67-48 (2) was finally convicted for violating a penal
67-49 provision of this code;

67-50 (3) was finally convicted of a felony while holding an
67-51 original or renewal license;

67-52 (4) violated Section 101.41-101.43, 101.68,
67-53 102.11-102.15, 104.04, 108.01, or 108.04-108.06 [~~of this code~~], or
67-54 a rule or regulation promulgated under Section 5.40 [~~of this code~~];

67-55 (5) failed to comply with a requirement of the
67-56 commission relating to the keeping of records or making of reports;

67-57 (6) failed to pay any tax due the state on any beer the
67-58 licensee [~~he~~] sold, stored, or transported;

67-59 (7) refused to permit or interfered with an inspection
67-60 of the licensee's [~~his licensed~~] premises, vehicles, books, or
67-61 records by an authorized representative of the commission;

67-62 (8) consummated a sale of beer outside the county or
67-63 counties in which the licensee [~~he~~] was authorized to sell beer
67-64 under the [~~by his~~] license;

67-65 (9) purchased, sold, offered for sale, distributed, or
67-66 delivered beer while the [~~his~~] license was under suspension;

67-67 (10) permitted the use of the licensee's [~~his~~] license
67-68 in the operation of a business conducted for the benefit of a person
67-69 not authorized by law to have an interest in the business;

68-1 (11) made a false or misleading representation or
68-2 statement in the licensee's [his] original application or a renewal
68-3 application;

68-4 (12) has developed an incapacity that prevents or
68-5 could prevent the license holder from managing the license holder's
68-6 establishment with reasonable skill, competence, and safety to the
68-7 public [habitually uses alcoholic beverages to excess, is mentally
68-8 incompetent, or is physically unable to manage his establishment];

68-9 (13) misrepresented any beer sold by the licensee
68-10 [him] to a retailer or to the public;

68-11 (14) with criminal negligence sold or delivered beer
68-12 to a minor; or

68-13 (15) purchased, possessed, stored, sold, or offered
68-14 for sale beer in an original package bearing a brand or trade name
68-15 of a manufacturer other than the brand or trade name of the
68-16 manufacturer shown on the container.

68-17 (b) Effective September 1, 2021, Section 61.74(a),
68-18 Alcoholic Beverage Code, is amended to read as follows:

68-19 (a) The commission or administrator may suspend for not more
68-20 than 60 days or cancel an original or renewal general[~~, local,~~] or
68-21 branch distributor's license if it is found, after notice and
68-22 hearing, that the licensee:

68-23 (1) violated a provision of this code or a rule of the
68-24 commission during the existence of the license sought to be
68-25 cancelled or suspended or during the immediately preceding license
68-26 period;

68-27 (2) was finally convicted for violating a penal
68-28 provision of this code;

68-29 (3) was finally convicted of a felony while holding an
68-30 original or renewal license;

68-31 (4) violated Section 101.41-101.43, 101.68,
68-32 102.11-102.15, 104.04, 108.01, or 108.04-108.06 [~~of this code~~], or
68-33 a rule or regulation promulgated under Section 5.40 [~~of this code~~];

68-34 (5) failed to comply with a requirement of the
68-35 commission relating to the keeping of records or making of reports;

68-36 (6) failed to pay any tax due the state on any malt
68-37 beverages the licensee [beer he] sold, stored, or transported;

68-38 (7) refused to permit or interfered with an inspection
68-39 of the licensee's [his licensed] premises, vehicles, books, or
68-40 records by an authorized representative of the commission;

68-41 (8) consummated a sale of malt beverages [beer]
68-42 outside the county or counties in which the licensee [he] was
68-43 authorized to sell malt beverages under the [beer by his] license;

68-44 (9) purchased, sold, offered for sale, distributed, or
68-45 delivered malt beverages [beer] while the [his] license was under
68-46 suspension;

68-47 (10) permitted the use of the licensee's [his] license
68-48 in the operation of a business conducted for the benefit of a person
68-49 not authorized by law to have an interest in the business;

68-50 (11) made a false or misleading representation or
68-51 statement in the licensee's [his] original application or a renewal
68-52 application;

68-53 (12) has developed an incapacity that prevents or
68-54 could prevent the license holder from managing the license holder's
68-55 establishment with reasonable skill, competence, and safety to the
68-56 public [habitually uses alcoholic beverages to excess, is mentally
68-57 incompetent, or is physically unable to manage his establishment];

68-58 (13) misrepresented any malt beverages [beer]
68-59 the licensee [him] to a retailer or to the public;

68-60 (14) with criminal negligence sold or delivered malt
68-61 beverages [beer] to a minor; or

68-62 (15) purchased, possessed, stored, sold, or offered
68-63 for sale malt beverages [beer] in an original package bearing a
68-64 brand or trade name of a brewer [manufacturer] other than the brand
68-65 or trade name of the brewer [manufacturer] shown on the container.

68-66 SECTION 196. Section 61.75, Alcoholic Beverage Code, is
68-67 amended to read as follows:

68-68 Sec. 61.75. SUSPENSION OF BREWER'S [MANUFACTURER'S]
68-69 LICENSE. If a brewer [manufacturer] violates a provision of this

69-1 code or a rule of the commission, the commission or administrator
 69-2 may order the brewer [~~manufacturer~~] to cease and desist from the
 69-3 violation and may suspend its license, after notice and hearing,
 69-4 until the licensee obeys the order.

69-5 SECTION 197. Effective December 31, 2020, Section 61.79,
 69-6 Alcoholic Beverage Code, is amended to read as follows:

69-7 Sec. 61.79. NOTICE OF HEARING: DENIAL [~~REFUSAL~~],
 69-8 CANCELLATION, OR SUSPENSION OF LICENSE. Section 11.63 applies [~~of~~
 69-9 ~~this code relates~~] to notice of a hearing for the denial [~~refusal~~],
 69-10 cancellation, or suspension of a license.

69-11 SECTION 198. Effective December 31, 2020, Section 61.81,
 69-12 Alcoholic Beverage Code, is amended to read as follows:

69-13 Sec. 61.81. APPEAL FROM CANCELLATION OR [~~7~~] SUSPENSION [~~7~~ OR
 69-14 ~~REFUSAL~~] OF LICENSE. Section 11.67 [~~of this code~~] applies to an
 69-15 appeal from a decision or order of the commission or administrator
 69-16 [~~refusing~~] cancelling [~~7~~] or suspending a license.

69-17 SECTION 199. Section 61.84(a), Alcoholic Beverage Code, is
 69-18 amended to read as follows:

69-19 (a) A [~~No~~] person whose license is cancelled may not sell or
 69-20 offer for sale malt beverages [~~beer~~] for a period of one year
 69-21 immediately following the cancellation, unless the order of
 69-22 cancellation is superseded pending trial or unless the person [~~he~~]
 69-23 prevails in a final judgment rendered on an appeal prosecuted in
 69-24 accordance with this code.

69-25 SECTION 200. Section 61.85(a), Alcoholic Beverage Code, is
 69-26 amended to read as follows:

69-27 (a) A person whose license is cancelled or forfeited may,
 69-28 within 30 days of the cancellation or forfeiture, make a bulk sale
 69-29 or disposal of any stock of malt beverages [~~beer~~] on hand at the
 69-30 time of the cancellation or forfeiture.

69-31 SECTION 201. Effective September 1, 2019, Section 61.86,
 69-32 Alcoholic Beverage Code, is amended to read as follows:

69-33 Sec. 61.86. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS
 69-34 RETENTION. (a) The commission or administrator may suspend or
 69-35 revoke the license of a person who is the employer of or represented
 69-36 by [~~the holder of~~] an agent [~~agent's beer license~~] as described by
 69-37 Section 73.01 or otherwise discipline the person based on an act or
 69-38 omission of [~~the holder of~~] the agent [~~agent's beer license~~] only if
 69-39 an individual employed by the person in a supervisory position:

- 69-40 (1) was directly involved in the act or omission of the
- 69-41 agent [~~holder of the agent's beer license~~];
- 69-42 (2) had notice or knowledge of the act or omission; or
- 69-43 (3) failed to take reasonable steps to prevent the act
- 69-44 or omission.

69-45 (b) The holder of a license who is represented by an agent
 69-46 shall maintain records relating to the agent's activities,
 69-47 including any representation agreement, employment records, or
 69-48 similar documents for not less than four years from the date the
 69-49 record is created.

69-50 SECTION 202. Effective September 1, 2019, Section 61.87,
 69-51 Alcoholic Beverage Code, is amended to read as follows:

69-52 Sec. 61.87. AFFIRMATION OF COMPLIANCE. A person who holds a
 69-53 license under Chapter 64 [~~65~~] or 66 may not be subject to an
 69-54 administrative sanction for selling or delivering an alcoholic
 69-55 beverage to a retailer not authorized to purchase and receive the
 69-56 alcoholic beverage if the license holder:

- 69-57 (1) reasonably believes that the retailer is
- 69-58 authorized to purchase and receive that type of alcoholic beverage;
- 69-59 and
- 69-60 (2) obtains from the retailer at the time of delivery a
- 69-61 written affirmation, which may be printed or stamped on a sales
- 69-62 invoice evidencing the sale or delivery of alcoholic beverages by
- 69-63 the license holder, that the retailer is authorized to purchase and
- 69-64 receive the type of alcoholic beverage sold and delivered by the
- 69-65 license holder.

69-66 SECTION 203. The heading to Chapter 62, Alcoholic Beverage
 69-67 Code, is amended to read as follows:

69-68 CHAPTER 62. BREWER'S [~~MANUFACTURER'S~~] LICENSE

69-69 SECTION 204. Section 62.01, Alcoholic Beverage Code, is

70-1 amended to read as follows:

70-2 Sec. 62.01. AUTHORIZED ACTIVITIES. (a) The holder of a
70-3 brewer's [manufacturer's] license may:

70-4 (1) [manufacture or] brew malt beverages [beer] and
70-5 distribute and sell the malt beverages [it] in this state to the
70-6 holders of general[, local,] and branch distributor's licenses and
70-7 to qualified persons outside the state;

70-8 (2) dispense malt beverages [beer] for consumption on
70-9 the premises;

70-10 (3) bottle and can malt beverages [beer] and pack malt
70-11 beverages [it] into containers for resale in this state, regardless
70-12 of whether the malt beverages are [beer is manufactured or] brewed
70-13 in this state or in another state and imported into Texas;

70-14 (4) conduct samplings of malt beverages [beer],
70-15 including tastings, at a retailer's premises; and

70-16 (5) enter into an alternating brewery proprietorship
70-17 or contract brewing arrangement as provided by Section 62.14.

70-18 (b) An agent or employee of the holder of a brewer's
70-19 [manufacturer's] license may open, touch, or pour malt beverages
70-20 [beer], make a presentation, or answer questions at a sampling
70-21 event.

70-22 SECTION 205. (a) Effective September 1, 2019, Chapter 62,
70-23 Alcoholic Beverage Code, is amended by adding Section 62.015 to
70-24 read as follows:

70-25 Sec. 62.015. IMPORTATION OF BEER, ALE, AND MALT LIQUOR FOR
70-26 MANUFACTURE. (a) The holder of a manufacturer's license may:

70-27 (1) import for manufacturing purposes:

70-28 (A) beer from the holder of a nonresident
70-29 manufacturer's license; and

70-30 (B) ale and malt liquor from a holder of a
70-31 nonresident brewer's permit; and

70-32 (2) mix and blend beer, ale, and malt liquor imported
70-33 under Subdivision (1) and bottle and sell the resultant product.

70-34 (b) The state tax on beer, ale, and malt liquor imported for
70-35 manufacturing purposes does not accrue until:

70-36 (1) the beer, ale, or malt liquor has been used for
70-37 manufacturing purposes; and

70-38 (2) the resultant product has been placed in
70-39 containers for sale.

70-40 (b) Effective September 1, 2021, Chapter 62, Alcoholic
70-41 Beverage Code, is amended by adding Section 62.015 to read as
70-42 follows:

70-43 Sec. 62.015. IMPORTATION OF MALT BEVERAGES FOR MANUFACTURE.

70-44 (a) The holder of a brewer's license may:

70-45 (1) import for manufacturing purposes malt beverages
70-46 from the holder of a nonresident brewer's license; and

70-47 (2) mix and blend malt beverages imported under
70-48 Subdivision (1) and bottle and sell the resultant product.

70-49 (b) The state tax on malt beverages imported for
70-50 manufacturing purposes does not accrue until:

70-51 (1) the malt beverages have been used for
70-52 manufacturing purposes; and

70-53 (2) the resultant product has been placed in
70-54 containers for sale.

70-55 (c) If a conflict exists between this Act and S.B. 928, Acts
70-56 of the 86th Legislature, Regular Session, 2019, this Act controls
70-57 without regard to the relative dates of enactment.

70-58 SECTION 206. (a) Effective December 31, 2020, Section
70-59 62.03(a), Alcoholic Beverage Code, is amended to read as follows:

70-60 (a) Except as provided by Section 62.14, each applicant for
70-61 a manufacturer's license shall file with an application a sworn
70-62 statement that the applicant will be engaged in the business of
70-63 brewing and packaging beer in this state in quantities sufficient
70-64 to make the applicant's operation a bona fide brewing manufacturer
70-65 within three years of the issuance of the original license. If the
70-66 applicant is a corporation, the statement must be signed by one of
70-67 its principal officers. The commission[, administrator, or county
70-68 judge] may not approve an application unless it is accompanied by
70-69 the required sworn statement.

71-1 (b) Effective September 1, 2021, Section 62.03, Alcoholic
71-2 Beverage Code, is amended to read as follows:

71-3 Sec. 62.03. STATEMENT OF INTENTION. (a) Except as provided
71-4 by Section 62.14, each applicant for a brewer's [~~manufacturer's~~]
71-5 license shall file with an application a sworn statement that the
71-6 applicant will be engaged in the business of brewing and packaging
71-7 malt beverages [~~beer~~] in this state in quantities sufficient to
71-8 make the applicant's operation a bona fide brewer [~~brewing~~
71-9 ~~manufacturer~~] within three years of the issuance of the original
71-10 license. If the applicant is a corporation, the statement must be
71-11 signed by one of its principal officers. The commission[~~-~~
71-12 ~~administrator, or county judge~~] may not approve an application
71-13 unless it is accompanied by the required sworn statement.

71-14 (b) This section does not apply to the holder of a
71-15 [~~manufacturer's~~] license which was in effect on January 1, 1953,
71-16 that authorized the license holder to manufacture a type of malt
71-17 beverage.

71-18 SECTION 207. Sections 62.04(a), (b), and (c), Alcoholic
71-19 Beverage Code, are amended to read as follows:

71-20 (a) A renewal of a brewer's [~~manufacturer's~~] license may not
71-21 be denied during the two-year period following the issuance of the
71-22 original license on the ground that the licensee has not brewed and
71-23 packaged malt beverages [~~beer~~] in this state if the licensee is
71-24 engaged in good faith in constructing a brewing plant on the
71-25 licensed premises or is engaged in one of the following preparatory
71-26 stages of construction:

- 71-27 (1) preliminary engineering;
71-28 (2) preparing drawings and specifications;
71-29 (3) conducting engineering, architectural, or
71-30 equipment studies; or
71-31 (4) preparing for the taking of bids from contractors.

71-32 (b) During the three-year period following the issuance of a
71-33 brewer's [~~manufacturer's~~] license, as long as the licensee is
71-34 engaged in construction or in a preliminary stage of construction
71-35 enumerated in Subsection (a) [~~of this section~~], the commission
71-36 shall issue each renewal license to take effect immediately on the
71-37 expiration of the expiring license and shall not require the
71-38 licensee to make an original application.

71-39 (c) After two years and 11 months has expired following the
71-40 issuance of an original brewer's [~~manufacturer's~~] license, the
71-41 commission may [~~shall~~] not issue a renewal license if it finds that
71-42 the licensee has not complied with the licensee's [~~his~~] sworn
71-43 statement filed with the [~~his~~] original application or that the
71-44 licensee [~~he~~] has not begun construction of a plant or initiated any
71-45 of the preliminary stages of construction enumerated in Subsection
71-46 (a) unless the commission also finds that the licensee [~~applicant~~]
71-47 has been prevented from doing so by causes beyond the licensee's
71-48 [~~his~~] reasonable control. If the commission finds that the
71-49 licensee has been prevented from complying by causes beyond the
71-50 licensee's [~~his~~] reasonable control, it may grant one additional
71-51 renewal for the licensee to comply with the terms of the licensee's
71-52 [~~his~~] sworn statement. Otherwise, the commission shall deny the
71-53 renewal application and may not grant a subsequent original
71-54 application by the licensee for a period of two years following the
71-55 date of the denial.

71-56 SECTION 208. Section 62.05(a), Alcoholic Beverage Code, is
71-57 amended to read as follows:

71-58 (a) The holder of a brewer's [~~manufacturer's~~] license shall
71-59 make and keep a record of each day's production or receipt of malt
71-60 beverages [~~beer~~] and of every sale of malt beverages [~~beer~~],
71-61 including the name of each purchaser. Each transaction shall be
71-62 recorded on the day it occurs. The licensee shall make and keep any
71-63 other records that the commission or administrator requires.

71-64 SECTION 209. (a) Effective September 1, 2019, Section
71-65 62.07, Alcoholic Beverage Code, is amended to read as follows:

71-66 Sec. 62.07. IMPORTATION OF BEER, ALE, AND MALT LIQUOR[~~-~~
71-67 ~~CONTAINERS, USE OF TANK CARS~~]. The holder of a manufacturer's
71-68 license may import beer, ale, and malt liquor into this state in
71-69 barrels or other containers in accordance with the provisions of

72-1 this code. [~~No person may ship beer into the state in tank cars.~~]

72-2 (b) Effective September 1, 2021, Section 62.07, Alcoholic
72-3 Beverage Code, is amended to read as follows:

72-4 Sec. 62.07. IMPORTATION OF MALT BEVERAGES [~~BEER;~~
72-5 ~~CONTAINERS, USE OF TANK CARS~~]. The holder of a brewer's
72-6 [~~manufacturer's~~] license may import malt beverages [~~beer~~] into this
72-7 state in barrels or other containers in accordance with the
72-8 provisions of this code. [~~No person may ship beer into the state in~~
72-9 ~~tank cars.~~]

72-10 (c) If a conflict exists between this Act and S.B. 928, Acts
72-11 of the 86th Legislature, Regular Session, 2019, this Act controls
72-12 without regard to the relative dates of enactment.

72-13 SECTION 210. (a) Effective September 1, 2019, Section
72-14 62.08, Alcoholic Beverage Code, is amended by adding Subsection (e)
72-15 to read as follows:

72-16 (e) The holder of a manufacturer's or distributor's license
72-17 shall register with the commission each warehouse used by the
72-18 manufacturer or distributor to store beer. The commission by rule
72-19 shall determine the information that is required to register a
72-20 warehouse under this subsection.

72-21 (b) Effective September 1, 2021, Section 62.08, Alcoholic
72-22 Beverage Code, is amended to read as follows:

72-23 Sec. 62.08. WAREHOUSES; DELIVERY TRUCKS. (a) The holder
72-24 of a brewer's [~~manufacturer's~~] or distributor's license may
72-25 maintain or engage necessary warehouses for storage purposes in
72-26 areas where the sale of malt beverages [~~beer~~] is lawful and may make
72-27 deliveries from the warehouses without obtaining licenses for them.
72-28 The licensee may not import malt beverages [~~beer~~] from outside the
72-29 state directly or indirectly to an unlicensed warehouse.

72-30 (b) A warehouse or railway car in which malt beverages are
72-31 served, orders for the sale of malt beverages [~~beer~~] are taken, or
72-32 money from the sale of malt beverages [~~beer~~] is collected is a
72-33 separate place of business for which a license is required.

72-34 (c) A truck operated by a licensed distributor for the sale
72-35 and delivery of malt beverages [~~beer~~] to a licensed retail dealer at
72-36 the dealer's place of business is not a separate place of business
72-37 for which a license is required.

72-38 (d) The commission shall promulgate rules governing the
72-39 transportation of malt beverages [~~beer~~], the sale of which is to be
72-40 consummated at a licensed retailer's place of business.

72-41 (e) The holder of a brewer's or distributor's license shall
72-42 register with the commission each warehouse used by the brewer or
72-43 distributor to store malt beverages. The commission by rule shall
72-44 determine the information that is required to register a warehouse
72-45 under this subsection.

72-46 SECTION 211. Section 62.09, Alcoholic Beverage Code, is
72-47 amended to read as follows:

72-48 Sec. 62.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. Regardless
72-49 of any other provision of this code, a holder of a brewer's
72-50 [~~manufacturer's~~] license may brew and package malt beverages or
72-51 import them from outside the state, for shipment out of the state,
72-52 even though the alcohol content, containers, packages, or labels
72-53 make the beverages illegal to sell within the state. The licensee
72-54 may export the beverages out of state or deliver them at the
72-55 licensee's [~~his~~] premises for shipment out of the state without
72-56 being liable for any state tax on [~~beer, ale, or~~] malt beverages
72-57 [~~liquor~~] sold for resale in the state.

72-58 SECTION 212. Section 62.11, Alcoholic Beverage Code, is
72-59 amended to read as follows:

72-60 Sec. 62.11. CONTINUANCE OF OPERATION AFTER LOCAL OPTION
72-61 ELECTION. The right of a brewer's [~~manufacturer's~~] licensee to
72-62 continue operation after a prohibitory local option election is
72-63 covered by Section 251.75 [~~of this code~~].

72-64 SECTION 213. The heading to Section 62.122, Alcoholic
72-65 Beverage Code, is amended to read as follows:

72-66 Sec. 62.122. SALES BY CERTAIN BREWERS [~~MANUFACTURERS~~] TO
72-67 CONSUMERS.

72-68 SECTION 214. Sections 62.122(a), (b), (c), and (e),
72-69 Alcoholic Beverage Code, are amended to read as follows:

73-1 (a) A brewer's [~~manufacturer's~~] licensee whose annual
 73-2 production of malt beverages [~~beer, together with the annual~~
 73-3 ~~production of ale by the holder of a brewer's permit~~] at all
 73-4 premises wholly or partly owned, directly or indirectly, by the
 73-5 license holder or an affiliate or subsidiary of the license holder,
 73-6 does not exceed 225,000 barrels may sell malt beverages [~~beer~~]
 73-7 produced on the brewer's [~~manufacturer's~~] premises under the
 73-8 license to ultimate consumers on the brewer's [~~manufacturer's~~]
 73-9 premises for responsible consumption on the brewer's
 73-10 [~~manufacturer's~~] premises.

73-11 (b) The total [~~combined~~] sales of malt beverages [~~beer~~] to
 73-12 ultimate consumers under this section[, ~~together with the sales of~~
 73-13 ~~ale to ultimate consumers by the holder of a brewer's permit under~~
 73-14 ~~Section 12.052~~] at the same premises[~~7~~] may not exceed 5,000
 73-15 barrels annually.

73-16 (c) Subject to Subsections (b), (d), and (e), the holder of
 73-17 a brewer's [~~manufacturer's~~] license may sell malt beverages [~~beer~~]
 73-18 produced on the brewer's [~~manufacturer's~~] premises under the
 73-19 license to ultimate consumers on the brewer's [~~manufacturer's~~]
 73-20 premises for responsible consumption on the brewer's
 73-21 [~~manufacturer's~~] premises even if the annual production limit
 73-22 prescribed by Subsection (a) is exceeded if:

73-23 (1) the license holder:

73-24 (A) was legally operating a manufacturing
 73-25 facility with on-premise sales under Subsection (a) on February 1,
 73-26 2017; or

73-27 (B) purchased an ownership interest in, or was
 73-28 purchased by the holder of, a permit or license issued under Chapter
 73-29 12, 13, 62, or 63; and

73-30 (2) the license holder has annual production that does
 73-31 not exceed 175,000 barrels at the brewer's [~~manufacturer's~~]
 73-32 premises.

73-33 (e) A holder of a brewer's [~~manufacturer's~~] license who
 73-34 under Subsection (c) sells malt beverages [~~beer~~] produced on the
 73-35 brewer's [~~manufacturer's~~] premises under the license to ultimate
 73-36 consumers on the brewer's [~~manufacturer's~~] premises for responsible
 73-37 consumption on the brewer's [~~manufacturer's~~] premises:

73-38 (1) shall file a territorial agreement with the
 73-39 commission under Subchapters C and D, Chapter 102;

73-40 (2) must purchase any malt beverages [~~beer~~] the
 73-41 license holder sells on the brewer's [~~manufacturer's~~] premises from
 73-42 the holder of a license issued under Chapter 64[~~7, 65~~] or 66; and

73-43 (3) with respect to those purchases, must comply with
 73-44 the requirements of this code governing dealings between a
 73-45 distributor [~~or wholesaler~~] and a member of the retail tier,
 73-46 including Sections 61.73 and 102.31.

73-47 SECTION 215. Sections 62.14(a), (b), (b-1), (c), and (e),
 73-48 Alcoholic Beverage Code, are amended to read as follows:

73-49 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident
 73-50 brewer's [~~manufacturer's~~] license may contract with the holder of a
 73-51 brewer's [~~manufacturer's~~] license:

73-52 (1) to provide manufacturing services; or

73-53 (2) for the use of the license holder's manufacturing
 73-54 facilities under an alternating brewery proprietorship if each
 73-55 party to the proprietorship:

73-56 (A) has filed the appropriate Brewer's Notice and
 73-57 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade
 73-58 Bureau of the United States Department of the Treasury; and

73-59 (B) if applicable, has posted with the commission
 73-60 a bond in an amount determined by the commission under Subsection
 73-61 (d) or (e).

73-62 (b) An entity is not required to own its brewing
 73-63 [~~manufacturing~~] facilities if the entity operates under an
 73-64 alternating brewery proprietorship as provided by Subsection (a).

73-65 (b-1) Each entity that is a party to an alternating brewery
 73-66 proprietorship or contract brewing arrangement must hold a license
 73-67 at the location where brewing [~~manufacturing~~] services are
 73-68 conducted under the arrangement.

73-69 (c) This section does not authorize a person acting as an

74-1 agent for a brewer [~~manufacturer~~] located outside of this state to
 74-2 contract with the holder of a brewer's [~~manufacturer's~~] license to
 74-3 brew malt beverages [~~manufacture beer~~] on the person's behalf. A
 74-4 contract described by this subsection may only be entered into by
 74-5 the holder of a brewer's [~~manufacturer's~~] license and another
 74-6 person holding a license under this code.

74-7 (e) An entity that is a party to an alternating brewery
 74-8 proprietorship or contract brewing arrangement must post with the
 74-9 commission a bond in an amount determined by the commission of not
 74-10 less than \$30,000 if the entity does not own a fee interest in a
 74-11 brewing [~~manufacturing~~] facility.

74-12 SECTION 216. Chapter 62, Alcoholic Beverage Code, is
 74-13 amended by adding Section 62.15 to read as follows:

74-14 Sec. 62.15. IMPORTING MALT BEVERAGES. (a) In this
 74-15 subtitle, "importer" means a person who imports malt beverages into
 74-16 the state in quantities in excess of 288 fluid ounces in any one
 74-17 day.

74-18 (b) The holder of a brewer's license may import malt
 74-19 beverages into this state only from the holder of a nonresident
 74-20 brewer's license and may transport those beverages into this state
 74-21 only:

74-22 (1) in a motor vehicle that is:

74-23 (A) owned or leased in good faith by the license
 74-24 holder; and

74-25 (B) printed or painted with the designation
 74-26 required by the commission; or

74-27 (2) by a railway carrier or by a motor carrier
 74-28 registered under Chapter 643, Transportation Code, or with the
 74-29 Federal Motor Carrier Safety Administration.

74-30 (c) The holder of a brewer's license transporting malt
 74-31 beverages under Subsection (b)(1) shall provide to the commission:

74-32 (1) a full description of each motor vehicle used by
 74-33 the license holder for transporting malt beverages; and

74-34 (2) any other information the commission requires.

74-35 (d) A carrier transporting malt beverages as authorized by
 74-36 Subsection (b)(2) must hold a carrier permit issued under Chapter
 74-37 41 and the provisions of Chapter 41 relating to the transportation
 74-38 of liquor apply to the transportation of the malt beverages. A
 74-39 carrier may not transport malt beverages into the state unless it is
 74-40 consigned to an importer.

74-41 SECTION 217. The heading to Chapter 62A, Alcoholic Beverage
 74-42 Code, is amended to read as follows:

74-43 CHAPTER 62A. BREWER'S [~~MANUFACTURER'S~~] SELF-DISTRIBUTION LICENSE

74-44 SECTION 218. Section 62A.01, Alcoholic Beverage Code, is
 74-45 amended to read as follows:

74-46 Sec. 62A.01. ELIGIBILITY FOR LICENSE. A brewer's
 74-47 [~~manufacturer's~~] self-distribution license may be issued only to
 74-48 the holder of a brewer's [~~manufacturer's~~] license under Chapter 62
 74-49 or the holder of a nonresident brewer's [~~manufacturer's~~] license
 74-50 under Chapter 63.

74-51 SECTION 219. Section 62A.02, Alcoholic Beverage Code, is
 74-52 amended to read as follows:

74-53 Sec. 62A.02. AUTHORIZED ACTIVITIES. (a) A holder of a
 74-54 brewer's [~~manufacturer's~~] self-distribution license whose annual
 74-55 production of malt beverages [~~beer~~] under the brewer's
 74-56 [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
 74-57 license [~~, together with the annual production of ale by the holder~~
 74-58 ~~of a brewer's or nonresident brewer's permit] at all premises owned~~
 74-59 directly or indirectly by the license holder or an affiliate or
 74-60 subsidiary of the license holder, does not exceed 125,000 barrels
 74-61 may sell malt beverages [~~beer~~] produced under the brewer's
 74-62 [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~] license
 74-63 to those persons to whom the holder of a general distributor's
 74-64 license may sell malt beverages [~~beer~~] under Section 64.01(a)(2).

74-65 (b) The total [~~combined~~] sales of malt beverages [~~beer~~]
 74-66 under this section [~~, together with the sales of ale by the holder of~~
 74-67 ~~a brewer's self-distribution permit under Section 12A.02] at all~~
 74-68 premises owned directly or indirectly by the license holder or an
 74-69 affiliate or subsidiary of the license holder [~~]~~ may not exceed

75-1 40,000 barrels annually.

75-2 (c) With regard to a sale under this section, the holder of a
75-3 brewer's [~~manufacturer's~~] self-distribution license has the same
75-4 authority and is subject to the same requirements that apply to a
75-5 sale made by the holder of a general distributor's license.

75-6 (d) Malt beverages [~~Beer~~] sold under this section may be
75-7 shipped only from a manufacturing facility in this state.

75-8 SECTION 220. Section 62A.04(a), Alcoholic Beverage Code, is
75-9 amended to read as follows:

75-10 (a) Not later than the 15th day of each month, the holder of
75-11 a brewer's [~~manufacturer's~~] self-distribution license shall file a
75-12 report with the commission that contains information relating to
75-13 the sales made by the license holder to a retailer during the
75-14 preceding calendar month.

75-15 SECTION 221. The heading to Chapter 63, Alcoholic Beverage
75-16 Code, is amended to read as follows:

75-17 CHAPTER 63. NONRESIDENT BREWER'S [~~MANUFACTURER'S~~] LICENSE

75-18 SECTION 222. Section 63.01, Alcoholic Beverage Code, is
75-19 amended to read as follows:

75-20 Sec. 63.01. AUTHORIZED ACTIVITIES. The holder of a
75-21 nonresident brewer's [~~manufacturer's~~] license may transport malt
75-22 beverages [~~beer~~] into Texas only to holders of brewer's or
75-23 distributor's [~~importer's~~] licenses. The nonresident brewer's
75-24 [~~manufacturer's~~] licensee may transport the malt beverages [~~beer~~]
75-25 in carriers or vehicles operated by holders of carrier's permits or
75-26 in motor vehicles owned or leased by the nonresident brewer
75-27 [~~manufacturer~~]. The malt beverages [~~beer~~] must be shipped in
75-28 barrels or other containers in accordance with the provisions of
75-29 this code and may not be shipped into the state in tank cars.

75-30 SECTION 223. Section 63.03, Alcoholic Beverage Code, is
75-31 amended to read as follows:

75-32 Sec. 63.03. LIABILITY FOR TAXES; BOND. The holder of a
75-33 nonresident brewer's [~~manufacturer's~~] license that transports malt
75-34 beverages [~~beer~~] into Texas in a motor vehicle owned or leased by
75-35 the licensee [~~him~~] is not primarily responsible for the payment of
75-36 the taxes on the malt beverages [~~beer~~], which remains the
75-37 responsibility of the holder of the brewer's or distributor's
75-38 [~~importer's~~] license. However, the nonresident brewer
75-39 [~~manufacturer~~] shall furnish the commission with a bond in an
75-40 amount which, in the commission's judgment, will protect the
75-41 revenue of the state from the tax due on the malt beverages [~~beer~~]
75-42 over any six-week period.

75-43 SECTION 224. Section 63.04, Alcoholic Beverage Code, is
75-44 amended to read as follows:

75-45 Sec. 63.04. APPLICATION OF CODE PROVISIONS AND RULES. A
75-46 holder of a nonresident brewer's [~~manufacturer's~~] license is
75-47 subject to all applicable provisions of this code and all
75-48 applicable rules of the commission which apply to holders of
75-49 brewer's [~~manufacturer's~~] licenses, including rules relating to the
75-50 quality, purity, and identity of malt beverages [~~beer~~] and to
75-51 protecting the public health. The commission may suspend or cancel
75-52 a nonresident brewer's [~~manufacturer's~~] license and apply penalties
75-53 in the same manner as it does with respect to a brewer's
75-54 [~~manufacturer's~~] license.

75-55 SECTION 225. Sections 63.05(a), (b), (b-1), (c), and (e),
75-56 Alcoholic Beverage Code, are amended to read as follows:

75-57 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident
75-58 brewer's [~~manufacturer's~~] license may contract with the holder of a
75-59 nonresident brewer's [~~manufacturer's~~] license:

75-60 (1) to provide brewing [~~manufacturing~~] services; or
75-61 (2) for the use of the license holder's brewing
75-62 [~~manufacturing~~] facilities under an alternating brewery
75-63 proprietorship if each party to the proprietorship:

75-64 (A) has filed the appropriate Brewer's Notice and
75-65 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade
75-66 Bureau of the United States Department of the Treasury; and

75-67 (B) if applicable, has posted with the commission
75-68 a bond in an amount determined by the commission under Subsection
75-69 (d) or (e).

76-1 (b) An entity is not required to own its brewing
 76-2 [~~manufacturing~~] facilities if the entity operates under an
 76-3 alternating brewery proprietorship as provided by Subsection (a).

76-4 (b-1) Each entity that is a party to an alternating brewery
 76-5 proprietorship or contract brewing arrangement must hold a license
 76-6 at the location where brewing [~~manufacturing~~] services are
 76-7 conducted under the arrangement.

76-8 (c) This section does not authorize a person acting as an
 76-9 agent for a brewer [~~manufacturer~~] located outside of this state to
 76-10 contract with the holder of a nonresident brewer's [~~manufacturer's~~]
 76-11 license to brew malt beverages [~~manufacture beer~~] on the person's
 76-12 behalf. A contract described by this subsection may only be entered
 76-13 into by the holder of a nonresident brewer's [~~manufacturer's~~]
 76-14 license and another person holding a license under this code.

76-15 (e) An entity that is a party to an alternating brewery
 76-16 proprietorship or contract brewing arrangement must post with the
 76-17 commission a bond in an amount determined by the commission of not
 76-18 less than \$30,000 if the entity does not own a fee interest in a
 76-19 brewing [~~manufacturing~~] facility.

76-20 SECTION 226. Section 64.01(a), Alcoholic Beverage Code, is
 76-21 amended to read as follows:

76-22 (a) The holder of a general distributor's license may:

76-23 (1) receive malt beverages [~~beer~~] in unbroken original
 76-24 packages from brewers [~~manufacturers~~] and brewpubs and from
 76-25 general[~~, local~~] or branch distributors;

76-26 (2) distribute or sell malt beverages [~~beer~~] in the
 76-27 unbroken original packages in which they are [~~it is~~] received to
 76-28 general or[~~, branch~~] distributors, to local distributor
 76-29 permittees, to permittees or licensees authorized to sell to
 76-30 ultimate consumers, to private club registration permittees, to
 76-31 authorized outlets located on any installation of the national
 76-32 military establishment, or to qualified persons for shipment and
 76-33 consumption outside the state; and

76-34 (3) serve free malt beverages [~~beer~~] for consumption
 76-35 on the licensed premises.

76-36 SECTION 227. Section 64.03, Alcoholic Beverage Code, is
 76-37 amended to read as follows:

76-38 Sec. 64.03. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.
 76-39 The holder of a general distributor's license may sell and deliver
 76-40 malt beverages [~~beer~~] to private clubs located in wet areas without
 76-41 having to secure a prior order. All sales made under the authority
 76-42 of this section must be made in accordance with Sections 61.73 and
 76-43 102.31 [~~of this code~~].

76-44 SECTION 228. Section 64.04(a), Alcoholic Beverage Code, is
 76-45 amended to read as follows:

76-46 (a) Each holder of a general[~~, local~~] or branch
 76-47 distributor's license shall make and keep a daily record of every
 76-48 receipt of malt beverages [~~beer~~] and of every sale of malt beverages
 76-49 [~~beer~~], including the name of each purchaser. Each transaction
 76-50 shall be recorded on the day it occurs. The licensee shall make and
 76-51 keep any other records that the commission or administrator
 76-52 requires.

76-53 SECTION 229. Section 64.07, Alcoholic Beverage Code, is
 76-54 amended to read as follows:

76-55 Sec. 64.07. MAY SHARE PREMISES. (a) Any number of
 76-56 general[~~, local~~] and branch distributors may use the same delivery
 76-57 vehicles, premises, location, or place of business as licensed
 76-58 premises if the malt beverages [~~beer~~] owned and stored by each of
 76-59 the distributors are [~~is~~] segregated.

76-60 (b) If delivery vehicles are shared by any number of
 76-61 distributors who also hold any class of wholesaler's permits,
 76-62 liquor or malt beverages [~~beer~~] may be transported. [~~The~~
 76-63 ~~provisions of Section 42.03 of this code do not apply and no~~
 76-64 ~~distributor or wholesaler shall be required to obtain the~~
 76-65 ~~certificate or permit described by that section to share a delivery~~
 76-66 ~~vehicle for the transportation of liquor or beer.~~]

76-67 (c) The provisions of Subsections (a) and (b) [~~of this~~
 76-68 ~~section~~] that relate to shared delivery vehicles apply only to
 76-69 those general[~~, local~~] or branch distributors who hold a

77-1 territorial designation from a brewer [~~manufacturer~~] under Section
 77-2 102.51 [~~of this code~~].

77-3 SECTION 230. (a) Effective September 1, 2019, Sections
 77-4 64.08(a) and (c), Alcoholic Beverage Code, are amended to read as
 77-5 follows:

77-6 (a) The holder of a general distributor's license may sell
 77-7 beer [~~to the holder of an industrial permit~~] for use as an
 77-8 ingredient in the manufacturing and processing of food products.

77-9 (c) A person [~~The industrial permittee~~] may not resell beer
 77-10 purchased under this section, divert the beer to use for beverage
 77-11 purposes, possess the beer with intent that it be used for beverage
 77-12 purposes, or possess the beer under circumstances from which it may
 77-13 reasonably be deduced that the beer is to be used for beverage
 77-14 purposes.

77-15 (b) Effective September 1, 2021, Section 64.08, Alcoholic
 77-16 Beverage Code, is amended to read as follows:

77-17 Sec. 64.08. MALT BEVERAGES [~~BEER~~] FOR USE IN FOOD PRODUCTS
 77-18 INDUSTRY. (a) The holder of a general distributor's license may
 77-19 sell malt beverages [~~beer to the holder of an industrial permit~~] for
 77-20 use as an ingredient in the manufacturing and processing of food
 77-21 products.

77-22 (b) The malt beverages [~~beer~~] must be sold in containers of
 77-23 not less than one-half barrel. The sale is subject to the
 77-24 requirements of Section 102.31 [~~of this code~~]. The seller shall
 77-25 keep records of shipments and sales of malt beverages [~~beer~~] in a
 77-26 manner prescribed by the commission or administrator.

77-27 (c) A person [~~The industrial permittee~~] may not resell malt
 77-28 beverages [~~beer~~] purchased under this section, divert the malt
 77-29 beverages [~~beer~~] to use for beverage purposes, possess the malt
 77-30 beverages [~~beer~~] with intent that the malt beverages [~~it~~] be used
 77-31 for beverage purposes, or possess the malt beverages [~~beer~~] under
 77-32 circumstances from which it may reasonably be deduced that the malt
 77-33 beverages are [~~beer is~~] to be used for beverage purposes.

77-34 (d) Taxes imposed by this code do not apply to malt
 77-35 beverages [~~beer~~] sold under this section.

77-36 SECTION 231. Section 64.09, Alcoholic Beverage Code, is
 77-37 amended to read as follows:

77-38 Sec. 64.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this
 77-39 section "malt beverages [~~beer~~] for export" means malt beverages
 77-40 [~~beer~~] a distributor holds for export to another state in which the
 77-41 distributor has been assigned a territory for the distribution and
 77-42 sale of the malt beverages [~~beer~~]. The term includes malt beverages
 77-43 [~~beer~~] that are [~~is~~] illegal to sell in this state because of
 77-44 alcohol content, containers, packages, or labels.

77-45 (b) The holder of a general distributor's license who
 77-46 receives malt beverages [~~beer~~] for export from the holder of a
 77-47 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
 77-48 license may:

77-49 (1) store the malt beverages [~~beer~~] for export at the
 77-50 distributor's premises;

77-51 (2) transport the malt beverages [~~beer~~] for export
 77-52 outside the state in the distributor's own vehicles; or

77-53 (3) deliver the malt beverages [~~beer~~] for export to a
 77-54 common carrier for export and delivery outside the state.

77-55 (c) The holder of a general distributor's license is not
 77-56 liable for any state tax on the malt beverages [~~beer~~] for export.

77-57 (d) Section 101.67 does not apply to malt beverages [~~beer~~]
 77-58 for export.

77-59 SECTION 232. Chapter 64, Alcoholic Beverage Code, is
 77-60 amended by adding Section 64.10 to read as follows:

77-61 Sec. 64.10. IMPORTING MALT BEVERAGES. (a) In this section,
 77-62 "importer" means a person who imports malt beverages into the state
 77-63 in quantities in excess of 288 fluid ounces in any one day.

77-64 (b) The holder of a general distributor's license may import
 77-65 malt beverages into this state only from the holder of a nonresident
 77-66 brewer's license and may transport those beverages into this state
 77-67 only:

77-68 (1) in a motor vehicle that is:

77-69 (A) owned or leased in good faith by the license

78-1 holder; and

78-2 (B) printed or painted with the designation
78-3 required by the commission; or

78-4 (2) by a railway carrier or by a motor carrier
78-5 registered under Chapter 643, Transportation Code, or with the
78-6 Federal Motor Carrier Safety Administration.

78-7 (c) The holder of a general distributor's license
78-8 transporting malt beverages under Subsection (b)(1) shall provide
78-9 to the commission:

78-10 (1) a full description of each motor vehicle used by
78-11 the license holder for transporting malt beverages; and

78-12 (2) any other information the commission requires.

78-13 (d) A carrier transporting malt beverages as authorized by
78-14 Subsection (b)(2) must hold a carrier permit issued under Chapter
78-15 41 and the provisions of Chapter 41 relating to the transportation
78-16 of liquor apply to the transportation of the malt beverages. A
78-17 carrier may not transport malt beverages into the state unless it is
78-18 consigned to an importer.

78-19 SECTION 233. Section 66.03(a), Alcoholic Beverage Code, is
78-20 amended to read as follows:

78-21 (a) Except as provided in Subsection (b) [~~of this section~~],
78-22 a branch distributor's license may be issued only to the holder of a
78-23 general distributor's license who first has obtained the primary
78-24 license in the county of the licensee's [~~his~~] residence or
78-25 domicile. The branch distributor's license may be issued for
78-26 premises in any county where the sale of malt beverages [~~beer~~] is
78-27 legal.

78-28 SECTION 234. Section 66.07, Alcoholic Beverage Code, is
78-29 amended to read as follows:

78-30 Sec. 66.07. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.
78-31 The holder of a branch distributor's license may sell and deliver
78-32 malt beverages [~~beer~~] to private clubs located in wet areas without
78-33 having to secure a prior order. All sales made under the authority
78-34 of this section must be made in accordance with Sections 61.73 and
78-35 102.31 [~~of this code~~].

78-36 SECTION 235. Section 66.11, Alcoholic Beverage Code, is
78-37 amended to read as follows:

78-38 Sec. 66.11. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this
78-39 section "malt beverages [~~beer~~] for export" means malt beverages
78-40 [~~beer~~] a distributor holds for export to another state in which the
78-41 distributor has been assigned a territory for the distribution and
78-42 sale of the malt beverages [~~beer~~]. The term includes malt beverages
78-43 [~~beer~~] that are [~~is~~] illegal to sell in this state because of
78-44 alcohol content, containers, packages, or labels.

78-45 (b) The holder of a branch distributor's license who
78-46 receives malt beverages [~~beer~~] for export from the holder of a
78-47 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
78-48 license may:

78-49 (1) store the malt beverages [~~beer~~] for export at the
78-50 distributor's premises;

78-51 (2) transport the malt beverages [~~beer~~] for export
78-52 outside the state in the distributor's own vehicles; or

78-53 (3) deliver the malt beverages [~~beer~~] for export to a
78-54 common carrier for export and delivery outside the state.

78-55 (c) The holder of a branch distributor's license is not
78-56 liable for any state tax on the malt beverages [~~beer~~] for export.

78-57 (d) Section 101.67 does not apply to malt beverages [~~beer~~]
78-58 for export.

78-59 SECTION 236. Section 69.01, Alcoholic Beverage Code, is
78-60 amended to read as follows:

78-61 Sec. 69.01. AUTHORIZED ACTIVITIES. The holder of a retail
78-62 dealer's on-premise license may sell malt beverages [~~beer~~] in or
78-63 from any lawful container to the ultimate consumer for consumption
78-64 on or off the premises where sold. The licensee may not sell malt
78-65 beverages [~~beer~~] for resale.

78-66 SECTION 237. Section 69.04, Alcoholic Beverage Code, is
78-67 amended to read as follows:

78-68 Sec. 69.04. HOTELS NOT DISQUALIFIED. The fact that a hotel
78-69 holds a permit to sell distilled spirits in unbroken packages does

79-1 not disqualify the hotel from also obtaining a license to sell malt
79-2 beverages [~~beer~~] for on-premises consumption.

79-3 SECTION 238. Effective December 31, 2020, Sections
79-4 69.06(a), (b), and (c), Alcoholic Beverage Code, are amended to
79-5 read as follows:

79-6 (a) The commission [~~county judge~~] shall deny an original
79-7 application for a retail dealer's on-premise license if the
79-8 commission [~~county judge~~] finds that the applicant or the
79-9 applicant's spouse, during the five years immediately preceding the
79-10 application, was finally convicted of a felony or one of the
79-11 following offenses:

- 79-12 (1) prostitution;
- 79-13 (2) a vagrancy offense involving moral turpitude;
- 79-14 (3) bookmaking;
- 79-15 (4) gambling or gaming;
- 79-16 (5) an offense involving controlled substances as
79-17 defined in the Texas Controlled Substances Act, including an
79-18 offense involving a synthetic cannabinoid, or an offense involving
79-19 other dangerous drugs;
- 79-20 (6) a violation of this code resulting in the
79-21 cancellation of a license or permit, or a fine of not less than
79-22 \$500;
- 79-23 (7) more than three violations of this code relating
79-24 to minors;
- 79-25 (8) bootlegging; or
- 79-26 (9) an offense involving firearms or a deadly weapon.

79-27 (b) The commission [~~county judge~~] shall also deny an
79-28 original application for a license if the commission [~~he~~] finds
79-29 that five years has not elapsed since the termination of a sentence,
79-30 parole, or probation served by the applicant or the applicant's
79-31 spouse because of a felony conviction or conviction of any of the
79-32 offenses described in Subsection (a) [~~of this section~~].

79-33 (c) The commission shall deny an application for [~~refuse to~~
79-34 ~~issue~~] a renewal of a retail dealer's on-premise license if it
79-35 finds:

- 79-36 (1) that the applicant or the applicant's spouse has
79-37 been finally convicted of a felony or one of the offenses listed in
79-38 Subsection (a) [~~of this section~~] at any time during the five years
79-39 immediately preceding the filing of the application for renewal; or
- 79-40 (2) that five years has not elapsed since the
79-41 termination of a sentence, parole, or probation served by the
79-42 applicant or the applicant's spouse because of a felony prosecution
79-43 or prosecution for any of the offenses described in Subsection (a)
79-44 [~~of this section~~].

79-45 SECTION 239. Section 69.10, Alcoholic Beverage Code, is
79-46 amended to read as follows:

79-47 Sec. 69.10. STORING OR POSSESSING MALT BEVERAGES [~~BEER~~] OFF
79-48 PREMISES PROHIBITED. No holder of a retail dealer's on-premise
79-49 license may own, possess, or store malt beverages [~~beer~~] for the
79-50 purpose of resale except on the licensed premises.

79-51 SECTION 240. Section 69.11, Alcoholic Beverage Code, is
79-52 amended to read as follows:

79-53 Sec. 69.11. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES
79-54 [~~BEER~~] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. The owner
79-55 of two or more licensed retail premises may not exchange or
79-56 transport malt beverages [~~beer~~] between them unless all of the
79-57 conditions set out in Section 24.04 [~~of this code~~] are met, except
79-58 that malt beverages [~~beer~~] may be transferred between two licensed
79-59 retail premises that are both covered by package store permits as
79-60 provided in Section 22.08 [~~of this code~~].

79-61 SECTION 241. Section 69.13, Alcoholic Beverage Code, is
79-62 amended to read as follows:

79-63 Sec. 69.13. BREACH OF PEACE: RETAIL ESTABLISHMENT. The
79-64 commission or administrator may suspend or cancel the license of a
79-65 retail malt beverage [~~beer~~] dealer after giving the licensee notice
79-66 and the opportunity to show compliance with all requirements of law
79-67 for retention of the license if it finds that a breach of the peace
79-68 has occurred on the licensed premises or on premises under the
79-69 licensee's control and that the breach of the peace was not beyond

80-1 the control of the licensee and resulted from the licensee's [his]
80-2 improper supervision of persons permitted to be on the licensed
80-3 premises or on premises under the licensee's [his] control.

80-4 SECTION 242. Section 69.17(a), Alcoholic Beverage Code, is
80-5 amended to read as follows:

80-6 (a) Notwithstanding any other provision of this code, a
80-7 license under this chapter may be issued for a premises in an area
80-8 in which the voters have approved the following alcoholic beverage
80-9 ballot issues in a local option election:

80-10 (1) "The legal sale of malt beverages [beer] and wine
80-11 for off-premise consumption only."; and

80-12 (2) either:
80-13 (A) "The legal sale of mixed beverages."; or
80-14 (B) "The legal sale of mixed beverages in
80-15 restaurants by food and beverage certificate holders only."

80-16 SECTION 243. Chapter 69, Alcoholic Beverage Code, is
80-17 amended by adding Section 69.18 to read as follows:

80-18 Sec. 69.18. SALES AT TEMPORARY LOCATION. (a) The holder of
80-19 a retail dealer's on-premise license may temporarily sell malt
80-20 beverages in or from any lawful container to ultimate consumers:

80-21 (1) at a picnic, celebration, or similar event; and
80-22 (2) in the county where the license is issued.

80-23 (b) The holder of a retail dealer's on-premise license may
80-24 temporarily sell malt beverages under this section for not more
80-25 than four consecutive days at the same location.

80-26 (c) The commission shall adopt rules to implement this
80-27 section, including rules that:

80-28 (1) require the license holder to notify the
80-29 commission of the dates on which and location where the license
80-30 holder will temporarily offer malt beverages for sale under this
80-31 section;

80-32 (2) establish a procedure to verify the wet or dry
80-33 status of the location where the license holder intends to
80-34 temporarily sell malt beverages under this section;

80-35 (3) detail the circumstances when a license holder may
80-36 temporarily sell malt beverages under this section with just a
80-37 notification to the commission and the circumstances that require
80-38 the commission's preapproval before a license holder may
80-39 temporarily sell malt beverages under this section; and

80-40 (4) require the license holder to provide any other
80-41 information the commission determines necessary.

80-42 SECTION 244. Section 71.01, Alcoholic Beverage Code, is
80-43 amended to read as follows:

80-44 Sec. 71.01. AUTHORIZED ACTIVITIES. The holder of a retail
80-45 dealer's off-premise license may sell malt beverages [beer] in
80-46 lawful containers to consumers, but not for resale and not to be
80-47 opened or consumed on or near the premises where sold.

80-48 SECTION 245. Section 71.06, Alcoholic Beverage Code, is
80-49 amended to read as follows:

80-50 Sec. 71.06. STORING OR POSSESSING MALT BEVERAGES [BEER] OFF
80-51 PREMISES PROHIBITED. A [No] holder of a retail dealer's
80-52 off-premise license may not own, possess, or store malt beverages
80-53 [beer] for the purpose of resale except on the licensed premises.

80-54 SECTION 246. Section 71.07, Alcoholic Beverage Code, is
80-55 amended to read as follows:

80-56 Sec. 71.07. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES
80-57 [BEER] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. Section
80-58 69.11 [of this code] relates to the exchange or transportation of
80-59 malt beverages [beer] between licensed premises by retail dealers.

80-60 SECTION 247. Section 71.09, Alcoholic Beverage Code, is
80-61 amended to read as follows:

80-62 Sec. 71.09. BREACH OF PEACE: RETAIL ESTABLISHMENT. The
80-63 application of sanctions for the occurrence of a breach of the peace
80-64 at a retail malt beverage [beer] establishment is covered by
80-65 Section 69.13 [of this code].

80-66 SECTION 248. Section 71.10(a), Alcoholic Beverage Code, is
80-67 amended to read as follows:

80-68 (a) Each holder of a retail dealer's off-premise license
80-69 shall display in a prominent place on the licensee's [his] premises

81-1 a sign stating in letters at least two inches high: IT IS A CRIME
 81-2 (MISDEMEANOR) TO CONSUME LIQUOR OR MALT BEVERAGES [~~BEER~~] ON THESE
 81-3 PREMISES.

81-4 SECTION 249. Section 71.11, Alcoholic Beverage Code, is
 81-5 amended to read as follows:

81-6 Sec. 71.11. MALT BEVERAGE [~~BEER~~] SAMPLING. (a) The holder
 81-7 of a retail dealer's off-premise license may conduct free product
 81-8 samplings of malt beverages [~~beer~~] on the license holder's premises
 81-9 during regular business hours as provided by this section.

81-10 (b) An agent or employee of the holder of a retail dealer's
 81-11 off-premise license may open, touch, or pour malt beverages [~~beer~~],
 81-12 make a presentation, or answer questions at a sampling event.

81-13 (c) For the purposes of this code and any other law or
 81-14 ordinance:

81-15 (1) a retail dealer's off-premise license does not
 81-16 authorize the sale of alcoholic beverages for on-premise
 81-17 consumption; and

81-18 (2) none of the license holder's income may be
 81-19 considered to be income from the sale of alcoholic beverages for
 81-20 on-premise consumption.

81-21 (d) Any malt beverages [~~beer~~] used in a sampling event under
 81-22 this section must be purchased from or provided by the retailer on
 81-23 whose premises the sampling event is held.

81-24 SECTION 250. (a) Effective September 1, 2019, the heading
 81-25 to Chapter 73, Alcoholic Beverage Code, is amended to read as
 81-26 follows:

81-27 CHAPTER 73. [~~AGENT'S~~] BEER AGENT [~~LICENSE~~]

81-28 (b) Effective September 1, 2021, the heading to Chapter 73,
 81-29 Alcoholic Beverage Code, is amended to read as follows:

81-30 CHAPTER 73. MALT BEVERAGE AGENT [~~AGENT'S BEER LICENSE~~]

81-31 SECTION 251. (a) Effective September 1, 2019, Section
 81-32 73.01, Alcoholic Beverage Code, is amended to read as follows:

81-33 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the
 81-34 limitations imposed in Section 73.011 [~~of this code~~] or elsewhere
 81-35 in this code, a person [~~the holder of an agent's beer license,~~]
 81-36 acting as an employee or representative of a licensed manufacturer
 81-37 of beer located inside or outside the state or as an employee or
 81-38 representative of a licensed distributor[~~7~~] may:

81-39 (1) promote the sale of beer through methods such as
 81-40 solicitation, display, advertising, and personal contact with
 81-41 licensed retailers of beer and their agents, servants, and
 81-42 employees, and with consumers of beer; and

81-43 (2) sell beer and offer it for sale.

81-44 (b) A person acting as a beer agent may represent only one
 81-45 permitted or licensed business at a time while soliciting or taking
 81-46 orders.

81-47 (b) Effective September 1, 2021, Section 73.01, Alcoholic
 81-48 Beverage Code, is amended to read as follows:

81-49 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the
 81-50 limitations imposed in Section 73.011 [~~of this code~~] or elsewhere
 81-51 in this code, a person [~~the holder of an agent's beer license,~~]
 81-52 acting as an employee or representative of a licensed brewer
 81-53 [~~manufacturer~~] of malt beverages [~~beer~~] located inside or outside
 81-54 the state or as an employee or representative of a licensed
 81-55 distributor[~~7~~] may:

81-56 (1) promote the sale of malt beverages [~~beer~~] through
 81-57 methods such as solicitation, display, advertising, and personal
 81-58 contact with licensed retailers of malt beverages [~~beer~~] and their
 81-59 agents, servants, and employees, and with consumers of malt
 81-60 beverages [~~beer~~]; and

81-61 (2) sell malt beverages [~~beer~~] and offer them [~~it~~] for
 81-62 sale.

81-63 (b) A person acting as a malt beverage agent may represent
 81-64 only one permitted or licensed business at a time while soliciting
 81-65 or taking orders.

81-66 SECTION 252. (a) Effective September 1, 2019, Section
 81-67 73.011, Alcoholic Beverage Code, is amended to read as follows:

81-68 Sec. 73.011. LIMITATIONS ON AUTHORITY OF [~~AGENT'S~~] BEER
 81-69 AGENT [~~LICENSEE~~]. (a) A person [~~holder of an agent's beer license~~]

82-1 who is an employee or agent of a manufacturer's licensee or a
 82-2 nonresident manufacturer's licensee may not represent that the
 82-3 person [~~holder~~] is the agent of or is acting on behalf of a licensed
 82-4 distributor. An agent may not engage in conduct that is prohibited
 82-5 by Section 102.75 [~~of this code~~] or other provisions of this code.

82-6 (b) A [~~holder of an agent's~~] beer agent [~~license~~] may not
 82-7 make a representation, solicitation, or offer that this code or the
 82-8 rules of the commission prohibits the agent's employer from
 82-9 offering, making, or fulfilling.

82-10 (b) Effective September 1, 2021, Section 73.011, Alcoholic
 82-11 Beverage Code, is amended to read as follows:

82-12 Sec. 73.011. LIMITATIONS ON AUTHORITY OF MALT BEVERAGE
 82-13 AGENT [~~AGENT'S BEER LICENSEE~~]. (a) A person [~~holder of an agent's~~
 82-14 ~~beer license~~] who is an employee or agent of a brewer's
 82-15 [~~manufacturer's~~] licensee or a nonresident brewer's
 82-16 [~~manufacturer's~~] licensee may not represent that the person
 82-17 [~~holder~~] is the agent of or is acting on behalf of a licensed
 82-18 distributor. A malt beverage [~~An~~] agent may not engage in conduct
 82-19 that is prohibited by Section 102.75 [~~of this code~~] or other
 82-20 provisions of this code.

82-21 (b) A malt beverage agent [~~A holder of an agent's beer~~
 82-22 ~~license~~] may not make a representation, solicitation, or offer that
 82-23 this code or the rules of the commission prohibits the agent's
 82-24 employer from offering, making, or fulfilling.

82-25 SECTION 253. Section 74.01, Alcoholic Beverage Code, is
 82-26 amended to read as follows:

82-27 Sec. 74.01. AUTHORIZED ACTIVITIES. (a) A holder of a
 82-28 brewpub license for a brewpub located in a wet area, as that term is
 82-29 described by Section 251.71 [~~of this code~~], may:

82-30 (1) [~~manufacture,~~] brew, bottle, can, package, and
 82-31 label malt beverages [~~liquor, ale, and beer~~];

82-32 (2) sell or offer without charge, on the premises of
 82-33 the brewpub, to ultimate consumers for consumption on or off those
 82-34 premises, malt beverages [~~liquor, ale, or beer~~] produced by the
 82-35 holder, in or from a lawful container, to the extent the sales or
 82-36 offers are allowed under the holder's other permits or licenses;
 82-37 and

82-38 (3) sell food on the premises of the holder's
 82-39 breweries.

82-40 (b) The holder of a brewpub license may establish, operate,
 82-41 or maintain one or more licensed brewpubs in this state under the
 82-42 same general management or ownership. The holder shall pay the fee
 82-43 assessed by the commission for each establishment. For the
 82-44 purposes of this subsection, two or more establishments are under
 82-45 the same general management or ownership if:

82-46 (1) the establishments bottle the same brand of malt
 82-47 beverage [~~liquor, beer, or ale~~] or bottle malt beverages [~~liquor,~~
 82-48 ~~beer, or ale~~] brewed by the same brewer [~~manufacturer~~]; or

82-49 (2) the person, regardless of domicile, who
 82-50 establishes, operates, or maintains the establishments is
 82-51 controlled or directed by one management or by an association of
 82-52 ultimate management.

82-53 (c) A holder of a brewpub license must also hold a wine and
 82-54 malt beverage [~~beer~~] retailer's permit, a mixed beverage permit, or
 82-55 a retail dealer's on-premise license.

82-56 (d) The holder of a brewpub license may not hold or have an
 82-57 interest either directly or indirectly, or through a subsidiary,
 82-58 affiliate, agent, employee, officer, director, or other person, in
 82-59 a brewer's [~~manufacturer's~~] or distributor's license or any other
 82-60 license or permit in the manufacturing or wholesaling levels of the
 82-61 alcoholic beverage industry regardless of the specific names given
 82-62 to permits or licenses in Title 3 of this code. The holder shall be
 82-63 considered a "retailer" for purposes of Section 102.01 [~~of this~~
 82-64 ~~code~~].

82-65 (e) [~~A holder of a retail dealer's on-premise license who~~
 82-66 ~~obtains a brewpub license may not manufacture, brew, bottle, can,~~
 82-67 ~~package, label, sell, or offer without charge malt liquor or ale.~~

82-68 [~~(g)~~] The holder of a brewpub license may deliver malt
 82-69 beverages brewed [~~liquor, ale, or beer manufactured~~] by the holder

83-1 to a location other than the holder's premises for the purpose of
 83-2 submitting the malt beverages [~~liquor, ale, or beer~~] for an
 83-3 evaluation at an organized malt beverage [~~liquor, ale, or beer~~]
 83-4 tasting, competition, or review. At a tasting, competition, or
 83-5 review, a holder of a brewpub license may:

83-6 (1) dispense without charge malt beverages brewed
 83-7 [~~liquor, ale, or beer manufactured~~] by the holder to a person
 83-8 attending the event for consumption on the premises of the event;
 83-9 and

83-10 (2) discuss with a person attending the event the
 83-11 brewing [~~manufacturing~~] and characteristics of the malt beverages
 83-12 [~~liquor, ale, or beer~~].

83-13 SECTION 254. Section 74.03, Alcoholic Beverage Code, is
 83-14 amended to read as follows:

83-15 Sec. 74.03. PRODUCTION LIMIT. The total annual production
 83-16 of malt beverages [~~liquor, ale, and beer~~] by a holder of a brewpub
 83-17 license may not exceed 10,000 barrels for each licensed brewpub.

83-18 SECTION 255. Section 74.04, Alcoholic Beverage Code, is
 83-19 amended to read as follows:

83-20 Sec. 74.04. LICENSE APPLICATION, RENEWAL, AND MAINTENANCE;
 83-21 RECORDS; LICENSE ISSUANCE. All provisions of this code that apply
 83-22 to a brewpub licensee's wine and malt beverage [~~beer~~] retailer's
 83-23 permit, mixed beverage permit, or retail dealer's on-premise
 83-24 license also apply to the brewpub license.

83-25 SECTION 256. (a) Effective December 31, 2020, Section
 83-26 74.05, Alcoholic Beverage Code, is amended to read as follows:

83-27 Sec. 74.05. STATEMENT OF INTENT. An applicant for a
 83-28 brewpub license shall file with the application a sworn statement
 83-29 that the applicant shall be engaged in the business of brewing and
 83-30 packaging malt liquor, ale, or beer in this state in quantities
 83-31 sufficient to operate a brewpub not later than six months after the
 83-32 date of issuance of the original license. If the applicant is a
 83-33 corporation, the statement must be signed by a principal corporate
 83-34 officer. The commission[, ~~administrator, or county judge~~] may not
 83-35 issue a brewpub license to an applicant who does not submit the
 83-36 required sworn statement with the application for a license.

83-37 (b) Effective September 1, 2021, Section 74.05, Alcoholic
 83-38 Beverage Code, is amended to read as follows:

83-39 Sec. 74.05. STATEMENT OF INTENT. An applicant for a
 83-40 brewpub license shall file with the application a sworn statement
 83-41 that the applicant shall be engaged in the business of brewing and
 83-42 packaging malt beverages [~~liquor, ale, or beer~~] in this state in
 83-43 quantities sufficient to operate a brewpub not later than six
 83-44 months after the date of issuance of the original license. If the
 83-45 applicant is a corporation, the statement must be signed by a
 83-46 principal corporate officer. The commission[, ~~administrator, or~~
 83-47 ~~county judge~~] may not issue a brewpub license to an applicant who
 83-48 does not submit the required sworn statement with the application
 83-49 for a license.

83-50 SECTION 257. Section 74.06, Alcoholic Beverage Code, is
 83-51 amended to read as follows:

83-52 Sec. 74.06. QUALITY STANDARDS. Brewing [~~Manufacturing or~~
 83-53 ~~brewing~~] equipment used by a holder of a brewpub license, and
 83-54 process, labeling, and packaging conducted by a holder of a brewpub
 83-55 license, shall conform to standards and tax requirements imposed by
 83-56 this code and the commission's rules for the brewing [~~manufacture~~]
 83-57 of malt beverages [~~beer and the brewing of ale and malt liquor~~] and
 83-58 shall conform to any standards that may be applied by the agency of
 83-59 the United States charged with supervising and inspecting the
 83-60 [~~manufacture and~~] brewing of alcoholic beverages.

83-61 SECTION 258. Section 74.07, Alcoholic Beverage Code, is
 83-62 amended to read as follows:

83-63 Sec. 74.07. CONTAINER SIZE. In addition to any other
 83-64 container for [~~beer, ale, or~~] malt beverages [~~liquor~~] authorized
 83-65 elsewhere in this code, a holder of a brewpub license may store or
 83-66 serve to consumers [~~beer, ale, or~~] malt beverages brewed [~~liquor~~
 83-67 ~~manufactured~~] by the holder of the license at the premises of the
 83-68 brewpub license from any container having the capacity of one
 83-69 barrel or whole multiples of one barrel.

84-1 SECTION 259. Sections 74.08(a) and (d), Alcoholic Beverage
84-2 Code, are amended to read as follows:

84-3 (a) In addition to the activities authorized by Section
84-4 74.01, the holder of a brewpub license who holds a wine and malt
84-5 beverage [beer] retailer's permit and whose sale of [beer, ale, or]
84-6 malt beverages [liquor] consists only of [beer, ale, or] malt
84-7 beverages brewed [liquor manufactured] on the brewpub's premises
84-8 may[+]

84-9 [~~(1) sell malt liquor or ale produced under the~~
84-10 ~~license to those retailers or qualified persons to whom the holder~~
84-11 ~~of a general class B wholesaler's permit may sell malt liquor or ale~~
84-12 ~~under Section 20.01; and~~

84-13 [~~(2)~~] sell malt beverages [beer] produced under the
84-14 license to:

84-15 (1) [~~(A)~~] those retailers to whom the holder of a
84-16 general distributor's license may sell malt beverages [beer] under
84-17 Section 64.01; or

84-18 (2) [~~(B)~~] qualified persons to whom the holder of a
84-19 general distributor's license may sell malt beverages [beer] for
84-20 shipment and consumption outside the state under Section 64.01.

84-21 (d) The total amount of malt beverages [liquor, ale, and
84-22 beer] sold under this section to persons in this state may not
84-23 exceed 1,000 barrels annually for each licensed brewpub location or
84-24 2,500 barrels annually for all brewpubs operated by the same
84-25 licensee.

84-26 SECTION 260. Section 74.09, Alcoholic Beverage Code, is
84-27 amended to read as follows:

84-28 Sec. 74.09. SALES TO DISTRIBUTORS. (a) In addition to the
84-29 activities authorized by Section 74.01, the holder of a brewpub
84-30 license may sell malt beverages [beer] produced under the license
84-31 to the holder of a general[~~, local,~~] or branch distributor's
84-32 license.

84-33 (b) The holder of a brewpub license who sells malt beverages
84-34 [beer] under Subsection (a) shall comply with the requirements of
84-35 Section 102.51.

84-36 SECTION 261. Effective December 1, 2020, Section 81.003,
84-37 Alcoholic Beverage Code, is amended to read as follows:

84-38 Sec. 81.003. SUBMISSION OF INFORMATION BY CERTAIN
84-39 OFFICIALS. For the purposes of Section 81.004 or 81.005, the
84-40 district or county attorney of the county or the city attorney of
84-41 the city in which the premises are located may provide information
84-42 to the commission[~~, administrator, or county judge, as~~
84-43 ~~appropriate,~~] indicating that the holder of, or applicant for, a
84-44 permit or license covering the premises has used or can reasonably
84-45 be expected to use or allow others to use the premises in a manner
84-46 that constitutes a common nuisance.

84-47 SECTION 262. Effective December 31, 2020, Section 81.004,
84-48 Alcoholic Beverage Code, is amended to read as follows:

84-49 Sec. 81.004. APPLICATION FOR ORIGINAL OR RENEWAL PERMIT OR
84-50 LICENSE. The commission[~~, administrator, or county judge, as~~
84-51 ~~applicable,~~] may deny an application for [~~refuse to issue~~] an
84-52 original or renewal permit or license as provided by Section
84-53 11.43[~~, after notice and an opportunity for a hearing,~~] if the
84-54 commission[~~, administrator, or county judge~~] finds that, at any
84-55 time during the 12 months preceding the permit or license
84-56 application, a common nuisance existed on the premises for which
84-57 the permit or license is sought, regardless of whether the acts
84-58 constituting the common nuisance were engaged in by the applicant
84-59 or whether the applicant controlled the premises at the time the
84-60 common nuisance existed. The commission[~~, administrator, or~~
84-61 ~~county judge, as applicable,~~] may issue an original or renewal
84-62 permit or license if[~~, at the hearing,~~] it is found that the
84-63 applicant did not control the premises at the time the common
84-64 nuisance existed and the applicant has taken reasonable measures to
84-65 abate the common nuisance.

84-66 SECTION 263. Effective December 31, 2020, Section 81.006,
84-67 Alcoholic Beverage Code, is amended to read as follows:

84-68 Sec. 81.006. ORDER IMPOSING ADDITIONAL CONDITIONS ON PERMIT
84-69 OR LICENSE HOLDER. (a) The commission[~~, administrator, or county~~

85-1 ~~judge, as applicable,~~] may, after notice and hearing [~~under Section~~
85-2 ~~81.004 or 81.005~~], issue an order imposing any condition on a permit
85-3 or license holder that is reasonably necessary to abate a common
85-4 nuisance on the premises.

85-5 (b) The commission [~~or administrator~~] may suspend for not
85-6 more than 60 days or cancel the permit or license of a permit or
85-7 license holder who violates an order issued under this
85-8 section. The commission [~~or administrator~~] may offer the permit or
85-9 license holder the opportunity to pay a civil penalty rather than
85-10 have the permit or license suspended.

85-11 SECTION 264. Effective December 31, 2020, Sections
85-12 ~~81.007~~(a), (b), (b-1), and (c), Alcoholic Beverage Code, are
85-13 amended to read as follows:

85-14 (a) Before holding a hearing and making a determination
85-15 under Section ~~81.004~~ or ~~81.005~~, the commission [~~, administrator, or~~
85-16 ~~county judge, as applicable,~~] may, if there is evidence showing a
85-17 reasonable likelihood that a common nuisance exists on the premises
85-18 for which the permit or license is held or sought, issue an order
85-19 imposing any condition on the permit or license holder or the
85-20 applicant for the permit or license that is reasonably necessary to
85-21 abate a common nuisance on the premises. An order issued under
85-22 this section is effective until:

85-23 (1) the expiration of the time for appealing the
85-24 determination under Section ~~81.004~~ or ~~81.005~~; or

85-25 (2) if the determination is appealed, until all
85-26 appeals are finally decided.

85-27 (b) A hearings officer [~~or county judge~~] may issue an order
85-28 under this section on the hearings officer's [~~or county judge's~~] own
85-29 motion or the motion of a person listed in Section ~~81.003~~ or, for an
85-30 original or renewal permit or license application, any individual
85-31 entitled to protest the issuance of the original or renewal permit
85-32 or license.

85-33 (b-1) If an individual [~~other than a person described in~~
85-34 ~~Subsection (b)~~] who is entitled to protest the issuance of the
85-35 original or renewal permit or license files a motion for a temporary
85-36 order under this section, the commission [~~, administrator, or county~~
85-37 ~~judge, as applicable,~~] may not issue a temporary order without
85-38 conducting a hearing.

85-39 (c) The commission [~~hearings officer or county judge~~] may
85-40 impose any sanction on a person who violates an order issued under
85-41 Subsection (a) that is necessary to secure compliance with the
85-42 order.

85-43 SECTION 265. Effective December 31, 2020, Sections
85-44 ~~101.01~~(c) and (d), Alcoholic Beverage Code, are amended to read as
85-45 follows:

85-46 (c) If the court finds that a person has violated a
85-47 restraining order or injunction issued under this section, it shall
85-48 enter a judgment to that effect. The judgment operates to cancel
85-49 without further proceedings any license or permit held by the
85-50 person. The district clerk [~~shall notify the county judge of the~~
85-51 ~~county where the premises covered by the permit or license are~~
85-52 ~~located and~~] shall notify the commission when a judgment is entered
85-53 that operates to cancel a license or permit.

85-54 (d) A [~~No~~] license or permit may not be issued to a person
85-55 whose license or permit is cancelled under Subsection (c) until the
85-56 first anniversary of the date the license or permit is cancelled [~~of~~
85-57 ~~this section for one year after the cancellation~~].

85-58 SECTION 266. Section ~~101.32~~(b), Alcoholic Beverage Code, is
85-59 amended to read as follows:

85-60 (b) Possession in a dry area of more than 24 twelve-ounce
85-61 bottles of malt beverages [~~beer~~], or an equivalent amount, is prima
85-62 facie evidence of possession with intent to sell.

85-63 SECTION 267. Section ~~101.41~~, Alcoholic Beverage Code, is
85-64 amended to read as follows:

85-65 Sec. ~~101.41~~. CONTAINERS, PACKAGING, AND DISPENSING
85-66 EQUIPMENT OF MALT BEVERAGES [~~BEER~~]: LABELS. (a) A brewer [~~No~~
85-67 ~~manufacturer~~] or distributor, directly or indirectly or through a
85-68 subsidiary, affiliate, agent, employee, officer, director, or firm
85-69 member, may not brew [~~manufacture~~], sell, or otherwise introduce

86-1 into commerce any container, packaging, or dispensing equipment of
 86-2 malt beverages [~~beer~~] that does not meet the requirements of this
 86-3 section.

86-4 (b) Every container of malt beverages [~~beer~~] must have a
 86-5 label or imprint in legible type showing the full name and address
 86-6 of the brewer [~~manufacturer~~] and, if it contains a special brand
 86-7 brewed for a distributor, of the distributor. Any box, crate,
 86-8 carton, or similar device in which containers of malt beverages
 86-9 [~~beer~~] are sold or transported must have a label meeting the same
 86-10 requirements.

86-11 (c) The label of a container of malt beverages [~~beer~~] must
 86-12 state:

86-13 (1) the net contents in terms of United States liquor
 86-14 measure; and

86-15 (2) the alcohol content by volume.

86-16 (d) A [~~No~~] container, packaging material, or dispensing
 86-17 equipment may not bear a label or imprint that:

86-18 (1) by wording, lettering, numbering, or
 86-19 illustration, or in any other manner refers or alludes to or
 86-20 suggests a brewing [~~manufacturing~~] process, aging, analysis, or a
 86-21 scientific fact;

86-22 (2) refers or alludes to the "proof," "balling," or
 86-23 "extract" of the product;

86-24 (3) is untrue in any respect; or

86-25 (4) by ambiguity, omission, or inference tends to
 86-26 create a misleading impression, or causes or is calculated to cause
 86-27 deception of the consumer with respect to the product.

86-28 SECTION 268. Section 101.42, Alcoholic Beverage Code, is
 86-29 amended to read as follows:

86-30 Sec. 101.42. RETURNABLE CONTAINER: ACCEPTANCE BY ANOTHER
 86-31 BREWER [~~MANUFACTURER~~]. A brewer [~~No manufacturer~~] of malt
 86-32 beverages [~~beer~~] may not purchase, accept as a return, or use a
 86-33 barrel, half-barrel, keg, case, or bottle permanently branded or
 86-34 imprinted with the name of another brewer [~~manufacturer~~].

86-35 SECTION 269. Section 101.43(a), Alcoholic Beverage Code, is
 86-36 amended to read as follows:

86-37 (a) A brewer [~~No manufacturer~~] or distributor, directly or
 86-38 indirectly, or through a subsidiary, affiliate, agent, employee,
 86-39 officer, director, or firm member, may not sell or otherwise
 86-40 introduce into commerce a brewery product that is misbranded.

86-41 SECTION 270. Section 101.46(b), Alcoholic Beverage Code, is
 86-42 amended to read as follows:

86-43 (b) Subsection (a) [~~of this section~~] does not apply to
 86-44 permittees or licensees while engaged in supplying [~~airline~~
 86-45 ~~beverage~~] mixed beverage permittees[~~7~~] or passenger
 86-46 transportation [~~bus beverage~~] permittees under Section 48.03 or
 86-47 48.05, nor to the possession or sale of liquor by a [~~an airline~~
 86-48 ~~beverage~~] mixed beverage permittee[~~7~~] or a passenger
 86-49 transportation [~~bus beverage~~] permittee under Section 48.03 or
 86-50 48.05, but none of the permittees or licensees covered by this
 86-51 subsection may possess liquor in a container with a capacity of less
 86-52 than one fluid ounce.

86-53 SECTION 271. Section 101.48, Alcoholic Beverage Code, is
 86-54 amended to read as follows:

86-55 Sec. 101.48. COMMISSION'S REGULATORY AUTHORITY. Sections
 86-56 5.39 and 5.40 [~~of this code~~] relate to the commission's authority to
 86-57 regulate liquor containers and malt beverage [~~beer~~] container
 86-58 deposits.

86-59 SECTION 272. Section 101.66, Alcoholic Beverage Code, is
 86-60 amended to read as follows:

86-61 Sec. 101.66. BEVERAGES OF CERTAIN ALCOHOL CONTENT
 86-62 PROHIBITED. A [~~No~~] person may not manufacture, sell, barter, or
 86-63 exchange a beverage that contains more than [~~alcohol in excess of~~]
 86-64 one-half of one percent alcohol by volume and not more than five
 86-65 [~~four~~] percent [~~of~~] alcohol by volume [~~weight~~], except malt
 86-66 beverages [~~beer~~], wine coolers, and spirit coolers.

86-67 SECTION 273. (a) Effective December 31, 2020, Section
 86-68 101.67, Alcoholic Beverage Code, is amended to read as follows:

86-69 Sec. 101.67. PRIOR APPROVAL OF MALT BEVERAGES. (a) Before

87-1 an authorized licensee ~~[No person]~~ may ship or cause to be shipped
 87-2 into the state, import into the state, manufacture and offer for
 87-3 sale in the state, or distribute, sell, or store in the state any
 87-4 [beer, ale, or] malt beverages, the licensee must register the malt
 87-5 beverages with the commission. The registration application must
 87-6 include a certificate of label approval issued by the United States
 87-7 Alcohol and Tobacco Tax and Trade Bureau for the product ~~[liquor~~
 87-8 ~~unless:~~

87-9 ~~[(1) a sample of the beverage or a sample of the same~~
 87-10 ~~type and quality of beverage has been first tested to verify the~~
 87-11 ~~alcohol content of the beverage by:~~

87-12 ~~[(A) an independent laboratory,~~
 87-13 ~~[(B) a laboratory certified by the United States~~
 87-14 ~~Alcohol and Tobacco Tax and Trade Bureau or its successor agency as~~
 87-15 ~~qualified for the analysis of beer for export; or~~
 87-16 ~~[(C) the commission; and~~

87-17 ~~[(2) the label of the beverage has been first~~
 87-18 ~~submitted to the commission or its representative and found to~~
 87-19 ~~comply with all provisions of this code relating to the labeling of~~
 87-20 ~~the particular type of beverage].~~

87-21 (b) Only a brewer's or nonresident brewer's permittee, a
 87-22 manufacturer's or nonresident manufacturer's licensee, or a brewpub
 87-23 licensee may apply to register [for and receive label approval on
 87-24 beer, ale, or] malt beverages with the commission ~~[liquor].~~

87-25 (c) This section does not apply to the importation of beer
 87-26 for personal consumption and not for sale.

87-27 (d) On registration of a certificate of label approval
 87-28 issued by the United States Alcohol and Tobacco Tax and Trade
 87-29 Bureau, the commission shall approve the product under this section
 87-30 and issue a letter to that effect to the licensee unless the
 87-31 commission determines the product, despite having a valid federal
 87-32 certificate of label approval, would create a public safety
 87-33 concern, create a cross-tier violation, or otherwise violate this
 87-34 code. [If the commission determines that the product tested and
 87-35 label submitted under Subsection (a) comply with the provisions of
 87-36 this code and the rules of the commission,]

87-37 (d-1) If the commission approves the product, the
 87-38 commission shall issue a certificate of approval upon receipt of a
 87-39 fee in an amount that is sufficient to cover the cost of
 87-40 administering this section. A copy of the certificate shall be kept
 87-41 on file in the office of the commission.

87-42 (e) Not later than the 30th day after the date the
 87-43 commission receives an application for registration of a product
 87-44 under this section, the commission shall either approve or deny the
 87-45 registration application. If the commission denies the application
 87-46 for a product with a valid federal certificate of label approval or
 87-47 fails to act on the application within the time required by this
 87-48 subsection, the licensee submitting the application is entitled to
 87-49 an administrative hearing before the State Office of Administrative
 87-50 Hearings [The commission may require proof by affidavit or
 87-51 otherwise that a laboratory performing a test under Subsection
 87-52 (a)(1)(A) is independent].

87-53 (f) The commission by rule shall establish procedures for:
 87-54 (1) accepting federal certificates of label approval
 87-55 for registration under this section;

87-56 (2) registering alcoholic beverage products that are
 87-57 not eligible to receive a certificate of label approval issued by
 87-58 the United States Alcohol and Tobacco Tax and Trade Bureau; and

87-59 (3) registering alcoholic beverage products during
 87-60 periods when the United States Alcohol and Tobacco Tax and Trade
 87-61 Bureau has ceased processing applications for a certificate of
 87-62 label approval.

87-63 (g) The commission shall consider the nutrition label
 87-64 requirements of the United States Food and Drug Administration and
 87-65 the alcohol label requirements of the United States Alcohol and
 87-66 Tobacco Tax and Trade Bureau in developing the label requirements
 87-67 to register products described by Subsection (f)(2).

87-68 (h) The rules adopted under this section may not require
 87-69 testing for alcohol content as part of the process for registering

88-1 an alcoholic beverage with the commission.

88-2 (b) Effective September 1, 2021, Sections 101.67(b) and (c),
88-3 Alcoholic Beverage Code, are amended to read as follows:

88-4 (b) Only a brewer's [~~or nonresident brewer's permittee, a~~
88-5 ~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~] licensee,
88-6 or a brewpub licensee may apply to register [~~for and receive label~~
88-7 ~~approval on beer, ale, or~~] malt beverages with the commission
88-8 [~~liquor~~].

88-9 (c) This section does not apply to the importation of malt
88-10 beverages [~~beer~~] for personal consumption and not for sale.

88-11 SECTION 274. Effective December 31, 2020, Section 101.671,
88-12 Alcoholic Beverage Code, is amended by amending Subsections (b) and
88-13 (d) and adding Subsections (c-1), (e), and (f) to read as follows:

88-14 (b) On registration of a certificate of label approval
88-15 issued by the United States Alcohol and Tobacco Tax and Trade
88-16 Bureau, the commission shall approve the product under this section
88-17 and issue a letter to that effect to the permittee unless the
88-18 commission determines the product, despite having a valid federal
88-19 certificate of label approval, would create a public safety
88-20 concern, create a cross-tier violation, or otherwise violate this
88-21 code. The commission may not require additional approval for the
88-22 product unless there is a change to the label or product that
88-23 requires reissuance of the federal certificate of label approval.
88-24 The commission shall accept the certificate of label approval as
88-25 constituting full compliance only with any applicable standards
88-26 adopted under Section 5.38 regarding quality, purity, and identity
88-27 of distilled spirits or wine.

88-28 (c-1) Not later than the 30th day after the date the
88-29 commission receives an application for registration of a product
88-30 under this section, the commission shall either approve or deny the
88-31 registration application. If the commission denies the application
88-32 for a product with a valid federal certificate of label approval or
88-33 fails to act on the application within the time required by this
88-34 subsection, the permittee submitting the application is entitled to
88-35 an administrative hearing before the State Office of Administrative
88-36 Hearings.

88-37 (d) The commission by rule shall [~~may~~] establish procedures
88-38 for:

88-39 (1) accepting:

88-40 (A) [~~(1)~~] federal certificates of label approval
88-41 for registration under this section; and

88-42 (B) [~~(2)~~] proof, such as a letter of
88-43 authorization, that a permittee is the primary American source of
88-44 supply of the product or brand for purposes of Section 37.10; and

88-45 (2) registering alcoholic beverage products that are
88-46 not eligible to receive a certificate of label approval issued by
88-47 the United States Alcohol and Tobacco Tax and Trade Bureau.

88-48 (e) The commission shall consider the nutrition label
88-49 requirements of the United States Food and Drug Administration and
88-50 the alcohol label requirements of the United States Alcohol and
88-51 Tobacco Tax and Trade Bureau in developing the label requirements
88-52 to register products described by Subsection (d)(2).

88-53 (f) The rules adopted under this section may not require
88-54 testing for alcohol content as part of the process for registering
88-55 an alcoholic beverage with the commission.

88-56 SECTION 275. Section 101.72(a), Alcoholic Beverage Code, is
88-57 amended to read as follows:

88-58 (a) A person commits an offense if the person knowingly
88-59 consumes liquor or malt beverages [~~beer~~] on the premises of a holder
88-60 of a wine and malt beverage [~~beer~~] retailer's off-premise permit or
88-61 a retail dealer's off-premise license.

88-62 SECTION 276. Section 102.03(a), Alcoholic Beverage Code, is
88-63 amended to read as follows:

88-64 (a) This section applies to the holder of a [~~brewer's,~~
88-65 ~~distiller's and rectifier's, winery, wholesaler's, or class B~~
88-66 ~~wholesaler's[, or wine bottler's]~~ permit.

88-67 SECTION 277. Section 102.04(a), Alcoholic Beverage Code, is
88-68 amended to read as follows:

88-69 (a) This section applies to any person who has an interest

89-1 in the business of a distiller-rectifier, [~~brewer,~~] wholesaler,
 89-2 class B wholesaler, winery, [~~wine bottler,~~] or local distributor's
 89-3 permittee. This section also applies to the agent, servant, or
 89-4 employee of a person who has an interest in one of those businesses.

89-5 SECTION 278. Section 102.05, Alcoholic Beverage Code, is
 89-6 amended to read as follows:

89-7 Sec. 102.05. HOTEL: MULTIPLE INTERESTS AUTHORIZED. A
 89-8 hotel may hold a package store permit, mixed beverage permit, wine
 89-9 and malt beverage [~~beer~~] retailer's permit, and retail dealer's
 89-10 license if the businesses are completely segregated from each
 89-11 other.

89-12 SECTION 279. Effective September 1, 2019, Section 102.06,
 89-13 Alcoholic Beverage Code, is amended to read as follows:

89-14 Sec. 102.06. RELATIONSHIP BETWEEN AGENT [~~OR MANUFACTURER'S~~
 89-15 ~~AGENT~~] AND PACKAGE STORE. An agent acting under Chapter 35 or 36 [~~No~~
 89-16 ~~holder of an agent's or manufacturer's agent's permit~~] may not
 89-17 directly or indirectly have an interest in a package store permit or
 89-18 wine only package store permit or be residentially domiciled with a
 89-19 person who has a financial interest in a package store permit or
 89-20 wine only package store permit.

89-21 SECTION 280. Section 102.07(a), Alcoholic Beverage Code, is
 89-22 amended to read as follows:

89-23 (a) Except as provided in Subsections (b), (d), and (g), a
 89-24 [~~no~~] person who owns or has an interest in the business of a
 89-25 distiller, [~~brewer,~~] rectifier, wholesaler, class B wholesaler, or
 89-26 winery, or [~~wine bottler, nor~~] the agent, servant, or employee of
 89-27 such a person, may not:

89-28 (1) own or have a direct or indirect interest in the
 89-29 business, premises, equipment, or fixtures of a retailer;

89-30 (2) furnish, give, or lend any money, service, or
 89-31 thing of value to a retailer;

89-32 (3) guarantee a financial obligation of a retailer;

89-33 (4) make or offer to enter an agreement, condition, or
 89-34 system which will in effect amount to the shipment and delivery of
 89-35 alcoholic beverages on consignment;

89-36 (5) furnish, give, rent, lend, or sell to a retail
 89-37 dealer any equipment, fixtures, or supplies to be used in selling or
 89-38 dispensing alcoholic beverages, except that alcoholic beverages
 89-39 may be packaged in combination with other items if the package is
 89-40 designed to be delivered intact to the ultimate consumer and the
 89-41 additional items have no value or benefit to the retailer other than
 89-42 that of having the potential of attracting purchases and promoting
 89-43 sales;

89-44 (6) pay or make an allowance to a retailer for a
 89-45 special advertising or distribution service;

89-46 (7) allow an excessive discount to a retailer; or

89-47 (8) offer a prize, premium, gift, or similar
 89-48 inducement to a retailer or to the agent, servant, or employee of a
 89-49 retailer.

89-50 SECTION 281. Section 102.07(f), Alcoholic Beverage Code, as
 89-51 effective April 1, 2019, is amended to read as follows:

89-52 (f) Notwithstanding Subsection (a) [~~of this section~~],
 89-53 Section 108.05, or any other provision of this code, a holder of a
 89-54 [~~brewer's permit, nonresident brewer's permit,~~] distiller's and
 89-55 rectifier's permit, winery permit, nonresident seller's permit,
 89-56 brewer's [~~manufacturer's~~] license, or nonresident brewer's
 89-57 [~~manufacturer's~~] license may, in order to promote the brand name of
 89-58 the permittee's or licensee's products, contract with a person
 89-59 licensed under Subtitle A-1, Title 13, Occupations Code (Texas
 89-60 Racing Act), for on-site advertising signs, for advertising in
 89-61 programs, and to supplement purses for races even though the
 89-62 licensees under that subtitle or the owners or operators of the
 89-63 racing facilities also hold a mixed beverage permit or other permit
 89-64 or license under this code. In addition, a permittee or licensee
 89-65 described by this subsection may contract for off-site advertising
 89-66 promoting specific races. A part of the cost of an advertisement or
 89-67 promotion authorized by this section may not be charged to or paid,
 89-68 directly or indirectly, by the holder of a wholesaler's [~~wholesale~~]
 89-69 permit, general class B wholesaler's permit, [~~local class B~~

90-1 ~~wholesaler's permit,~~ local distributor's permit, or general
 90-2 distributor's license~~[, or local distributor's license]~~, except
 90-3 through the price paid by that holder for products purchased from
 90-4 the holder's supplier.

90-5 SECTION 282. Section 102.07(g), Alcoholic Beverage Code, is
 90-6 amended to read as follows:

90-7 (g) Subsection (a) does not prohibit a permittee covered
 90-8 under Subsection (a) from prearranging or preannouncing a
 90-9 promotional activity otherwise permitted by this code with a
 90-10 retailer about a promotional activity to be held on the retailer's
 90-11 premises. Notwithstanding any other provision, a permittee may:

90-12 (1) preannounce a promotion to a consumer; or
 90-13 (2) preannounce the purchase of wine or ~~[r]~~ distilled
 90-14 spirits~~[, ale, or malt liquor]~~ to a consumer.

90-15 SECTION 283. Sections 102.071(d) and (e), Alcoholic
 90-16 Beverage Code, are amended to read as follows:

90-17 (d) Sections 61.73 and 102.31 apply to payment for glassware
 90-18 bearing the name, emblem, or logo of a brand of malt beverage by the
 90-19 holder of ~~[a wholesaler's permit or]~~ a distributor's license.

90-20 (e) For the purposes of Subchapters C and D, the sale, by the
 90-21 holder of a distributor's license, of a nonalcoholic beverage
 90-22 produced or sold by a brewer ~~[manufacturer]~~ of malt beverages and
 90-23 that bears the name, emblem, logo, or brand of a brewer
 90-24 ~~[manufacturer]~~ of malt beverages is the same as a sale of malt
 90-25 beverages ~~[beer]~~.

90-26 SECTION 284. Section 102.11, Alcoholic Beverage Code, is
 90-27 amended to read as follows:

90-28 Sec. 102.11. BREWER ~~[MANUFACTURER]~~ OR DISTRIBUTOR:
 90-29 PROHIBITED INTERESTS. A brewer ~~[No manufacturer]~~ or distributor
 90-30 directly or indirectly, or through a subsidiary, affiliate, agent,
 90-31 employee, officer, director, or firm member, may not:

90-32 (1) own any interest in the business or premises of a
 90-33 retail dealer of malt beverages ~~[beer]~~; or

90-34 (2) hold or have an interest in a license to sell
 90-35 brewery products for on-premises consumption, except to the extent
 90-36 that a brewer's ~~[manufacturer's]~~ license permits on-premises
 90-37 consumption.

90-38 SECTION 285. Section 102.12, Alcoholic Beverage Code, is
 90-39 amended to read as follows:

90-40 Sec. 102.12. COMMERCIAL BRIBERY BY BREWER ~~[MANUFACTURER]~~ OR
 90-41 DISTRIBUTOR. A brewer ~~[No manufacturer]~~ or distributor directly or
 90-42 indirectly, or through a subsidiary, affiliate, agent, employee,
 90-43 officer, director, or firm member, may not give or permit to be
 90-44 given money or any thing of value in an effort to induce agents,
 90-45 employees, or representatives of customers or prospective
 90-46 customers to influence their employers or principals to purchase or
 90-47 contract to purchase brewery products from the brewer
 90-48 ~~[manufacturer]~~ or distributor or to refrain from buying those
 90-49 products from other persons.

90-50 SECTION 286. Section 102.13, Alcoholic Beverage Code, is
 90-51 amended to read as follows:

90-52 Sec. 102.13. EXCLUSIVE OUTLET AGREEMENT AS TO BREWERY
 90-53 PRODUCTS. A brewer ~~[No manufacturer]~~ or distributor directly or
 90-54 indirectly, or through a subsidiary, affiliate, agent, employee,
 90-55 officer, director, or firm member, may not require, by agreement or
 90-56 otherwise, that a retailer engaged in the sale of brewery products
 90-57 purchase any of those products from the brewer ~~[him]~~ to the total or
 90-58 partial exclusion of the products sold or offered for sale by a
 90-59 competitor or require the retailer to take or dispose of a certain
 90-60 quota of the product.

90-61 SECTION 287. Section 102.14, Alcoholic Beverage Code, is
 90-62 amended to read as follows:

90-63 Sec. 102.14. BREWER ~~[MANUFACTURER]~~ OR DISTRIBUTOR:
 90-64 FURNISHING EQUIPMENT OR FIXTURES. (a) A brewer ~~[No manufacturer]~~
 90-65 or distributor directly or indirectly, or through a subsidiary,
 90-66 affiliate, agent, employee, officer, director, or firm member, may
 90-67 not furnish, give, rent, lend, or sell any equipment, fixtures, or
 90-68 supplies to a person engaged in selling brewery products for
 90-69 on-premises consumption.

91-1 (b) This section does not apply to equipment, fixtures, or
 91-2 supplies furnished, given, loaned, rented, or sold before November
 91-3 16, 1935, except that transactions made before that date may not be
 91-4 used as consideration for an agreement made after that date with
 91-5 respect to the purchase of brewery products. If a brewer
 91-6 [~~manufacturer~~] or distributor of brewery products or an agent or
 91-7 employee of one of them removes the equipment, fixtures, or
 91-8 supplies from the premises of the person to whom they were
 91-9 furnished, given, loaned, rented, or sold, the exemption granted by
 91-10 this subsection no longer applies to the equipment, fixtures, or
 91-11 supplies.

91-12 (c) Notwithstanding any other provision of this code, a
 91-13 brewer [~~manufacturer~~] or distributor may, with written approval of
 91-14 the administrator, sell for cash devices designed to extract
 91-15 brewery products from legal containers subject to the following
 91-16 conditions:

91-17 (1) the legal containers must not exceed a one-eighth
 91-18 barrel capacity and must not be reused or refilled;

91-19 (2) the selling price of such devices may be no less
 91-20 than the cost of acquisition to the brewer [~~manufacturer~~] or
 91-21 distributor; and

91-22 (3) such devices which extract brewery products from
 91-23 legal containers covered by this section may not be furnished,
 91-24 given, rented, or sold by the brewer [~~manufacturer~~] or distributor
 91-25 to a licensee or permittee authorized to sell or serve brewery
 91-26 products for on-premise consumption, or to the ultimate consumer.

91-27 SECTION 288. Section 102.15, Alcoholic Beverage Code, is
 91-28 amended to read as follows:

91-29 Sec. 102.15. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:
 91-30 PROHIBITED DEALINGS WITH RETAILER. (a) Except as provided by
 91-31 Subsection (b), a brewer [~~no manufacturer~~] or distributor directly
 91-32 or indirectly, or through a subsidiary, affiliate, agent, employee,
 91-33 officer, director, or firm member, may not:

91-34 (1) furnish, give, or lend any money or other thing of
 91-35 value to a person engaged or about to be engaged in selling brewery
 91-36 products for on-premises or off-premises consumption, or give the
 91-37 person any money or thing of value for the person's [~~his~~] use,
 91-38 benefit, or relief; or

91-39 (2) guarantee the repayment of a loan or the
 91-40 fulfillment of a financial obligation of a person engaged in or
 91-41 about to be engaged in selling malt beverages [~~beer~~] at retail.

91-42 (b) Subsection (a) does not prohibit a brewer
 91-43 [~~manufacturer~~] or distributor from prearranging or preannouncing a
 91-44 promotional activity otherwise permitted by this code with a
 91-45 retailer about a promotional activity to be held on the retailer's
 91-46 premises. Notwithstanding any other provision, a brewer
 91-47 [~~manufacturer~~] or distributor may:

91-48 (1) preannounce a promotion to a consumer; or

91-49 (2) preannounce the purchase of malt beverages [~~beer~~]
 91-50 to a consumer.

91-51 SECTION 289. Section 102.17, Alcoholic Beverage Code, is
 91-52 amended to read as follows:

91-53 Sec. 102.17. CONTRACT FOR SALE OF LIQUOR. A [~~brewer~~]
 91-54 distiller and rectifier, winery permittee, [~~manufacturer~~], or
 91-55 nonresident seller of liquor and the holder of a wholesaler's
 91-56 permit may enter into a contract for the sale and purchase of a
 91-57 specified quantity of liquor to be delivered over an agreed period
 91-58 of time, but only if the contract is first submitted to the
 91-59 commission or administrator and found by the commission or
 91-60 administrator not to be calculated to induce a violation of this
 91-61 code.

91-62 SECTION 290. Section 102.18, Alcoholic Beverage Code, is
 91-63 amended to read as follows:

91-64 Sec. 102.18. BREWER [~~MANUFACTURER~~]: PROHIBITED INTERESTS.

91-65 (a) This section applies to the following:

91-66 (1) a holder of a brewer's [~~manufacturer's~~] or
 91-67 nonresident brewer's [~~manufacturer's~~] license;

91-68 (2) an officer, director, agent, or employee of an
 91-69 entity named in Subdivision (1) [~~of this subsection~~]; or

92-1 (3) an affiliate of an entity named in Subdivision (1)
 92-2 [~~of this subsection~~], regardless of whether the affiliation is
 92-3 corporate or by management, direction, or control.

92-4 (b) An [~~No~~] entity named in Subsection (a) [~~of this section~~]
 92-5 may not have any interest in the license, business, assets, or
 92-6 corporate stock of a holder of a general[~~, local,~~] or branch
 92-7 distributor's license.

92-8 SECTION 291. Section 102.21, Alcoholic Beverage Code, is
 92-9 amended to read as follows:

92-10 Sec. 102.21. CONTINUITY OF CERTAIN PROTECTIONS FOR MALT
 92-11 BEVERAGE [~~BEER~~] DISTRIBUTORS. The protections provided to malt
 92-12 beverage [~~beer~~] distributors by Subchapters C and D apply
 92-13 regardless of whether there is a transfer or change of ownership of
 92-14 a brand at the manufacturing level.

92-15 SECTION 292. Section 102.22(a), Alcoholic Beverage Code, is
 92-16 amended to read as follows:

92-17 (a) A person who holds [~~a permit issued under Chapter 12 or~~
 92-18 ~~13 or~~] a license issued under Chapter 62 or 63 shall verify to the
 92-19 commission on an annual basis that a brewing [~~or manufacturing~~]
 92-20 facility owned or controlled by the [~~permit or~~] license holder is
 92-21 not used to produce malt beverages primarily for a specific
 92-22 retailer or the retailer's affiliates.

92-23 SECTION 293. Section 102.31(a), Alcoholic Beverage Code, is
 92-24 amended to read as follows:

92-25 (a) This section applies to:

92-26 (1) the sale of malt beverages [~~beer~~] or malt beverage
 92-27 [~~its~~] containers or the original packages in which malt beverages
 92-28 are [~~it is~~] received, packaged, or contained by a distributor's
 92-29 licensee to a retail dealer's on-premise or off-premise licensee, a
 92-30 wine and malt beverage [~~beer~~] retailer's permittee, or a wine and
 92-31 malt beverage [~~beer~~] retailer's off-premise permittee; and

92-32 (2) the sale of malt beverages by a local distributor's
 92-33 permittee, or by any licensee authorized to sell those beverages
 92-34 for resale, to a mixed beverage [~~or daily temporary mixed beverage~~]
 92-35 permittee.

92-36 SECTION 294. Sections 102.32(a)(1) and (2), Alcoholic
 92-37 Beverage Code, are amended to read as follows:

92-38 (1) "Wholesale dealer" means a wholesaler, class B
 92-39 wholesaler, winery, [~~wine bottler,~~] or local distributor's
 92-40 permittee.

92-41 (2) "Retailer" means a package store, wine only
 92-42 package store, wine and malt beverage [~~beer~~] retailers, wine and
 92-43 malt beverage [~~beer~~] retailer's off-premise, or mixed beverage
 92-44 permittee, any other retailer, or a private club registration
 92-45 permittee. For purposes of this section, the holder of a winery
 92-46 permit issued under Chapter 16 is a retailer when the winery permit
 92-47 holder purchases wine from the holder of a wholesaler's permit
 92-48 issued under Chapter 19 for resale to ultimate consumers in
 92-49 unbroken packages.

92-50 SECTION 295. The heading to Subchapter C, Chapter 102,
 92-51 Alcoholic Beverage Code, is amended to read as follows:

92-52 SUBCHAPTER C. TERRITORIAL LIMITS ON SALE OF MALT BEVERAGES [~~BEER~~]

92-53 SECTION 296. Section 102.51, Alcoholic Beverage Code, is
 92-54 amended to read as follows:

92-55 Sec. 102.51. SETTING OF TERRITORIAL LIMITS. (a) Each
 92-56 holder of a brewer's [~~manufacturer's~~] or nonresident brewer's
 92-57 [~~manufacturer's~~] license shall designate territorial limits in
 92-58 this state within which the brands of malt beverages [~~beer~~] the
 92-59 licensee brews [~~manufactures~~] may be sold by general[~~, local,~~] or
 92-60 branch distributor's licensees.

92-61 (b) Each holder of a general[~~, local,~~] or branch
 92-62 distributor's license shall enter into a written agreement with
 92-63 each brewer [~~manufacturer~~] from which the distributor purchases
 92-64 malt beverages [~~beer~~] for distribution and sale in this state
 92-65 setting forth the sales territory within which each brand of malt
 92-66 beverage [~~beer~~] purchased by that distributor may be distributed
 92-67 and sold. No holder of a general[~~, local,~~] or branch distributor's
 92-68 license shall make any sales of any brand of malt beverage [~~beer~~]
 92-69 outside the sales territory specified in the written agreement. No

93-1 such agreement shall interfere with the rights of retailers to
 93-2 purchase malt beverages [~~beer~~] as provided in Section 102.53. A
 93-3 brewer [~~manufacturer~~] may not assign all or any part of the same
 93-4 sales territory to more than one distributor. A copy of the
 93-5 agreement and any amendments to it shall be filed with the
 93-6 administrator.

93-7 (c) This Act is promulgated pursuant to the authority of the
 93-8 state under the provisions of the Twenty-first Amendment to the
 93-9 United States Constitution to promote the public interest in the
 93-10 fair, efficient, and competitive distribution of malt beverages
 93-11 [~~beer~~], to increase competition in such areas, and to assure
 93-12 product quality control and accountability by allowing brewers
 93-13 [~~manufacturers~~] to assign sales territories within this state.

93-14 SECTION 297. Section 102.52, Alcoholic Beverage Code, is
 93-15 amended to read as follows:

93-16 Sec. 102.52. RIGHTS OF DISTRIBUTORS. Nothing in Section
 93-17 102.51 [~~of this code~~] limits or alters the right of a holder of a
 93-18 general[~~, local,~~] or branch distributor's license to sell malt
 93-19 beverages [~~beer~~] to any other holder of a general[~~, local,~~] or
 93-20 branch distributor's license, except that a distributor who has
 93-21 purchased malt beverages [~~beer~~] from another distributor may
 93-22 distribute and sell the malt beverages [~~beer~~] only within a
 93-23 territory for which the brewer [~~manufacturer~~] of the brand has
 93-24 designated that it may be sold by the general[~~, local,~~] or branch
 93-25 distributor making the purchase.

93-26 SECTION 298. Section 102.53, Alcoholic Beverage Code, is
 93-27 amended to read as follows:

93-28 Sec. 102.53. RIGHTS OF RETAILERS. Nothing in Section
 93-29 102.51 or 102.52 [~~of this code~~] limits or alters the right of a
 93-30 holder of a retail license or permit to purchase malt beverages
 93-31 [~~beer~~] at the licensed premises of any general[~~, local,~~] or branch
 93-32 distributor's licensee in the state and transport those malt
 93-33 beverages [~~that beer~~] to the licensee's [~~his~~] licensed premises,
 93-34 except that the retailer may sell the malt beverages [~~beer~~] only
 93-35 within a territory for which the brewer [~~manufacturer~~] of the brand
 93-36 has designated that the malt beverages [~~it~~] may be sold by a
 93-37 distributor.

93-38 SECTION 299. (a) Effective December 31, 2020, Sections
 93-39 102.54(a) and (b), Alcoholic Beverage Code, are amended to read as
 93-40 follows:

93-41 (a) In addition to any other requirements necessary for
 93-42 issuance or renewal of a distributor's license, the commission [~~or~~
 93-43 ~~administrator~~] shall require an applicant for a license or a holder
 93-44 of a license to show that the applicant or holder:

93-45 (1) has entered into or will acquire a written
 93-46 agreement designating an assigned territory from a manufacturer in
 93-47 accordance with this subchapter and Subchapter D;

93-48 (2) has received or has applied for and will maintain
 93-49 all licenses or permits required to engage in business in the
 93-50 assigned territory as a holder of a distributor's license,
 93-51 including any state or federal licenses or permits;

93-52 (3) has ordered, received, and stored or has committed
 93-53 to order, receive, and store a sufficient amount of beer that the
 93-54 distributor is authorized to sell to ensure that the distributor
 93-55 can supply the reasonable needs of all retailers in the assigned
 93-56 territory;

93-57 (4) has received and stored or has committed to
 93-58 receive and store beer received from a manufacturer in a manner
 93-59 complying with a product quality control standard established by
 93-60 the manufacturer or the commission; and

93-61 (5) has or will have the ability to sell, deliver, and
 93-62 promote each brand of beer sold by the distributor to all retailers
 93-63 in the assigned territory:

93-64 (A) in a manner that complies with the product
 93-65 quality control standards of the manufacturer or of the commission;
 93-66 and

93-67 (B) on a continuing and recurring basis in
 93-68 response to reasonable market demand for a brand of beer by the
 93-69 retailer or the retailer's customers in the assigned territory.

94-1 (b) In determining whether an applicant for or holder of a
 94-2 distributor's license meets the requirement of Subsection (a)(5),
 94-3 the commission [~~or administrator~~] may require the applicant or
 94-4 holder to show that the applicant or holder has or will have:

94-5 (1) storage facilities of a sufficient size to store
 94-6 each brand of beer in an amount equal to the demand for the product
 94-7 from all retailers in the holder's or applicant's assigned
 94-8 territory;

94-9 (2) an inventory or a commitment to acquire an
 94-10 inventory of each brand of beer in an amount equal to the demand for
 94-11 the brand from all retailers in the holder's or applicant's assigned
 94-12 territory;

94-13 (3) a sufficient number of employees to provide the
 94-14 holder or applicant with the ability:

94-15 (A) to sell, deliver on a reasonably prompt
 94-16 basis, and promote each brand of beer to all retailers in the
 94-17 holder's or applicant's assigned territory; and

94-18 (B) to prepare and submit in a timely manner any
 94-19 fee or tax payments or reports required by any authorized
 94-20 governmental regulatory authority, including the Bureau of
 94-21 Alcohol, Tobacco, and Firearms and the commission; and

94-22 (4) a sufficient number of delivery vehicles and
 94-23 rolling stock to provide the holder or the applicant with the
 94-24 capability of transporting, selling, delivering, or promoting each
 94-25 brand of beer to all retailers in the assigned territory.

94-26 (b) Effective September 1, 2021, Sections 102.54(a) and
 94-27 (b), Alcoholic Beverage Code, are amended to read as follows:

94-28 (a) In addition to any other requirements necessary for
 94-29 issuance or renewal of a distributor's license, the commission [~~or~~
 94-30 ~~administrator~~] shall require an applicant for a license or a holder
 94-31 of a license to show that the applicant or holder:

94-32 (1) has entered into or will acquire a written
 94-33 agreement designating an assigned territory from a brewer
 94-34 [~~manufacturer~~] in accordance with this subchapter and Subchapter D;

94-35 (2) has received or has applied for and will maintain
 94-36 all licenses or permits required to engage in business in the
 94-37 assigned territory as a holder of a distributor's license,
 94-38 including any state or federal licenses or permits;

94-39 (3) has ordered, received, and stored or has committed
 94-40 to order, receive, and store a sufficient amount of malt beverages
 94-41 [~~beer~~] that the distributor is authorized to sell to ensure that the
 94-42 distributor can supply the reasonable needs of all retailers in the
 94-43 assigned territory;

94-44 (4) has received and stored or has committed to
 94-45 receive and store malt beverages [~~beer~~] received from a brewer
 94-46 [~~manufacturer~~] in a manner complying with a product quality control
 94-47 standard established by the brewer [~~manufacturer~~] or the
 94-48 commission; and

94-49 (5) has or will have the ability to sell, deliver, and
 94-50 promote each brand of malt beverage [~~beer~~] sold by the distributor
 94-51 to all retailers in the assigned territory:

94-52 (A) in a manner that complies with the product
 94-53 quality control standards of the brewer [~~manufacturer~~] or of the
 94-54 commission; and

94-55 (B) on a continuing and recurring basis in
 94-56 response to reasonable market demand for a brand of malt beverage
 94-57 [~~beer~~] by the retailer or the retailer's customers in the assigned
 94-58 territory.

94-59 (b) In determining whether an applicant for or holder of a
 94-60 distributor's license meets the requirement of Subsection (a)(5),
 94-61 the commission [~~or administrator~~] may require the applicant or
 94-62 holder to show that the applicant or holder has or will have:

94-63 (1) storage facilities of a sufficient size to store
 94-64 each brand of malt beverage [~~beer~~] in an amount equal to the demand
 94-65 for the product from all retailers in the holder's or applicant's
 94-66 assigned territory;

94-67 (2) an inventory or a commitment to acquire an
 94-68 inventory of each brand of malt beverage [~~beer~~] in an amount equal
 94-69 to the demand for the brand from all retailers in the holder's or

95-1 applicant's assigned territory;

95-2 (3) a sufficient number of employees to provide the
95-3 holder or applicant with the ability:

95-4 (A) to sell, deliver on a reasonably prompt
95-5 basis, and promote each brand of malt beverage [~~beer~~] to all
95-6 retailers in the holder's or applicant's assigned territory; and

95-7 (B) to prepare and submit in a timely manner any
95-8 fee or tax payments or reports required by any authorized
95-9 governmental regulatory authority, including the Bureau of
95-10 Alcohol, Tobacco, and Firearms and the commission; and

95-11 (4) a sufficient number of delivery vehicles and
95-12 rolling stock to provide the holder or the applicant with the
95-13 capability of transporting, selling, delivering, or promoting each
95-14 brand of malt beverage [~~beer~~] to all retailers in the assigned
95-15 territory.

95-16 SECTION 300. Section 102.54(d)(2), Alcoholic Beverage
95-17 Code, is amended to read as follows:

95-18 (2) "Brewer [~~Manufacturer~~]" means a person who holds a
95-19 license issued under Chapter 62, 63, or 74.

95-20 SECTION 301. Sections 102.55(a) and (c), Alcoholic Beverage
95-21 Code, are amended to read as follows:

95-22 (a) In this subchapter and Subchapter D, and as the terms
95-23 relate to an agreement between a brewer [~~manufacturer~~] and a
95-24 distributor describing the sales territory in which a distributor
95-25 may sell the malt beverages [~~beer~~] of a brewer [~~manufacturer~~]:

95-26 (1) "Brand" means any word, name, group of letters,
95-27 symbol, or trademark or a combination of any word, name, group of
95-28 letters, symbol, or trademark that is adopted and used by a brewer
95-29 [~~manufacturer~~] on a label or on packaging to identify a specific
95-30 [~~beer or~~] malt beverage and to distinguish the [~~beer or~~] malt
95-31 beverage product from the label or packaging of another [~~beer or~~]
95-32 malt beverage produced or marketed by any brewer [~~manufacturer~~].
95-33 The term does not include the name of the brewer [~~manufacturer~~]
95-34 unless the name of the brewer [~~manufacturer~~] is included in the name
95-35 of the brand.

95-36 (2) "Brand extension" means a brand that incorporates
95-37 a brand name or brand logo, or a substantial part of an existing
95-38 brand name or brand logo, of the same brewer [~~manufacturer~~].

95-39 (3) "Brewer" [~~"Manufacturer"~~] means a person who holds
95-40 a license issued under Chapter 62, 63, or 74.

95-41 (c) A brewer [~~manufacturer~~] shall assign a brand extension
95-42 to the distributor to whom the brand was originally assigned, if the
95-43 distributor elects to distribute and sell the brand extension.

95-44 SECTION 302. Section 102.56, Alcoholic Beverage Code, is
95-45 amended to read as follows:

95-46 Sec. 102.56. APPLICATION OF TERRITORIAL LIMITS TO CERTAIN
95-47 PERMIT HOLDERS. (a) This section applies only to a holder of a
95-48 local distributor's permit under Chapter 23 that operates in a
95-49 county in which 8,000 or more alcoholic beverage licenses or
95-50 permits of any type have been issued under this code and are in
95-51 effect. Subsections (b) and (d) apply only to the delivery of a
95-52 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a
95-53 mixed beverage permit or a private club permit whose premises is
95-54 located in a county in which 8,000 or more alcoholic beverage
95-55 licenses or permits of any type have been issued under this code and
95-56 are in effect.

95-57 (b) A holder of a local distributor's permit under Chapter
95-58 23 who has purchased a brand of [~~ale, beer, or~~] malt beverage
95-59 [~~liquor~~] from the holder of a general[~~, local,~~] or branch
95-60 distributor's license [~~or from the holder of a general class B~~
95-61 ~~wholesaler's or local class B wholesaler's permit~~] may not deliver
95-62 the brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to any holder of
95-63 a mixed beverage permit or private club permit whose premises is
95-64 located inside that county and outside the territory assigned to
95-65 the distributor [~~or wholesaler~~] who sold the product under a
95-66 territorial limit agreement authorized by this subchapter.

95-67 (c) Except as provided by Subsection (d), a holder of a
95-68 local distributor's permit may purchase a brand of [~~ale, beer, or~~]
95-69 malt beverage [~~liquor~~] only from a distributor [~~or wholesaler~~] who

96-1 has been assigned the territory where the premises of the holder of
96-2 the local distributor's permit is located.

96-3 (d) A holder of a local distributor's permit who delivers a
96-4 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a
96-5 mixed beverage permit or private club permit whose premises is
96-6 located inside that county and outside the assigned territory where
96-7 the premises of the holder of a local distributor's permit is
96-8 located must purchase the brand of [~~ale, beer, or~~] malt beverage
96-9 [~~liquor~~] from a distributor [~~or wholesaler~~] who has been assigned
96-10 the territory where the premises of the holder of the mixed beverage
96-11 or private club permit is located.

96-12 SECTION 303. The heading to Subchapter D, Chapter 102,
96-13 Alcoholic Beverage Code, is amended to read as follows:

96-14 SUBCHAPTER D. MALT BEVERAGE [~~BEER~~] INDUSTRY FAIR DEALING LAW

96-15 SECTION 304. Sections 102.71(1), (2), (4), and (5),
96-16 Alcoholic Beverage Code, are amended to read as follows:

96-17 (1) "This Act" means this subchapter which shall have
96-18 the short title and may be cited as the "Malt Beverage [~~Beer~~]
96-19 Industry Fair Dealing Law."

96-20 (2) "Agreement" means any contract, agreement, or
96-21 arrangement, whether expressed or implied, whether oral or written,
96-22 for a definite or indefinite period between a brewer [~~manufacturer~~]
96-23 and a distributor pursuant to which a distributor has the right to
96-24 purchase, resell, and distribute any brand or brands of malt
96-25 beverage [~~beer~~] offered by a brewer [~~manufacturer~~].

96-26 (4) "Brewer [~~Manufacturer~~]" means those persons
96-27 licensed under Section 62.01, 63.01, or 74.01.

96-28 (5) "Territory" or "sales territory" means the
96-29 geographic area of distribution and sale responsibility designated
96-30 by an agreement between a distributor and brewer [~~manufacturer~~], as
96-31 provided in Section 102.51 of this code, for any brands of the
96-32 brewer [~~manufacturer~~].

96-33 SECTION 305. Sections 102.72(a) and (b), Alcoholic Beverage
96-34 Code, are amended to read as follows:

96-35 (a) This Act is promulgated pursuant to authority of the
96-36 state under the provisions of the 21st amendment to the United
96-37 States Constitution to promote the public's interest in the fair,
96-38 efficient, and competitive distribution of malt beverages [~~beer~~]
96-39 within this state by requiring brewers [~~manufacturers~~] and
96-40 distributors to conduct their business relations so as to assure:

96-41 (1) that the malt beverage [~~beer~~] distributor is free
96-42 to manage its business enterprise, including the right to
96-43 independently establish its selling prices; and

96-44 (2) that the public, retailers, and brewers
96-45 [~~manufacturers~~] are served by distributors who will devote their
96-46 reasonable efforts and resources to the sales and distribution of
96-47 all the brewer's [~~manufacturer's~~] products which the distributor
96-48 has the right to sell and distribute and maintain satisfactory
96-49 sales levels in the sales territory assigned the distributor.

96-50 (b) This Act shall govern all relations between brewers
96-51 [~~manufacturers~~] and their distributors, including any renewals or
96-52 amendments to agreements between them, to the full extent
96-53 consistent with the constitutions and laws of this state and the
96-54 United States.

96-55 SECTION 306. Sections 102.73(a) and (c), Alcoholic Beverage
96-56 Code, are amended to read as follows:

96-57 (a) Except as provided in Subsection (c) [~~of this section~~],
96-58 and except as may be specifically agreed upon at the time by the
96-59 parties, a brewer [~~no manufacturer~~] or beer distributor may not
96-60 cancel, fail to renew, or otherwise terminate an agreement unless
96-61 the brewer [~~manufacturer~~] or distributor furnishes prior
96-62 notification in accordance with Subsection (b) [~~of this section~~]
96-63 to the affected party.

96-64 (c) A brewer [~~manufacturer~~] or distributor may cancel, fail
96-65 to renew, or otherwise terminate an agreement without furnishing
96-66 any prior notification for any of the following reasons:

96-67 (1) in the event of insolvency or bankruptcy or
96-68 dissolution or liquidation of the other party;

96-69 (2) in the event the other party shall make an

97-1 assignment for the benefit of creditors or similar disposition of
97-2 substantially all of the assets of such party's business;

97-3 (3) in the event of a conviction or plea of guilty or
97-4 no contest to a charge of violating a law or regulation or the
97-5 revocation or suspension of a license or permit for a period of 30
97-6 days or more relating to the business and which materially and
97-7 adversely affects the party's ability to continue in business; or

97-8 (4) in the event of the failure to pay amounts owing
97-9 the other when due, upon demand therefor, in accordance with agreed
97-10 payment terms.

97-11 SECTION 307. Section 102.74, Alcoholic Beverage Code, is
97-12 amended to read as follows:

97-13 Sec. 102.74. CANCELLATION. A malt beverage brewer [~~No~~
97-14 ~~manufacturer~~] or [~~beer~~] distributor may not cancel, fail to renew,
97-15 or otherwise terminate an agreement unless the party intending such
97-16 action has good cause for such cancellation, failure to renew, or
97-17 termination and, in any case in which prior notification is
97-18 required under Section 102.73 [~~of this code~~], the party intending
97-19 to act has furnished said prior notification and the affected party
97-20 has not eliminated the reasons specified in such notification as
97-21 the reasons for cancellation, failure to renew, or termination
97-22 within 90 days after the receipt of such notification.

97-23 SECTION 308. Sections 102.75(a) and (b), Alcoholic Beverage
97-24 Code, are amended to read as follows:

97-25 (a) A brewer may not [~~No manufacturer shall~~]:

97-26 (1) induce or coerce, or attempt to induce or coerce,
97-27 any distributor to engage in any illegal act or course of conduct;

97-28 (2) require a distributor to assent to any
97-29 unreasonable requirement, condition, understanding, or term of an
97-30 agreement prohibiting a distributor from selling the product of any
97-31 other brewer [~~manufacturer or manufacturers~~];

97-32 (3) fix or maintain the price at which a distributor
97-33 may resell malt beverages [~~beer~~];

97-34 (4) fail to provide to each distributor of its brands a
97-35 written contract which embodies the brewer's [~~manufacturer's~~]
97-36 agreement with its distributor;

97-37 (5) require any distributor to accept delivery of any
97-38 malt beverages [~~beer~~] or any other item or commodity which shall not
97-39 have been ordered by the distributor;

97-40 (6) adjust the price at which the brewer
97-41 [~~manufacturer~~] sells malt beverages [~~beer~~] to a distributor based
97-42 on the price at which a distributor resells malt beverages [~~beer~~] to
97-43 a retailer, but a brewer [~~manufacturer~~] is free to set its own price
97-44 so long as any price adjustment is based on factors other than a
97-45 distributor's increase in the price it charges to a retailer and not
97-46 intended to otherwise coerce illegal behavior under this section;
97-47 or

97-48 (7) accept payment in exchange for an agreement
97-49 setting forth territorial rights.

97-50 (b) Nothing in this section shall interfere with the rights
97-51 of a brewer [~~manufacturer~~] or distributor to enter into contractual
97-52 agreements that could be construed as governing ordinary business
97-53 transactions, including, but not limited to, agreements concerning
97-54 allowances, rebates, refunds, services, capacity, advertising
97-55 funds, promotional funds, or sports marketing funds.

97-56 SECTION 309. Section 102.76, Alcoholic Beverage Code, is
97-57 amended to read as follows:

97-58 Sec. 102.76. TRANSFER OF BUSINESS ASSETS OR STOCK. (a) A
97-59 brewer may not [~~No manufacturer shall~~] unreasonably withhold or
97-60 delay its approval of any assignment, sale, or transfer of the stock
97-61 of a distributor or all or any portion of a distributor's assets,
97-62 distributor's voting stock, the voting stock of any parent
97-63 corporation, or the beneficial ownership or control of any other
97-64 entity owning or controlling the distributor, including the
97-65 distributor's rights and obligations under the terms of an
97-66 agreement whenever the person or persons to be substituted meet
97-67 reasonable standards imposed not only upon the distributor but upon
97-68 all other distributors of that brewer [~~manufacturer~~] of the same
97-69 general class, taking into account the size and location of the

98-1 sales territory and market to be served. Upon the death of one of
 98-2 the partners of a partnership operating the business of a
 98-3 distributor, a brewer may not [~~no manufacturer shall~~] deny the
 98-4 surviving partner or partners of such partnership the right to
 98-5 become a successor-in-interest to the agreement between the brewer
 98-6 [~~manufacturer~~] and such partnership. Provided that the survivor
 98-7 has been active in the management of the partnership or [~~and/or~~] is
 98-8 otherwise capable of carrying on the business of the partnership.

98-9 (b) Notwithstanding the provisions of Subsection (a) [~~of~~
 98-10 ~~this section~~], upon the death of a distributor a brewer may not [~~no~~
 98-11 ~~manufacturer shall~~] deny approval for any transfer of ownership to
 98-12 a surviving spouse or adult child of an owner of a distributor;
 98-13 provided, however, that such subsequent transfers of such ownership
 98-14 by such surviving spouse or adult child shall thereafter be subject
 98-15 to the provisions of Subsection (a) [~~of this section~~].

98-16 SECTION 310. Section 102.77, Alcoholic Beverage Code, is
 98-17 amended to read as follows:

98-18 Sec. 102.77. REASONABLE COMPENSATION. (a) Any brewer
 98-19 [~~manufacturer~~] who, without good cause, cancels, terminates, or
 98-20 fails to renew any agreement, or unlawfully denies approval of, or
 98-21 unreasonably withholds consent, to any assignment, transfer, or
 98-22 sale of a distributor's business assets or voting stock or other
 98-23 equity securities, shall pay such distributor with whom it has an
 98-24 agreement pursuant to Section 102.51 [~~of this code~~] the fair market
 98-25 value of the distributor's business with relation to the affected
 98-26 brand or brands. In determining fair market value, consideration
 98-27 shall be given to all elements of value, including [~~but not limited~~
 98-28 ~~to~~] goodwill and going concern value.

98-29 (b) In the event that the brewer [~~manufacturer~~] and the
 98-30 distributor are unable to mutually agree on whether or not good
 98-31 cause exists for cancellation under Section 102.74 [~~of this code~~]
 98-32 or on the reasonable compensation to be paid for the value of the
 98-33 distributor's business, as defined herein, the matter may, at the
 98-34 option of either the distributor or brewer [~~manufacturer~~], be
 98-35 submitted to three arbitrators, one of whom shall be named in
 98-36 writing by each party and the third of whom shall be chosen by the
 98-37 two arbiters so selected. Should the arbiters selected fail to
 98-38 choose a third arbiter within 10 days, a judge of a district court
 98-39 in the county in which the distributor's principal place of
 98-40 business is located shall select the third arbiter. Arbitration
 98-41 shall be conducted in accordance with Chapter 171, Civil Practice
 98-42 and Remedies Code [~~the Texas General Arbitration Act, as amended~~
 98-43 ~~(Article 224, Revised Civil Statutes of Texas, 1925)~~]. Arbitration
 98-44 costs shall be paid one-half by the distributor and one-half by the
 98-45 brewer [~~manufacturer~~]. The award of the arbitrators shall be
 98-46 binding on the parties unless appealed within 10 days from the date
 98-47 of the award. All proceedings on appeal shall be in accordance with
 98-48 and governed by Chapter 171, Civil Practice and Remedies Code [~~the~~
 98-49 ~~Texas General Arbitration Act, as amended (Article 224, Revised~~
 98-50 ~~Civil Statutes of Texas, 1925)~~].

98-51 SECTION 311. Section 102.78, Alcoholic Beverage Code, is
 98-52 amended to read as follows:

98-53 Sec. 102.78. RIGHT OF FREE ASSOCIATION. A brewer [~~No~~
 98-54 ~~manufacturer~~] or distributor may not [~~shall~~] restrict or inhibit,
 98-55 directly or indirectly, the right of free association among brewers
 98-56 [~~manufacturers~~] or distributors for any lawful purpose.

98-57 SECTION 312. Section 102.79(a), Alcoholic Beverage Code, is
 98-58 amended to read as follows:

98-59 (a) If a brewer [~~manufacturer~~] or distributor who is a party
 98-60 to an agreement pursuant to Section 102.51 [~~of this code~~] fails to
 98-61 comply with this Act or otherwise engages in conduct prohibited
 98-62 under this Act, or if a brewer [~~manufacturer~~] and distributor are
 98-63 not able to mutually agree on reasonable compensation under Section
 98-64 102.77 [~~of this code~~] and the matter is not to be submitted to
 98-65 arbitration, the aggrieved brewer [~~manufacturer~~] or distributor
 98-66 may maintain a civil action in a court of competent jurisdiction in
 98-67 the county in which the distributor's principal place of business
 98-68 is located.

98-69 SECTION 313. Section 102.81, Alcoholic Beverage Code, is

99-1 amended to read as follows:

99-2 Sec. 102.81. [~~ALE AND~~] MALT BEVERAGES [~~LIQUOR~~]. This
 99-3 subchapter and Subchapter C [~~of this chapter~~] apply to agreements
 99-4 concerning all [~~ale and~~] malt beverages [~~liquor~~] in the same manner
 99-5 [~~as they apply to agreements concerning beer, and each particular~~
 99-6 ~~class of permittee dealing with ale and malt liquor is subject to~~
 99-7 ~~those provisions that apply to functionally corresponding~~
 99-8 ~~licensees within the beer industry].~~

99-9 SECTION 314. Section 103.08, Alcoholic Beverage Code, is
 99-10 amended to read as follows:

99-11 Sec. 103.08. SALE OF MALT BEVERAGE [~~BEER~~]. (a) Any malt
 99-12 beverage [~~beer~~], its container, or its packaging which is seized
 99-13 under the terms of this chapter shall be disposed of in accordance
 99-14 with this section.

99-15 (b) On notification that the malt beverage has [~~beer has~~]
 99-16 been seized, the commission shall promptly notify a holder of a
 99-17 general[~~, local,~~] or branch distributor's license who handles the
 99-18 brand of malt beverage [~~beer~~] seized and who operates in the county
 99-19 in which it was seized. If the malt beverage [~~beer~~] was seized in a
 99-20 dry area, the commission shall notify either the general[~~, local,~~]
 99-21 or branch distributor who handles the brand operating nearest the
 99-22 area or the brewer [~~manufacturer~~] brewing the malt beverage [~~beer~~].
 99-23 The commission and the distributor or brewer [~~manufacturer~~] shall
 99-24 jointly determine whether the malt beverage [~~beer~~] is in a salable
 99-25 condition.

99-26 (c) If the malt beverage [~~beer~~] is determined not to be in a
 99-27 salable condition, the commission shall immediately destroy it. If
 99-28 it is determined to be in a salable condition, it shall be offered
 99-29 for sale to the distributor or brewer [~~manufacturer~~]. If offered to
 99-30 a distributor, the malt beverage [~~beer~~] shall be sold at the
 99-31 distributor's cost price less any state taxes which have been paid
 99-32 on the malt beverage [~~beer~~], F.O.B. the distributor's place of
 99-33 business. If the malt beverage [~~beer~~] is offered to a brewer
 99-34 [~~manufacturer~~], it shall be sold at the brewer's [~~manufacturer's~~]
 99-35 cost price to its nearest distributor, less any state taxes which
 99-36 have been paid on the malt beverage [~~beer~~], F.O.B., the nearest
 99-37 distributor's place of business. In either case, the storage or
 99-38 warehousing charges necessarily incurred as a result of the seizure
 99-39 shall be added to the cost price.

99-40 (d) If the distributor or brewer [~~manufacturer~~] does not
 99-41 exercise the right to purchase salable malt beverages [~~beer~~] or to
 99-42 purchase returnable bottles, containers, or packages at their
 99-43 deposit price within 10 days, the commission shall sell the malt
 99-44 beverages [~~beer~~], bottles, containers, or packages at public or
 99-45 private sale as provided in this chapter.

99-46 SECTION 315. Effective September 1, 2019, Section
 99-47 103.09(b), Alcoholic Beverage Code, is amended to read as follows:

99-48 (b) On notification that liquor has been seized, the
 99-49 commission shall promptly notify a holder of a wholesaler's permit
 99-50 or[~~] a general class B wholesaler's permit~~[~~, or a local class B~~
 99-51 ~~wholesaler's permit~~] who handles the brand of liquor seized and who
 99-52 operates in the county in which it was seized. If the liquor was
 99-53 seized in a dry area, the commission shall notify the wholesaler who
 99-54 handles the brand seized who operates nearest the area. The
 99-55 commission and the wholesaler shall jointly determine whether the
 99-56 liquor is in a salable condition.

99-57 SECTION 316. Section 104.01(a), Alcoholic Beverage Code, is
 99-58 amended to read as follows:

99-59 (a) A [~~No~~] person authorized to sell malt beverages [~~beer~~]
 99-60 at retail, or [~~nor~~] the person's agent, servant, or employee, may
 99-61 not engage in or permit conduct on the premises of the retailer
 99-62 which is lewd, immoral, or offensive to public decency, including[~~]~~
 99-63 ~~but not limited to,~~ any of the following acts:

99-64 (1) the use of loud and vociferous or obscene, vulgar,
 99-65 or indecent language, or permitting its use;

99-66 (2) the exposure of a person or permitting a person to
 99-67 expose himself or herself;

99-68 (3) rudely displaying or permitting a person to rudely
 99-69 display a pistol or other deadly weapon in a manner calculated to

disturb persons in the retail establishment;

(4) solicitation of any person to buy drinks for consumption by the retailer or any of the retailer's employees;

(5) being intoxicated on the licensed premises;

(6) permitting lewd or vulgar entertainment or acts;

(7) permitting solicitations of persons for immoral or sexual purposes;

(8) failing or refusing to comply with state or municipal health or sanitary laws or ordinances; or

(9) possession of a narcotic or synthetic cannabinoid or any equipment used or designed for the administering of a narcotic or a synthetic cannabinoid or permitting a person on the licensed premises to do so.

SECTION 317. Section 104.04, Alcoholic Beverage Code, is amended to read as follows:

Sec. 104.04. DRAFT MALT BEVERAGE DISPENSER: SIGN REQUIRED. A ~~No~~ retail dealer may not dispense draft ~~beer,~~ malt beverages ~~[liquor, or ale]~~ unless each faucet or other dispensing apparatus is equipped with a sign clearly indicating the name or brand of the product being dispensed through the faucet or apparatus. The sign must be in full sight of the purchaser, and the letters on it must be legible.

SECTION 318. Sections 104.05(a), (b), (c), and (e), Alcoholic Beverage Code, are amended to read as follows:

(a) This section applies to a permittee or licensee who is authorized to sell ~~beer,~~ malt beverages ~~[liquor, or ale]~~ to an ultimate consumer for consumption off the permitted or licensed premises.

(b) The holder of a permit or license described in Subsection (a) ~~[of this section]~~ may resell ~~beer,~~ malt beverages ~~[liquor, or ale]~~ only in the packaging in which the holder received the ~~beer,~~ malt beverages ~~[liquor, or ale]~~ or may resell the contents of the packages as individual containers.

(c) Except for purposes of resale as individual containers, a licensee or permittee may not:

(1) mutilate, tear apart, or cut apart original packaging in which ~~beer,~~ malt beverages were ~~[liquor, or ale]~~ received; or

(2) repackage ~~beer,~~ malt beverages ~~[liquor, or ale]~~ in a manner misleading to the consumer or that results in required labeling being omitted or obscured.

(e) To assure and control product quality, the holder of a distributor's license, ~~[wholesaler's permit, or class B wholesaler's permit,~~ at the time of a regular delivery, may withdraw, with the permission of the retailer, a quantity of ~~beer, ale, or~~ malt beverages ~~[liquor]~~ in its undamaged original packaging from the retailer's stock, if:

(1) the distributor~~, wholesaler, or class B wholesaler~~ replaces the stock with ~~beer, ale, or~~ malt beverages ~~[liquor]~~ of identical brands, quantities, and packages as the ~~beer, ale, or~~ malt beverages ~~[liquor]~~ withdrawn;

(2) the stock is withdrawn before the date considered by the brewer ~~[manufacturer]~~ of the product to be the date the product becomes inappropriate for sale to a consumer; and

(3) the quantity of stock withdrawn does not exceed the equivalent of 25 cases of 24 12-ounce containers.

SECTION 319. Sections 105.03(c) and (d), Alcoholic Beverage Code, are amended to read as follows:

(c) In a city or county having a population of 800,000 or more, according to the last preceding federal census, or 500,000 or more, according to the 22nd Decennial Census of the United States, as released by the Bureau of the Census on March 12, 2001, a holder of a mixed beverage permit who holds a retailer late hours certificate ~~[permit]~~ may also sell and offer for sale mixed beverages between midnight and 2 a.m. on any day.

(d) In a city or county other than a city or county described by Subsection (c), the extended hours prescribed in Subsection (c) ~~[of this section]~~ are effective for the sale of mixed beverages and the offer to sell them by a holder of a mixed beverage permit who

101-1 holds a retailer [~~beverages~~] late hours certificate [~~permit~~]:

101-2 (1) in the unincorporated areas of the county if the
101-3 extended hours are adopted by an order of the commissioners court;
101-4 and

101-5 (2) in an incorporated city or town if the extended
101-6 hours are adopted by an ordinance of the governing body of the city
101-7 or town.

101-8 SECTION 320. Section 105.04, Alcoholic Beverage Code, is
101-9 amended to read as follows:

101-10 Sec. 105.04. HOURS OF SALE: WINE AND MALT BEVERAGE [~~BEER~~]
101-11 RETAILER. The hours of sale and delivery for alcoholic beverages
101-12 sold under a wine and malt beverage [~~beer~~] retailer's permit or a
101-13 wine and malt beverage [~~beer~~] retailer's off-premise permit are the
101-14 same as those prescribed for the sale of malt beverages [~~beer~~] under
101-15 Section 105.05 [~~of this code~~], except that no sale shall be allowed
101-16 between 2 a.m. and noon on Sunday.

101-17 SECTION 321. Section 105.05, Alcoholic Beverage Code, is
101-18 amended to read as follows:

101-19 Sec. 105.05. HOURS OF SALE: MALT BEVERAGES [~~BEER~~]. (a) A
101-20 [~~No~~] person may sell, offer for sale, or deliver malt beverages only
101-21 [~~beer~~] at a [~~any~~] time [~~not~~] permitted by this section.

101-22 (b) A person may sell, offer for sale, or deliver malt
101-23 beverages [~~beer~~] between 7 a.m. and midnight on any day except
101-24 Sunday. On Sunday a person [~~he~~] may sell malt beverages [~~beer~~]
101-25 between midnight and 1:00 a.m. and between noon and midnight,
101-26 except that permittees or licensees authorized to sell for
101-27 on-premise consumption may sell malt beverages [~~beer~~] between 10:00
101-28 a.m. and noon if the malt beverages are [~~beer is~~] served to a
101-29 customer during the service of food to the customer.

101-30 (c) In a city or county having a population of 800,000 or
101-31 more, according to the last preceding federal census, or 500,000 or
101-32 more, according to the 22nd Decennial Census of the United States,
101-33 as released by the Bureau of the Census on March 12, 2001, a holder
101-34 of a retail dealer's on-premise license who holds a retailer
101-35 hours certificate [~~license~~] may also sell, offer for sale, and
101-36 deliver malt beverages [~~beer~~] between midnight and 2 a.m. on any
101-37 day.

101-38 (d) In a city or county other than a city or county described
101-39 by Subsection (c), the extended hours prescribed in Subsection (c)
101-40 [~~of this section~~] or any part of the extended hours prescribed in
101-41 Subsection (c) [~~of this section~~] are effective for the sale, offer
101-42 to sell, and delivery of malt beverages [~~beer~~] by a holder of a
101-43 retail dealer's on-premise license who holds a retailer
101-44 certificate [~~license~~]:

101-45 (1) in the unincorporated areas of the county if the
101-46 extended hours are adopted by an order of the commissioners court;
101-47 and

101-48 (2) in an incorporated city or town if the extended
101-49 hours are adopted by an ordinance of the governing body of the city
101-50 or town.

101-51 (e) A violation of a city ordinance or order of a
101-52 commissioners court adopted pursuant to Subsection (d) [~~of this~~
101-53 ~~section~~] is a violation of this code.

101-54 SECTION 322. Section 105.051, Alcoholic Beverage Code, is
101-55 amended to read as follows:

101-56 Sec. 105.051. SALE OF MALT BEVERAGES [~~BEER~~] BY
101-57 DISTRIBUTOR'S LICENSEE. The holder of a general[, ~~local~~,] or
101-58 branch distributor's license may sell, offer for sale, or deliver
101-59 malt beverages [~~beer~~] 24 hours a day Monday through Saturday and
101-60 between midnight and 1 a.m. and between noon and midnight on Sunday.

101-61 SECTION 323. Section 105.082, Alcoholic Beverage Code, is
101-62 amended to read as follows:

101-63 Sec. 105.082. HOURS OF SALE AND CONSUMPTION: BREWER [~~OR~~
101-64 ~~MANUFACTURER~~]. [~~(a) The holder of a brewer's permit may sell,~~
101-65 ~~offer for sale, and deliver ale or malt liquor and a person may~~
101-66 ~~consume ale or malt liquor on the brewer's premises.~~

101-67 [~~(1) between 8 a.m. and midnight on any day except~~
101-68 ~~Sunday, and~~

101-69 [~~(2) between 10 a.m. and midnight on Sunday.~~

102-1 ~~(b)~~ The holder of a brewer's ~~[manufacturer's]~~ license may
102-2 sell, offer for sale, and deliver malt beverages ~~[beer]~~ and a person
102-3 may consume malt beverages ~~[beer]~~ on the brewer's ~~[manufacturer's]~~
102-4 premises:

102-5 (1) between 8 a.m. and midnight on any day except
102-6 Sunday; and
102-7 (2) between 10 a.m. and midnight on Sunday.

102-8 SECTION 324. Effective September 1, 2019, Section
102-9 106.09(d), Alcoholic Beverage Code, is amended to read as follows:

102-10 (d) A ~~[The fact that a]~~ person who is 18, 19, or 20 years of
102-11 age is not prohibited from acting as an agent ~~[a ground for refusal~~
102-12 ~~of an original or renewal permit or license issued]~~ under Chapter
102-13 35, 36, or 73, provided the ~~[that such a]~~ person ~~[to whom a permit or~~
102-14 ~~license is issued]~~ may carry out the activities authorized by those
102-15 chapters only while in the actual course and scope of the person's
102-16 employment.

102-17 SECTION 325. Section 106.16(b), Alcoholic Beverage Code, is
102-18 amended to read as follows:

102-19 (b) Notwithstanding any other law, a minor may taste an
102-20 alcoholic beverage if:

102-21 (1) the minor:
102-22 (A) is at least 18 years old; and
102-23 (B) is enrolled:
102-24 (i) as a student at a public or private
102-25 institution of higher education or a career school or college that
102-26 offers a program in culinary arts, viticulture, enology or wine
102-27 technology, brewing or malt beverage ~~[beer]~~ technology, or
102-28 distilled spirits production or technology; and

102-29 (ii) in a course that is part of a program
102-30 described by Subparagraph (i);

102-31 (2) the beverage is tasted for educational purposes as
102-32 part of the curriculum for the course described by Subdivision
102-33 (1)(B)(ii);

102-34 (3) the beverage is not purchased by the minor; and
102-35 (4) the service and tasting of the beverage is
102-36 supervised by a faculty or staff member who is at least 21 years of
102-37 age.

102-38 SECTION 326. Section 107.02, Alcoholic Beverage Code, is
102-39 amended to read as follows:

102-40 Sec. 107.02. TRANSPORTATION OF MALT BEVERAGES ~~[BEER]~~:
102-41 STATEMENT REQUIRED. (a) It is lawful for a person to transport
102-42 malt beverages ~~[beer]~~ from any place where its sale, manufacture,
102-43 or distribution is authorized to another place in the state where
102-44 its sale, manufacture, or distribution is authorized, or from the
102-45 state boundary to a place where its sale, manufacture, or
102-46 distribution is authorized, even though the route of transportation
102-47 may cross a dry area.

102-48 (a-1) A person transporting malt beverages ~~[beer]~~ to the
102-49 premises of a distributor, including to a location from which the
102-50 distributor is temporarily conducting business under Section
102-51 109.62, shall provide to the consignee a shipping invoice that
102-52 clearly states:

102-53 (1) the name and address of the consignor and
102-54 consignee;

102-55 (2) the origin and destination of the shipment; and

102-56 (3) any other information required by this code or
102-57 commission rule, including the brands, sizes of containers, and
102-58 quantities of malt beverages ~~[beer]~~ contained in the shipment.

102-59 (b) A shipment of malt beverages ~~[beer]~~ must be accompanied
102-60 by a written statement furnished and signed by the shipper showing:

102-61 (1) the name and address of the consignor and
102-62 consignee;

102-63 (2) the origin and destination of the shipment; and

102-64 (3) any other information required by the commission
102-65 or administrator.

102-66 (c) The person in charge of the shipment while it is being
102-67 transported shall exhibit the written statement to any
102-68 representative of the commission or peace officer who demands to
102-69 see it. The statement shall be accepted by the representative or

103-1 peace officer as prima facie evidence of the legal right to
103-2 transport the malt beverages [~~beer~~].

103-3 (d) A person who transports malt beverages [~~beer~~] not
103-4 accompanied by the required statement, or who fails to exhibit the
103-5 statement after a lawful demand, violates this code.

103-6 SECTION 327. Section 107.04, Alcoholic Beverage Code, is
103-7 amended to read as follows:

103-8 Sec. 107.04. DELIVERY OF MALT BEVERAGES [~~BEER~~] IN DRY AREA.
103-9 A common carrier may not deliver malt beverages [~~beer~~] in a dry area
103-10 unless the malt beverages are [~~it is~~] consigned to a [~~local or~~]
103-11 general distributor's licensee who has previously stated that the
103-12 licensee [~~he~~] intends to transport the malt beverages [~~it~~] to a
103-13 licensed place of business in a wet area. A common carrier who
103-14 transports malt beverages [~~beer~~] to a distributor in a dry area
103-15 shall comply strictly with this section and Section 107.02 [~~of this~~
103-16 ~~code~~].

103-17 SECTION 328. Section 107.06, Alcoholic Beverage Code, is
103-18 amended to read as follows:

103-19 Sec. 107.06. IMPORTATION OF MALT BEVERAGES [~~BEER~~]. (a) A
103-20 [~~No~~] person may not import malt beverages [~~beer~~] into the state
103-21 except the holder of a brewer's [~~manufacturer's~~] or general[~~r~~
103-22 ~~local~~] or branch distributor's license.

103-23 (b) A [~~No~~] person may not transport malt beverages [~~beer~~]
103-24 into this state unless the malt beverages are [~~it is~~] consigned and
103-25 delivered to one of the licensees named in Subsection (a) [~~of this~~
103-26 ~~section~~].

103-27 (c) This section does not apply to the importation or
103-28 transportation of military malt beverages [~~beer~~] consigned to a
103-29 military installation or to the importation of malt beverages
103-30 [~~beer~~] as authorized under Section 107.07 [~~of this code~~].

103-31 SECTION 329. Section 107.09, Alcoholic Beverage Code, is
103-32 amended to read as follows:

103-33 Sec. 107.09. SINGLE INVOICE AUTHORIZED. If the holder of a
103-34 general[~~r~~ ~~local~~] or branch distributor's license also holds a
103-35 wholesaler's or[~~r~~] general class B wholesaler's[~~r~~ ~~or local class B~~
103-36 ~~wholesaler's~~] permit, a written statement or invoice required as
103-37 evidence of the sale of malt beverages [~~beer~~] or liquor may be on
103-38 the same business form that is designed to reflect the sale of both
103-39 liquor and malt beverages [~~beer~~], if all information required by
103-40 this code to be shown on a statement or invoice is reflected on the
103-41 form and all other records required by this code are maintained.

103-42 SECTION 330. Section 107.10, Alcoholic Beverage Code, is
103-43 amended to read as follows:

103-44 Sec. 107.10. TRANSPORTATION OF WINE COOLERS OR SPIRIT
103-45 COOLERS. (a) A holder of a wholesaler's or[~~r~~] general class B
103-46 wholesaler's[~~r~~ ~~or local class B wholesaler's~~] permit may transport
103-47 and sell wine coolers without a prior order if the holder complies
103-48 with the provisions of this code and rules of the commission
103-49 applicable to the transportation and sale of malt beverages [~~beer~~]
103-50 by a holder of a distributor's license.

103-51 (b) A holder of a wholesaler's permit may transport and sell
103-52 spirit coolers without a prior order if the holder complies with the
103-53 provisions of this code and rules of the commission applicable to
103-54 the transportation and sale of malt beverages [~~beer~~] by a holder of
103-55 a distributor's license.

103-56 SECTION 331. Section 108.01(a), Alcoholic Beverage Code, is
103-57 amended to read as follows:

103-58 (a) A brewer [~~No manufacturer~~] or distributor directly or
103-59 indirectly, or through a subsidiary, affiliate, agent, employee,
103-60 officer, director, or firm member, may not publish, disseminate, or
103-61 cause to be published or disseminated by any medium enumerated in
103-62 Subsection (b) an advertisement of a brewery product that:

103-63 (1) causes or is reasonably calculated to cause
103-64 deception of the consumer with respect to the product advertised;

103-65 (2) directly or by ambiguity, omission, or inference
103-66 tends to create a misleading impression;

103-67 (3) is untrue in any particular;

103-68 (4) disparages a competitor's product; or

103-69 (5) is obscene or indecent.

104-1 SECTION 332. Section 108.03, Alcoholic Beverage Code, is
 104-2 amended to read as follows:

104-3 Sec. 108.03. REGULATION OF PROMOTIONAL ACTIVITIES. The
 104-4 commission shall adopt rules permitting and regulating the use of
 104-5 business cards, menu cards, stationery, service vehicles and
 104-6 equipment, and delivery vehicles and equipment that bear alcoholic
 104-7 beverage advertising. The commission shall also adopt rules
 104-8 permitting and regulating the use of insignia advertising malt
 104-9 beverages [~~beer~~], distilled spirits, or wine by brand name on caps,
 104-10 regalia, or uniforms worn by employees of manufacturers,
 104-11 distributors, distillers, or wineries or by participants in a game,
 104-12 sport, athletic contest, or revue if the participants are sponsored
 104-13 by a manufacturer, distributor, distiller, or winery.

104-14 SECTION 333. Section 108.035, Alcoholic Beverage Code, is
 104-15 amended to read as follows:

104-16 Sec. 108.035. PACKAGING OF CERTAIN PROMOTIONAL ITEMS
 104-17 AUTHORIZED. Notwithstanding any other provision of this code, a
 104-18 person who holds a brewer's [~~permit, nonresident brewer's permit,~~
 104-19 ~~manufacturer's~~] license[~~7~~] or nonresident brewer's
 104-20 [~~manufacturer's~~] license, or the person's agent or employee, may
 104-21 package alcoholic beverages in combination with other items if the
 104-22 package is designed to be delivered intact to the [~~wholesaler or~~]
 104-23 distributor and the additional items are branded and have no value
 104-24 or benefit to the retailer other than that of having the potential
 104-25 of attracting purchases and promoting sales.

104-26 SECTION 334. Section 108.04, Alcoholic Beverage Code, is
 104-27 amended to read as follows:

104-28 Sec. 108.04. ACTS OF PROMOTIONAL OR COURTESY NATURE:
 104-29 ADMINISTRATIVE DISCRETION. The commission may promulgate rules
 104-30 which shall set definite limitations consistent with the general
 104-31 provisions of this code, relaxing the restrictions of Sections
 104-32 102.07, 102.14, 102.15, and 108.06, with respect to:

- 104-33 (1) the sale or gift of novelties advertising the
 104-34 product of a brewer [~~manufacturer~~] or distributor;
 104-35 (2) the making of gifts to civic, religious, or
 104-36 charitable organizations;
 104-37 (3) the cleaning and maintenance of coil connections
 104-38 for dispensing draught malt beverages [~~beer~~];
 104-39 (4) the lending of equipment for special occasions;
 104-40 and
 104-41 (5) acts of a purely courtesy nature.

104-42 SECTION 335. Section 108.041, Alcoholic Beverage Code, is
 104-43 amended to read as follows:

104-44 Sec. 108.041. CARBON DIOXIDE FILTERS PROVIDED TO RETAILERS.
 104-45 (a) A brewer [~~manufacturer~~] or distributor of malt beverages
 104-46 [~~beer~~] may provide carbon dioxide filters to malt beverage [~~beer~~]
 104-47 retailers for draught systems using carbon dioxide or a carbon
 104-48 dioxide and nitrogen blend, commonly referred to as "beer gas."

104-49 (b) The cost of providing, maintaining, and replacing the
 104-50 carbon dioxide filters shall be borne by the brewer [~~manufacturer~~].

104-51 SECTION 336. Effective September 1, 2019, Section 108.042,
 104-52 Alcoholic Beverage Code, is amended to read as follows:

104-53 Sec. 108.042. ACTS OF PROMOTIONAL OR COURTESY NATURE: WINE
 104-54 DISPENSING. The commission shall adopt rules that set definite
 104-55 limitations, consistent with the general provisions of this code,
 104-56 relaxing the restrictions of Section 102.07 to allow the holder of a
 104-57 wholesaler's or[~~7~~] general class B wholesaler's[~~7, or local class B~~
 104-58 ~~wholesaler's~~] permit or the permit holder's agent to perform the
 104-59 cleaning and maintenance of coil connections for the dispensing of
 104-60 wine.

104-61 SECTION 337. Section 108.05, Alcoholic Beverage Code, is
 104-62 amended to read as follows:

104-63 Sec. 108.05. ALLOWANCE FOR ADVERTISEMENT OR DISTRIBUTION.
 104-64 A brewer [~~No manufacturer~~] or distributor, directly or indirectly,
 104-65 or through a subsidiary, affiliate, agent, employee, officer,
 104-66 director, or firm member, may not pay or make an allowance to a
 104-67 retail dealer for an advertising or distribution service.

104-68 SECTION 338. Section 108.06, Alcoholic Beverage Code, is
 104-69 amended to read as follows:

105-1 Sec. 108.06. PRIZES AND PREMIUMS. A brewer [~~No~~
 105-2 ~~manufacturer~~] or distributor, directly or indirectly, or through a
 105-3 subsidiary, affiliate, agent, employee, officer, director, or firm
 105-4 member, may not offer a prize, premium, gift, or other inducement to
 105-5 a dealer in or consumer of brewery products.

105-6 SECTION 339. Sections 108.061(a) and (e), Alcoholic
 105-7 Beverage Code, are amended to read as follows:

105-8 (a) Notwithstanding the prohibition against prizes given to
 105-9 a consumer in Section 108.06 and subject to the rules of the
 105-10 commission, a [~~manufacturer, nonresident manufacturer, or~~] brewer
 105-11 or nonresident brewer may offer a prize to a consumer of legal
 105-12 drinking age if the offer is a part of a promotional sweepstakes
 105-13 activity.

105-14 (e) If a licensee [~~or permittee~~] conducts a private event
 105-15 authorized by Subsection (d) at a retailer's premises, the licensee
 105-16 [~~or permittee~~] shall pay the retailer the fair market value for the
 105-17 use of the premises. The retailer must retain control of the sale
 105-18 and service of alcoholic beverages at the private event.

105-19 SECTION 340. Effective September 1, 2019, Section
 105-20 108.08(b), Alcoholic Beverage Code, is amended to read as follows:

105-21 (b) A part of the cost of advertising revenue paid by a
 105-22 manufacturer to an entity under this section may not be charged to
 105-23 or paid, directly or indirectly, by the holder of a wholesaler's
 105-24 permit, general class B wholesaler's permit, [~~local class B~~
 105-25 ~~wholesaler's permit,~~] local distributor's permit, or general
 105-26 distributor's license[~~, or local distributor's license~~], except
 105-27 through the price paid by that holder for products purchased from
 105-28 the holders' supplier.

105-29 SECTION 341. Section 108.10, Alcoholic Beverage Code, is
 105-30 amended to read as follows:

105-31 Sec. 108.10. BRANDED PROMOTIONAL VEHICLES.
 105-32 Notwithstanding any other provision of this code, the holder of a
 105-33 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
 105-34 license or a nonresident seller's permit may display a branded
 105-35 promotional vehicle on the licensed or permitted premises of a
 105-36 retailer, whether outside or inside a structure on the premises,
 105-37 for not more than five hours per day.

105-38 SECTION 342. Effective September 1, 2019, Section
 105-39 108.52(c), Alcoholic Beverage Code, is amended to read as follows:

105-40 (c) The commission shall adopt reasonable rules relating to
 105-41 the type of outdoor advertising retail [~~Retail~~] licensees and
 105-42 permittees may erect or maintain on the retailer's premises. A
 105-43 violation of a rule adopted under this section is a violation of
 105-44 this code. [~~one sign at each place of business which may read as~~
 105-45 ~~follows:~~

105-46 [~~(1) if a beer retailer, the sign may read "Beer",~~
 105-47 [~~(2) if an off-premises beer retailer, the sign may~~
 105-48 ~~read "Beer" or "Beer to Go",~~

105-49 [~~(3) if a wine and beer retailer, the sign may read~~
 105-50 ~~"Beer," "Beer and Wine," or "Beer, Wine and Ale",~~

105-51 [~~(4) if a wine and beer off-premises retailer, the~~
 105-52 ~~sign may read "Beer," "Beer to Go," "Beer and Wine," "Beer and Wine~~
 105-53 ~~to Go," "Beer, Wine and Ale," or "Beer, Wine and Ale to Go",~~

105-54 [~~(5) if a package store permittee, the sign may read~~
 105-55 ~~"Package Store," "Liquors," or "Wines and Liquors," and if a retail~~
 105-56 ~~dealer's off-premise license is also held, the sign may read~~
 105-57 ~~"Package Store," "Wines, Liquors and Beer," or "Wine, Liquors and~~
 105-58 ~~Beer to Go", or~~

105-59 [~~(6) if a wine only package store permittee, the sign~~
 105-60 ~~may read "Wine" or "Wines," and if a retail dealer's off-premise~~
 105-61 ~~license is also held, the sign may read "Wines and Beer," "Wine and~~
 105-62 ~~Beer," or "Wine and Beer to Go."]~~

105-63 SECTION 343. Effective September 1, 2019, Section 108.53,
 105-64 Alcoholic Beverage Code, is amended to read as follows:

105-65 Sec. 108.53. ADVERTISING [~~BILLBOARDS AND ELECTRIC~~] SIGNS[~~+~~
 105-66 ~~WHEN PERMIT IS REQUIRED~~]. Consistent [~~(a) No person may erect a~~
 105-67 ~~billboard or electric sign advertising an alcoholic beverage within~~
 105-68 ~~200 feet of a retail establishment authorized to sell that beverage~~
 105-69 ~~unless he has first obtained a permit for that purpose from the~~

106-1 ~~commission. No permit is required for a billboard or electric sign~~
106-2 ~~that is not located within 200 feet of a retail establishment~~
106-3 ~~authorized to sell the advertised alcoholic beverage.~~

106-4 ~~[(b) The commission or administrator shall provide permit~~
106-5 ~~application forms, which may contain any information the commission~~
106-6 ~~or administrator deems necessary. The application shall contain a~~
106-7 ~~statement that the erection or maintenance of the billboard or~~
106-8 ~~electric sign will not have the effect of advertising or directing~~
106-9 ~~patronage to a particular retail establishment authorized to sell~~
106-10 ~~alcoholic beverages. Application shall be made under oath,~~
106-11 ~~addressed to the commission or administrator.~~

106-12 ~~[(c) The commission or administrator shall issue a permit if~~
106-13 ~~either of them finds that all statements in the application are true~~
106-14 ~~and the erection or maintenance of the billboard or electric sign~~
106-15 ~~will not be contrary to this code or to a rule of the commission.~~
106-16 ~~Otherwise, the commission or administrator shall refuse to issue a~~
106-17 ~~permit.~~

106-18 ~~[(d) Notwithstanding the restrictions imposed by this~~
106-19 ~~section, but consistent] with other provisions of this code, the~~
106-20 ~~commission shall promulgate rules allowing for signs advertising~~
106-21 ~~alcoholic beverages at charitable or civic events such as fairs,~~
106-22 ~~rodeos, or other events of a temporary nature. This section~~
106-23 ~~[subsection] does not authorize, nor shall any rule of the~~
106-24 ~~commission authorize, a retailer of alcoholic beverages to derive,~~
106-25 ~~directly or indirectly, any money or consideration of any kind as a~~
106-26 ~~result of alcoholic beverage advertising, and the commission's~~
106-27 ~~rules shall reflect the intent that the charity or civic endeavor~~
106-28 ~~receive the proceeds, if any, from such advertising signs.~~

106-29 SECTION 344. Section 108.73(1), Alcoholic Beverage Code, is
106-30 amended to read as follows:

106-31 (1) "Independent concessionaire" means a licensed or
106-32 permitted member of the retail tier or a holder of a private club
106-33 registration permit, mixed beverage permit ~~[caterer's permit]~~, or
106-34 food and beverage certificate who:

106-35 (A) has a written concession agreement from the
106-36 owner, operator, or lessee of a public entertainment facility;

106-37 (B) receives no monetary benefit, directly or
106-38 indirectly, by any scheme or device or in any form or degree from
106-39 the alcoholic beverage industry including a benefit in the form of
106-40 capital improvements, furniture, fixtures, or equipment, unless
106-41 otherwise authorized by this code or commission rules; and

106-42 (C) is not owned, in whole or in part, by the
106-43 public entertainment facility, or a subsidiary, agent, manager, or
106-44 company managing the facility, and who does not own, in whole or in
106-45 part, or manage the public entertainment facility.

106-46 SECTION 345. Section 109.04, Alcoholic Beverage Code, is
106-47 amended to read as follows:

106-48 Sec. 109.04. SALE OF MALT BEVERAGES ~~[BEER]~~: PROCEDURE. (a)
106-49 When the commission is notified under this subchapter of the
106-50 acquisition of malt beverages ~~[beer]~~ or malt beverage ~~[its]~~
106-51 containers or original packages, it shall immediately notify a
106-52 holder of a general~~[, local,]~~ or branch distributor's license who
106-53 handles the brand of malt beverages ~~[beer]~~ and who operates in the
106-54 county where the malt beverages are ~~[it is]~~ located or, if the malt
106-55 beverages are ~~[it is]~~ located in a dry area or if no distributor
106-56 operates in the county, the nearest distributor handling the brand
106-57 or the brewer ~~[manufacturer]~~ who brewed the malt beverages ~~[it]~~.

106-58 (b) The insurer or insurance salvor, the commission, and the
106-59 distributor or brewer ~~[manufacturer]~~ shall jointly agree whether
106-60 the malt beverages are ~~[beer is]~~ salable. If the malt beverages are
106-61 ~~[it is]~~ determined to be unsalable, the commission shall destroy
106-62 the malt beverages ~~[it]~~. If the malt beverages are ~~[it is]~~
106-63 determined to be salable, the brewer ~~[manufacturer]~~ or distributor
106-64 shall be given the opportunity to purchase the malt beverages ~~[it]~~.
106-65 A distributor may purchase malt beverages ~~[beer]~~ at the cost price
106-66 less any state taxes that have been paid, F.O.B. its place of
106-67 business. A brewer ~~[manufacturer]~~ may purchase malt beverages
106-68 ~~[beer]~~ at the cost price to the nearest distributor of the brand,
106-69 less any state taxes that have been paid, F.O.B. that distributor's

107-1 place of business. A brewer [~~manufacturer~~] or distributor may
 107-2 purchase returnable bottles, containers, or packages at their
 107-3 deposit price.

107-4 (c) If the distributor or brewer [~~manufacturer~~] does not
 107-5 exercise the right to purchase the merchandise within 10 days after
 107-6 being given the opportunity to purchase it, the insurer or
 107-7 insurance salvor may sell it to any qualified licensee or permittee
 107-8 as provided in Section 109.01 [~~of this code~~].

107-9 SECTION 346. Effective September 1, 2019, Section
 107-10 109.05(a), Alcoholic Beverage Code, is amended to read as follows:

107-11 (a) When the commission is notified under this subchapter of
 107-12 the acquisition of liquor or its containers or original packages,
 107-13 it shall immediately notify the holder or holders of wholesaler's
 107-14 or ~~[7]~~ class B wholesaler's [~~7, or local class B wholesaler's~~] permits
 107-15 who handle and regularly sell the brand or brands of liquor involved
 107-16 and who operate in the area where the liquor is located, or who
 107-17 operate in the nearest wet area if the liquor is in a dry area. The
 107-18 commission shall also notify the nonresident seller's permittees
 107-19 who handle the brand or brands of liquor involved, or the
 107-20 nonresident seller's agents [~~manufacturer's agent's permittees~~] who
 107-21 represent those nonresident seller's permittees.

107-22 SECTION 347. Section 109.08, Alcoholic Beverage Code, is
 107-23 amended to read as follows:

107-24 Sec. 109.08. EXCLUSION. Notwithstanding any other
 107-25 provision of this code, a [~~no~~] person engaged in business as a
 107-26 distiller, brewer, [~~manufacturer,~~] winery, or any other
 107-27 manufacturing level producer of liquor or malt beverages [~~beer~~], or
 107-28 their wholesalers or distributors, may not directly or indirectly
 107-29 or through an affiliate require, by agreement or otherwise, that
 107-30 any retailer engaged in the sale of liquor or malt beverages [~~beer~~]
 107-31 purchase any such products from such person to the exclusion in
 107-32 whole or in part of liquor or malt beverages [~~beer~~] sold or offered
 107-33 for sale by other persons, or prevent, deter, hinder, or restrict
 107-34 other persons from selling or offering for sale any such products to
 107-35 any retailer.

107-36 SECTION 348. Section 109.21, Alcoholic Beverage Code, is
 107-37 amended to read as follows:

107-38 Sec. 109.21. HOME PRODUCTION OF WINE OR [~~7, ALE,~~] MALT
 107-39 BEVERAGES [~~LIQUOR, OR BEER~~]. (a) The head of a family or an
 107-40 unmarried adult may produce for the person's use or the use of the
 107-41 person's [~~his~~] family [~~or himself~~] not more than 200 gallons of wine
 107-42 or [~~7, ale,~~] malt beverages [~~liquor, or beer,~~] per year. No license
 107-43 or permit is required.

107-44 (b) The commission may prohibit the use of any ingredient it
 107-45 finds detrimental to health or susceptible of use to evade this
 107-46 code. Only wine made from the normal alcoholic fermentation of the
 107-47 juices of dandelions or grapes, raisins, or other fruits may be
 107-48 produced under this section. Only [~~ale,~~] malt beverages [~~liquor,~~
 107-49 ~~or beer~~] made from the normal alcoholic fermentation of malted
 107-50 barley with hops, or their products, and with or without other
 107-51 malted or unmalted cereals, may be produced under this section. The
 107-52 possession of wine or [~~7, ale,~~] malt beverages [~~liquor, or beer~~]
 107-53 produced under this section is not an offense if the person making
 107-54 it complies with all provisions of this section and the wine or [~~7~~
 107-55 ~~ale,~~] malt beverages are [~~liquor, or beer is~~] not distilled,
 107-56 fortified, or otherwise altered to increase their [~~its~~] alcohol
 107-57 content.

107-58 (c) There is no annual state fee for beverages produced in
 107-59 compliance with this section.

107-60 SECTION 349. Section 109.22, Alcoholic Beverage Code, is
 107-61 amended to read as follows:

107-62 Sec. 109.22. DELIVERY OF HOME-PRODUCED WINE OR [~~7, ALE,~~] MALT
 107-63 BEVERAGES [~~LIQUOR, OR BEER~~] FOR CERTAIN PURPOSES. (a) This section
 107-64 applies only to a person who is authorized under Section 109.21(a)
 107-65 to produce wine or [~~7, ale,~~] malt beverages [~~liquor, or beer~~].

107-66 (b) For the purpose of participating in an organized
 107-67 tasting, evaluation, competition, or literary review, a person to
 107-68 whom this section applies may deliver wine or [~~7, ale,~~] malt
 107-69 beverages [~~liquor, or beer~~] produced and manufactured by the person

108-1 to locations that are not licensed under this code for the purpose
 108-2 of submitting those products to an evaluation at an organized
 108-3 tasting competition that is closed to the general public or by a
 108-4 reviewer whose reviews are published if:

108-5 (1) no charge of any kind is made for the wine or [~~ale,~~
 108-6 ~~ale,~~] malt beverages [~~liquor, or beer~~], for their [~~its~~] delivery,
 108-7 or for attendance at the event; and

108-8 (2) the commission consents in writing to the
 108-9 delivery.

108-10 (c) Nothing in this section shall be construed to authorize
 108-11 an increase in the quantity of wine or [~~ale,~~] malt beverages
 108-12 [~~liquor, or beer~~] authorized to be produced by a person under the
 108-13 authority of Section 109.21(a) [~~of this code~~].

108-14 SECTION 350. Section 109.32, Alcoholic Beverage Code, is
 108-15 amended to read as follows:

108-16 Sec. 109.32. MUNICIPAL AND COUNTY REGULATION OF MALT
 108-17 BEVERAGES [~~BEER~~]. (a) An incorporated city or town by charter or
 108-18 ordinance may:

108-19 (1) prohibit the sale of malt beverages [~~beer~~] in a
 108-20 residential area; and

108-21 (2) regulate the sale of malt beverages [~~beer~~] and
 108-22 prescribe the hours when malt beverages [~~it~~] may be sold, except the
 108-23 city or town may not permit the sale of malt beverages [~~beer~~] when
 108-24 the [~~its~~] sale of malt beverages is prohibited by this code.

108-25 (b) In a county that has only one incorporated city or town
 108-26 that has a majority of the population of the county, according to
 108-27 the most recent federal census, and where the city or town has
 108-28 shortened the hours of sale for malt beverages [~~beer~~] on Sundays by
 108-29 a valid charter amendment or ordinance before January 1, 1957, the
 108-30 commissioners court may enter an order prohibiting the sale of malt
 108-31 beverages [~~beer~~] on Sundays during the hours the sale of malt
 108-32 beverages [~~it~~] is prohibited in the city or town. The order may
 108-33 apply to all or part of the area of the county located outside the
 108-34 city or town. The commissioners court may not adopt the order
 108-35 unless it first publishes notice for four consecutive weeks in a
 108-36 newspaper of general circulation in the county published in the
 108-37 county or a nearby county.

108-38 (c) In exercising the authority granted by this section, the
 108-39 city, town, or county may distinguish between retailers selling
 108-40 malt beverages [~~beer~~] for on-premises consumption and retailers,
 108-41 brewers [~~manufacturers~~], or distributors who do not sell malt
 108-42 beverages [~~beer~~] for on-premises consumption.

108-43 SECTION 351. Sections 109.33(f) and (g), Alcoholic Beverage
 108-44 Code, are amended to read as follows:

108-45 (f) Subsections (a)(2) and (3) do not apply to the holder
 108-46 of:

108-47 (1) a retail on-premises consumption permit or license
 108-48 if less than 50 percent of the gross receipts for the premises is
 108-49 from the sale or service of alcoholic beverages;

108-50 (2) a retail off-premises consumption permit or
 108-51 license if less than 50 percent of the gross receipts for the
 108-52 premises, excluding the sale of items subject to the motor fuels
 108-53 tax, is from the sale or service of alcoholic beverages; or

108-54 (3) a wholesaler's, distributor's, brewer's,
 108-55 distiller's and rectifier's, or winery [~~wine bottler's or~~
 108-56 ~~manufacturer's~~] permit or license, or any other license or permit
 108-57 held by a wholesaler or manufacturer as those words are ordinarily
 108-58 used and understood in Chapter 102.

108-59 (g) Subsection (a)(3) does not apply to the holder of:

108-60 (1) a [~~license or~~] permit issued under Chapter 30 [~~27,~~
 108-61 ~~31, or 72~~] who is operating on the premises of a private school; or

108-62 (2) a license or permit covering a premise where
 108-63 minors are prohibited from entering under Section 109.53 and that
 108-64 is located within 1,000 feet of a private school.

108-65 SECTION 352. Section 109.53, Alcoholic Beverage Code, is
 108-66 amended to read as follows:

108-67 Sec. 109.53. CITIZENSHIP OF PERMITTEE; CONTROL OF
 108-68 PREMISES; SUBTERFUGE OWNERSHIP; ETC. A [~~No~~] person who has not
 108-69 been a citizen of Texas for a period of one year immediately

109-1 preceding the filing of the person's [his] application therefor is
 109-2 not [shall be] eligible to receive a permit under this code. No
 109-3 permit ~~[except a brewer's permit, and such other licenses and~~
 109-4 ~~permits as are necessary to the operation of a brewer's permit,~~
 109-5 shall be issued to a corporation unless the same be incorporated
 109-6 under the laws of the state and unless at least 51 percent of the
 109-7 stock of the corporation is owned at all times by citizens who have
 109-8 resided within the state for a period of one year and who possess
 109-9 the qualifications required of other applicants for permits;
 109-10 provided, however, that the restrictions contained in the preceding
 109-11 clause shall not apply to domestic or foreign corporations that
 109-12 were engaged in the legal alcoholic beverage business in this state
 109-13 under charter or permit prior to August 24, 1935. Partnerships,
 109-14 firms, and associations applying for permits shall be composed
 109-15 wholly of citizens possessing the qualifications above enumerated.
 109-16 Any corporation (except carrier) holding a permit under this code
 109-17 which shall violate any provisions hereof, or any rule or
 109-18 regulation promulgated hereunder, shall be subject to forfeiture of
 109-19 its charter and it shall be the duty of the attorney general, when
 109-20 any such violation is called to the attorney general's [his]
 109-21 attention, to file a suit for such cancellation in a district court
 109-22 of Travis County. The [Such] provisions of this section that [as]
 109-23 require Texas citizenship or require incorporation in Texas do
 109-24 ~~[shall]~~ not apply to the holders of ~~[agent's, industrial, and]~~
 109-25 carrier's permits. A ~~[No]~~ person may not [shall] sell, warehouse,
 109-26 store or solicit orders for any liquor in any wet area without first
 109-27 having procured a permit of the class required for such privilege,
 109-28 or consent to the use of or allow the person's [his] permit to be
 109-29 displayed by or used by any person other than the one to whom the
 109-30 permit was issued. It is the intent of the legislature to prevent
 109-31 subterfuge ownership of or unlawful use of a permit or the premises
 109-32 covered by such permit; and all provisions of this code shall be
 109-33 liberally construed to carry out this intent, and it shall be the
 109-34 duty of the commission or the administrator to provide strict
 109-35 adherence to the general policy of preventing subterfuge ownership
 109-36 and related practices hereinafter declared to constitute unlawful
 109-37 trade practices. An [No] applicant for a package store permit or a
 109-38 renewal of a package store permit may not [thereof shall have
 109-39 ~~authority to]~~ designate as "premise" and the commission ~~[or~~
 109-40 ~~administrator]~~ shall not approve a lesser area than that
 109-41 specifically defined as "premise" in Section 11.49(a) ~~[of this~~
 109-42 ~~code]~~. Every permittee shall have and maintain exclusive occupancy
 109-43 and control of the entire licensed premises in every phase of the
 109-44 storage, distribution, possession, and transportation and sale of
 109-45 all alcoholic beverages purchased, stored or sold on the licensed
 109-46 premises. Any device, scheme or plan which surrenders control of
 109-47 the employees, premises or business of the permittee to persons
 109-48 other than the permittee shall be unlawful. No minor, unless
 109-49 accompanied by his or her parent, guardian, adult husband or adult
 109-50 wife, or other adult person into whose custody he or she has been
 109-51 committed for the time by some court, shall knowingly be allowed on
 109-52 the premises of the holder of a package store permit. The
 109-53 prohibition against the presence of a minor on the premises of the
 109-54 holder of a package store permit does not apply to the presence on
 109-55 the premises of the holder or a person lawfully employed by the
 109-56 holder. Any package store permittee who shall be injured in the
 109-57 permittee's [his] business or property by another package store
 109-58 permittee by reason of anything prohibited in this section may
 109-59 institute suit in any district court in the county wherein the
 109-60 violation is alleged to have occurred to require enforcement by
 109-61 injunctive procedures and/or to recover threefold the damages ~~[by~~
 109-62 ~~him]~~ sustained by the permittee; plus costs of suit including a
 109-63 reasonable attorney's fee. The provisions prohibiting the
 109-64 licensing of only a portion of a building as premise for a package
 109-65 store permit shall not apply to hotels as already defined in this
 109-66 code.

109-67 SECTION 353. Section 109.531, Alcoholic Beverage Code, is
 109-68 amended to read as follows:

109-69 Sec. 109.531. ADDITIONAL REQUIREMENTS FOR APPLICATION OR

110-1 RENEWAL OF PERMIT, ~~[OR]~~ LICENSE, OR CERTIFICATE BY OUT-OF-STATE
110-2 RESIDENTS. In addition to any other requirement for a license, ~~[or]~~
110-3 permit, or certificate under this code, a person who has not been a
110-4 citizen of this state for a period of one year preceding the date
110-5 the person filed an application for a permit, ~~[or]~~ license, or
110-6 certificate under Chapter 25, 26, 28, 29, 30, 32 ~~[Chapters 25-34,~~
110-7 44], 48, 50 ~~[48-51], 69, 71~~ ~~[69-72], or [Chapter] 74 [of this code]~~
110-8 shall:

110-9 (1) designate an agent, who is a citizen of this state,
110-10 to represent the person in matters before the commission and to be
110-11 responsible for the proper conduct of any activity of the licensee
110-12 or permittee; and

110-13 (2) submit to a criminal history background check.

110-14 SECTION 354. Section 109.54(a), Alcoholic Beverage Code, is
110-15 amended to read as follows:

110-16 (a) Any licensee who has purchased malt beverages ~~[beer]~~ for
110-17 sale at the site of a festival or civic celebration which has been
110-18 held annually for at least 15 years during a specified period not
110-19 exceeding 10 days shall be authorized for 24 hours following the
110-20 official close of the celebration to sell any malt beverages ~~[beer]~~
110-21 remaining at the site to any licensee or permittee authorized to
110-22 purchase malt beverages ~~[beer]~~ for resale.

110-23 SECTION 355. Section 109.57(e), Alcoholic Beverage Code, is
110-24 amended to read as follows:

110-25 (e) A municipality located in a county that has a population
110-26 of 2.2 million or more and that is adjacent to a county with a
110-27 population of more than 600,000 or a municipality located in a
110-28 county with a population of 600,000 or more and that is adjacent to
110-29 a county with a population of 2.2 million or more may regulate, in a
110-30 manner not otherwise prohibited by law, the location of an
110-31 establishment issued a permit under Chapter 32 ~~[or 33]~~ if:

110-32 (1) the establishment derives 35 percent or more of
110-33 the establishment's gross revenue from the on-premises sale or
110-34 service of alcoholic beverages and the premises of the
110-35 establishment are located in a dry area; and

110-36 (2) the permit is not issued to a fraternal or veterans
110-37 organization or the holder of a food and beverage certificate.

110-38 SECTION 356. Sections 109.62(c) and (e), Alcoholic Beverage
110-39 Code, are amended to read as follows:

110-40 (c) A holder of one of the following permits or licenses ~~[a~~
110-41 ~~permit or license under Chapter 41, 42, or 68]~~ may make deliveries
110-42 to and pick up deliveries from the alternate location in the same
110-43 manner as this code and commission rules provide for the
110-44 distributor's or wholesaler's licensed or permitted premises:

- 110-45 (1) a distiller's and rectifier's permit;
- 110-46 (2) a winery permit;
- 110-47 (3) a wholesaler's permit;
- 110-48 (4) a general class B wholesaler's permit;
- 110-49 (5) a carrier permit;
- 110-50 (6) a brewer's license; or
- 110-51 (7) a general distributor's license.

110-52 (e) The alternate location must be in an area where the sale
110-53 of the applicable alcoholic beverages has been approved by a local
110-54 option election or where the distributor or wholesaler had been
110-55 operating under Section 251.77 or 251.78. If ~~[beer, ale, or]~~ malt
110-56 beverages are ~~[liquor is]~~ handled at the alternate location, the
110-57 alternate location must be in the area assigned to the distributor
110-58 ~~[or wholesaler]~~ under Subchapters C and D, Chapter 102.

110-59 SECTION 357. Section 109.63(a), Alcoholic Beverage Code, is
110-60 amended to read as follows:

110-61 (a) This section applies to the holder of a ~~[brewer's~~
110-62 ~~permit,~~ distiller's and rectifier's permit, winery permit, ~~[wine~~
110-63 ~~bottler's permit,~~ or brewer's ~~[manufacturer's]~~ license.

110-64 SECTION 358. Effective September 1, 2019, Section 109.64,
110-65 Alcoholic Beverage Code, is amended to read as follows:

110-66 Sec. 109.64. BULK PURCHASE FOR ~~[BY HOLDER OF]~~ INDUSTRIAL
110-67 USE ~~[PERMIT]~~. Section 102.32 applies to the bulk purchase of liquor
110-68 for purposes described by Section 38.01 ~~[the holder of an~~
110-69 ~~industrial permit]~~ from the holder of a wholesaler's permit.

111-1 SECTION 359. The heading to Subchapter A, Chapter 201,
 111-2 Alcoholic Beverage Code, is amended to read as follows:

111-3 SUBCHAPTER A. TAX ON LIQUOR [~~OTHER THAN ALE AND MALT LIQUOR~~]

111-4 SECTION 360. Section 201.01, Alcoholic Beverage Code, is
 111-5 amended to read as follows:

111-6 Sec. 201.01. LIQUOR. In this subchapter, "liquor" does not
 111-7 include malt beverages [~~ale or malt liquor~~].

111-8 SECTION 361. Section 201.17, Alcoholic Beverage Code, is
 111-9 amended to read as follows:

111-10 Sec. 201.17. LIQUOR IN METRIC CONTAINERS. For the purpose
 111-11 of the taxes imposed on liquor by this subchapter [~~and on ale and~~
 111-12 ~~malt liquor by Subchapter B of this chapter~~], if the liquor is in
 111-13 metric containers the amount of tax due is determined by converting
 111-14 the metric amount into the equivalent amount in gallons and
 111-15 applying the appropriate tax rate. The commission shall prepare
 111-16 tables showing the amount of tax due on various types of liquor[
 111-17 ~~including ale and malt liquor,~~] in metric containers.

111-18 SECTION 362. Section 201.72, Alcoholic Beverage Code, is
 111-19 amended to read as follows:

111-20 Sec. 201.72. DUTY TO PRINT. The commission and the board of
 111-21 control shall have engraved or printed the liquor and malt beverage
 111-22 [~~beer~~] tax stamps required by this code. The board of control shall
 111-23 let the contracts for the stamps required by this code as provided
 111-24 by law. The commission shall expend funds necessary to keep an
 111-25 ample supply of stamps on hand.

111-26 SECTION 363. The heading to Chapter 203, Alcoholic Beverage
 111-27 Code, is amended to read as follows:

111-28 CHAPTER 203. MALT BEVERAGE [~~BEER~~] TAX

111-29 SECTION 364. Section 203.01, Alcoholic Beverage Code, is
 111-30 amended to read as follows:

111-31 Sec. 203.01. TAX ON MALT BEVERAGES [~~BEER~~]. A tax is imposed
 111-32 on the first sale of malt beverages brewed [~~beer manufactured~~] in
 111-33 this state or imported into this state at the rate of six dollars
 111-34 per barrel.

111-35 SECTION 365. Section 203.02, Alcoholic Beverage Code, is
 111-36 amended to read as follows:

111-37 Sec. 203.02. "FIRST SALE". In this chapter, "first sale"
 111-38 means:

111-39 (1) the first actual sale of malt beverages [~~beer~~]:

111-40 (A) by the holder of a distributor's license or
 111-41 by the holder of a brewer's [~~manufacturer's~~] license acting under
 111-42 the authority of Section 62A.02 [~~62.12~~], to:

111-43 (i) a permittee or licensee authorized to
 111-44 sell to ultimate consumers;

111-45 (ii) a local distributor permittee; or

111-46 (iii) a private club registration
 111-47 permittee; or

111-48 (B) by a brewpub licensee to a consumer or a
 111-49 permittee or licensee authorized to sell malt beverages [~~beer~~] to
 111-50 ultimate consumers; or

111-51 (2) the importation of malt beverages [~~beer~~] under
 111-52 Section 107.07.

111-53 SECTION 366. Section 203.03(a), Alcoholic Beverage Code, is
 111-54 amended to read as follows:

111-55 (a) The licensee making the taxable first sale shall pay the
 111-56 tax on malt beverages [~~beer~~] imposed under Section 203.01 [~~of this~~
 111-57 ~~code~~].

111-58 SECTION 367. Section 203.04, Alcoholic Beverage Code, is
 111-59 amended to read as follows:

111-60 Sec. 203.04. TAX ON UNSALABLE MALT BEVERAGES [~~BEER~~]. No tax
 111-61 imposed under Section 203.01 [~~of this code~~] may be imposed or
 111-62 collected on malt beverages [~~beer~~] that for any reason have [~~has~~]
 111-63 been found and declared to be unsalable by the commission or
 111-64 administrator. A brewer [~~manufacturer~~] or distributor is entitled
 111-65 to a refund of any tax the brewer or distributor [~~he~~] has paid on
 111-66 unsalable malt beverages [~~beer~~].

111-67 SECTION 368. Sections 203.05(a) and (b), Alcoholic Beverage
 111-68 Code, are amended to read as follows:

111-69 (a) No tax may be collected on malt beverages [~~beer~~]:

112-1 (1) shipped out of this state for consumption outside
112-2 of this state;

112-3 (2) sold aboard ships for ship's supplies; or

112-4 (3) shipped to any installation of the national
112-5 military establishment under federal jurisdiction for consumption
112-6 by military personnel on that installation.

112-7 (b) The commission shall provide forms on which
112-8 distributors and brewers [~~manufacturers~~] may claim these
112-9 exemptions from the tax on malt beverages [~~beer~~].

112-10 SECTION 369. Section 203.06, Alcoholic Beverage Code, is
112-11 amended to read as follows:

112-12 Sec. 203.06. EXCESS TAX. A brewer [~~manufacturer~~] or
112-13 distributor is entitled to a refund or credit on future tax payment
112-14 for any excess tax on malt beverages [~~beer~~] paid through oversight,
112-15 mistake, error, or miscalculation.

112-16 SECTION 370. Section 203.07(b), Alcoholic Beverage Code, is
112-17 amended to read as follows:

112-18 (b) Necessary funds from the collection of the malt
112-19 beverages [~~beer~~] tax before it is allocated may be appropriated for
112-20 the payment of malt beverages [~~beer~~] tax refunds.

112-21 SECTION 371. Sections 203.09(a) and (b), Alcoholic Beverage
112-22 Code, are amended to read as follows:

112-23 (a) The commission may require brewers [~~manufacturers~~] of
112-24 malt beverages brewed [~~beer manufactured~~] in this state or imported
112-25 into this state, importers, and distributors to provide information
112-26 as to purchases, sales, and shipments to enable the commission to
112-27 collect the full amount of the malt beverages [~~beer~~] tax due. No
112-28 brewer [~~manufacturer~~], importer, or distributor may fail or refuse
112-29 to furnish the information.

112-30 (b) The commission may seize or withhold from sale the
112-31 manufacturer's, importer's, or distributor's malt beverages [~~beer~~]
112-32 for failure or refusal to supply the information required under
112-33 Subsection (a) [~~of this section~~] or to permit the commission to make
112-34 an investigation of pertinent records whether inside or outside
112-35 this state.

112-36 SECTION 372. Section 203.10, Alcoholic Beverage Code, is
112-37 amended to read as follows:

112-38 Sec. 203.10. PAYMENT OF TAXES; DISCOUNT. The tax on malt
112-39 beverages [~~beer~~] shall be paid by a remittance payable to the
112-40 comptroller and forwarded with any required sworn statements of
112-41 taxes due to the commission in Austin on or before the due date. A
112-42 discount of two percent of the amount due shall be withheld by the
112-43 permittee or licensee for keeping records, furnishing bonds, and
112-44 properly accounting for the remittance of the tax due. No discount
112-45 is permitted if the tax is delinquent at the time of payment.

112-46 SECTION 373. Section 203.11, Alcoholic Beverage Code, is
112-47 amended to read as follows:

112-48 Sec. 203.11. EVIDENCE IN SUIT. In a suit brought to enforce
112-49 the collection of tax due on malt beverages brewed [~~beer~~
112-50 ~~manufactured~~] in or imported into this state, a certificate by the
112-51 commission or administrator showing the delinquency is prima facie
112-52 evidence of:

112-53 (1) the levy of the tax or the delinquency of the
112-54 stated amount of tax and penalty; and

112-55 (2) compliance by the commission with the provisions
112-56 of this code in relation to the computation and levy of the tax.

112-57 SECTION 374. Section 203.12, Alcoholic Beverage Code, is
112-58 amended to read as follows:

112-59 Sec. 203.12. TAX LIABILITY. A person possessing malt
112-60 beverages [~~beer~~] on which the tax is delinquent is liable for the
112-61 delinquent taxes in addition to the criminal penalties.

112-62 SECTION 375. Sections 204.01(a), (b), (f), and (i),
112-63 Alcoholic Beverage Code, are amended to read as follows:

112-64 (a) Except as otherwise provided in this section, the
112-65 following licensees and permittees shall furnish a bond:

112-66 (1) those authorized to import alcoholic beverages
112-67 into the state;

112-68 (2) brewers [~~manufacturers~~] of malt beverages [~~beer~~
112-69 ~~and brewers of ale or malt liquor~~] in the state; and

113-1 (3) all other permittees.

113-2 (b) A ~~No~~ bond is not required of a holder of a mixed
113-3 beverage, private club registration, carrier ~~[carriers]~~, local
113-4 cartage, wine and malt beverage retailer's ~~[beer retailers]~~, or
113-5 nonresident seller's ~~[, manufacturer's agent's, or agent's]~~ permit.

113-6 (f) The holder of a wholesaler's or class B wholesaler's
113-7 permit, the holder of a winery ~~[or wine bottler's]~~ permit, or the
113-8 holder of a distributor's license is not required to furnish a bond
113-9 if for the preceding 36 months the permittee or licensee has paid
113-10 all taxes and fees required by this code on or before the due date.

113-11 (i) A permittee or licensee who qualifies for an exemption
113-12 under Subsection (f) ~~[of this section]~~ is also exempt from the
113-13 bonding requirement for any other wholesaler's permit, class B
113-14 wholesaler's permit, winery permit, ~~[wine bottler's permit]~~, or
113-15 distributor's license currently held by or subsequently issued to
113-16 the same permittee or licensee for use at licensed premises
113-17 different from and additional to those covered by the permit or
113-18 license under which the permittee or licensee qualified for
113-19 exemption. However, if a permittee or licensee fails to pay a tax
113-20 or fee imposed by this code on or before the due date and the
113-21 permittee or licensee holds multiple permits or licenses, the
113-22 requirement for a bond or tax security shall be imposed or reimposed
113-23 under Subsection (g) ~~[of this section]~~ only on the permit or license
113-24 covering the licensed premises for which the tax or fee and any
113-25 applicable penalty were not timely paid.

113-26 SECTION 376. Section 204.03(d), Alcoholic Beverage Code, is
113-27 amended to read as follows:

113-28 (d) Bonds, letters of credit, or certificates of deposit to
113-29 insure the payment of the tax on distilled spirits imposed by
113-30 Section 201.03 ~~[of this code]~~, the tax on vinous liquor imposed by
113-31 Section 201.04 ~~[of this code]~~, ~~[the tax on ale and malt liquor~~
113-32 ~~imposed by Section 201.42 of this code]~~, or the tax on malt
113-33 beverages ~~[beer]~~ imposed by Section 203.01 ~~[of this code]~~, shall be
113-34 set at an amount that will protect the state against the anticipated
113-35 tax liability of the principal for any six-week period.

113-36 SECTION 377. Sections 251.725(a) and (b), Alcoholic
113-37 Beverage Code, are amended to read as follows:

113-38 (a) This section applies only to a municipality whose local
113-39 option status allows for the legal sale of malt beverages ~~[beer]~~ and
113-40 wine for off-premise consumption only as a result of a local option
113-41 election on the applicable ballot issue held on or after January 1,
113-42 1985.

113-43 (b) The governing body of a municipality described by
113-44 Subsection (a) may adopt an ordinance authorizing the sale of malt
113-45 beverages ~~[beer]~~ and wine for off-premise consumption in an area
113-46 annexed by the municipality after that election if at the time the
113-47 ordinance is adopted:

113-48 (1) the annexed area is not more than one percent of
113-49 the total area covered by the municipality;

113-50 (2) all of the land in the annexed area is zoned for
113-51 commercial use only; and

113-52 (3) the annexed area is not adjacent to residential,
113-53 church, or school property.

113-54 SECTION 378. Section 251.75, Alcoholic Beverage Code, is
113-55 amended to read as follows:

113-56 Sec. 251.75. CONTINUANCE OF OPERATION AS ~~[MANUFACTURER OR]~~
113-57 BREWER. Notwithstanding any other provision of this code, if the
113-58 sale of malt beverages ~~[beer or ale]~~ is prohibited in an area by a
113-59 local option election, a holder of a brewer's ~~[manufacturer's]~~
113-60 license ~~[or brewer's permit]~~ that was issued prior to the election
113-61 may not be denied an original or renewal brewer's ~~[manufacturer's]~~
113-62 license ~~[or brewer's permit]~~ for the same location on the ground
113-63 that the local option status of the area prohibits the sale of malt
113-64 beverages ~~[beer or ale]~~. Except for the right to sell malt
113-65 beverages ~~[beer or ale]~~ contrary to the local option status of the
113-66 area, the licensee ~~[or permittee]~~ may engage in all activities
113-67 authorized by the license ~~[or permit]~~, including the
113-68 ~~[manufacturing]~~ brewing, possessing, storing, and packaging of
113-69 malt beverages ~~[beer or ale]~~, and transporting the malt beverages

114-1 ~~[it]~~ to an area where the [its] sale of malt beverages is legal. The
 114-2 licensee ~~[or permittee]~~ may deliver malt beverages ~~[beer or ale]~~ at
 114-3 the licensee's ~~[his licensed]~~ premises to a purchaser from outside
 114-4 the state, an authorized carrier, or distributor~~[, or class B~~
 114-5 ~~wholesaler]~~. The purchaser, carrier, or distributor~~[, or class B~~
 114-6 ~~wholesaler]~~ may not receive the malt beverages ~~[beer or ale]~~ for
 114-7 transportation unless there has first been an order, acceptance,
 114-8 and payment or legal satisfaction of payment in an area where the
 114-9 sale of malt beverages ~~[beer or ale]~~ is legal.

114-10 SECTION 379. Section 251.77, Alcoholic Beverage Code, is
 114-11 amended to read as follows:

114-12 Sec. 251.77. CONTINUANCE OF OPERATION AS DISTRIBUTOR. (a)
 114-13 Notwithstanding any other provision of this code, if the sale of
 114-14 malt beverages ~~[beer]~~ is prohibited by local option election, a
 114-15 licensed distributor of malt beverages ~~[beer]~~ whose warehouse or
 114-16 other facilities used in connection with the distributorship are
 114-17 located in the area affected, has the right to continue to operate
 114-18 as a distributor in that area and maintain the necessary premises
 114-19 and facilities for distribution. The distributor continues to
 114-20 enjoy all the rights and privileges incident to distributorship,
 114-21 including the right to possess, store, warehouse, and sell malt
 114-22 beverages ~~[beer]~~ in that area, and deliver malt beverages ~~[beer]~~
 114-23 into and out of that area.

114-24 (b) A distributor in the area affected may sell or deliver
 114-25 malt beverages ~~[beer]~~ only to licensed outlets located where the
 114-26 sale of malt beverages ~~[beer]~~ is legal.

114-27 SECTION 380. Effective September 1, 2019, Section 251.79,
 114-28 Alcoholic Beverage Code, is amended to read as follows:

114-29 Sec. 251.79. AREAS IN WHICH CERTAIN PERMITS AND LICENSES
 114-30 MAY BE ISSUED. Notwithstanding any other provision of this code, a
 114-31 wholesaler's permit, general class B wholesaler's permit, ~~[local~~
 114-32 ~~class B wholesaler's permit,~~ or general~~[, local]~~ or branch
 114-33 distributor's license may be issued and licensed premises
 114-34 maintained in any area where the sale of any alcoholic beverage is
 114-35 legal. A person issued a permit or license under this section may
 114-36 exercise all rights and privileges of other permittees and
 114-37 licensees of the same class.

114-38 SECTION 381. Subchapter D, Chapter 251, Alcoholic Beverage
 114-39 Code, is amended by adding Section 251.811 to read as follows:

114-40 Sec. 251.811. SALE OF MALT BEVERAGES. (a) If before
 114-41 September 1, 2021, the sale of beer was approved in an area by a
 114-42 local option election that approved the sale of beer only, an
 114-43 alcoholic beverage license or permit holder may not sell in that
 114-44 area malt beverages containing more than five percent alcohol by
 114-45 volume unless a subsequent local option election approves the sale
 114-46 of malt beverages or malt beverages and other alcoholic beverages.

114-47 (b) The commission shall, on the face of each retail
 114-48 license, indicate whether the holder may only sell malt beverages
 114-49 that do not exceed five percent alcohol by volume.

114-50 SECTION 382. Article 18.17(a), Code of Criminal Procedure,
 114-51 is amended to read as follows:

114-52 (a) All unclaimed or abandoned personal property of every
 114-53 kind, other than contraband subject to forfeiture under Chapter 59
 114-54 ~~[of this code]~~ and whiskey, wine and malt beverages ~~[beer]~~, seized
 114-55 by any peace officer in the State of Texas which is not held as
 114-56 evidence to be used in any pending case and has not been ordered
 114-57 destroyed or returned to the person entitled to possession of the
 114-58 same by a magistrate, which shall remain unclaimed for a period of
 114-59 30 days shall be delivered for disposition to a person designated by
 114-60 the municipality or the purchasing agent of the county in which the
 114-61 property was seized. If a peace officer of a municipality seizes
 114-62 the property, the peace officer shall deliver the property to a
 114-63 person designated by the municipality. If any other peace officer
 114-64 seizes the property, the peace officer shall deliver the property
 114-65 to the purchasing agent of the county. If the county has no
 114-66 purchasing agent, then such property shall be disposed of by the
 114-67 sheriff of the county.

114-68 SECTION 383. Section 501.001(1), Election Code, is amended
 114-69 to read as follows:

115-1 (1) "Alcoholic beverage," [~~"beer,"~~] "commission,"
115-2 "liquor," "malt beverage," "mixed beverage," and "wine and vinous
115-3 liquor" have the meanings assigned by Section 1.04, Alcoholic
115-4 Beverage Code.

115-5 SECTION 384. Sections 501.035(a), (b), and (c), Election
115-6 Code, are amended to read as follows:

115-7 (a) In the ballot issues prescribed by this section, "wine"
115-8 is limited to vinous beverages that do not contain more than 17
115-9 percent alcohol by volume and "malt beverages" are limited to
115-10 [~~includes~~] malt beverages that do not contain more than 17 percent
115-11 [~~exceed that~~] alcohol by volume [~~content~~]. For local option
115-12 purposes, those beverages, sold and dispensed to the public in
115-13 unbroken, sealed, individual containers, are a separate and
115-14 distinct type of alcoholic beverage.

115-15 (b) In an area where any type or classification of alcoholic
115-16 beverages is prohibited and the issue submitted pertains to
115-17 legalization of the sale of one or more of the prohibited types or
115-18 classifications, the ballot shall be prepared to permit voting for
115-19 or against the one of the following issues that applies:

115-20 (1) "The legal sale of malt beverages [~~beer~~] for
115-21 off-premise consumption only."

115-22 (2) "The legal sale of malt beverages [~~beer~~]."

115-23 (3) "The legal sale of malt beverages [~~beer~~] and wine
115-24 for off-premise consumption only."

115-25 (4) "The legal sale of malt beverages [~~beer~~] and
115-26 wine."

115-27 (5) "The legal sale of all alcoholic beverages for
115-28 off-premise consumption only."

115-29 (6) "The legal sale of all alcoholic beverages except
115-30 mixed beverages."

115-31 (7) "The legal sale of all alcoholic beverages
115-32 including mixed beverages."

115-33 (8) "The legal sale of mixed beverages."

115-34 (9) "The legal sale of mixed beverages in restaurants
115-35 by food and beverage certificate holders only."

115-36 (10) "The legal sale of wine on the premises of a
115-37 holder of a winery permit."

115-38 (c) In an area where the sale of any type or classification
115-39 of alcoholic beverages has been legalized, the ballot for a
115-40 prohibitory election shall be prepared to permit voting for or
115-41 against the one of the following issues that applies:

115-42 (1) "The legal sale of malt beverages [~~beer~~] for
115-43 off-premise consumption only."

115-44 (2) "The legal sale of malt beverages [~~beer~~]."

115-45 (3) "The legal sale of malt beverages [~~beer~~] and wine
115-46 for off-premise consumption only."

115-47 (4) "The legal sale of malt beverages [~~beer~~] and
115-48 wine."

115-49 (5) "The legal sale of all alcoholic beverages for
115-50 off-premise consumption only."

115-51 (6) "The legal sale of all alcoholic beverages except
115-52 mixed beverages."

115-53 (7) "The legal sale of all alcoholic beverages
115-54 including mixed beverages."

115-55 (8) "The legal sale of mixed beverages."

115-56 (9) "The legal sale of mixed beverages in restaurants
115-57 by food and beverage certificate holders only."

115-58 (10) "The legal sale of wine on the premises of a
115-59 holder of a winery permit."

115-60 SECTION 385. Section 437.110(a), Government Code, is
115-61 amended to read as follows:

115-62 (a) The department may establish and contract for the
115-63 operation of not more than three military-type post exchanges
115-64 similar to those operated by the armed forces of the United States
115-65 on any real property under the management and control of the
115-66 department. A post exchange may sell, lease, or rent goods and
115-67 services, including firearms, tobacco products, prepared foods,
115-68 and malt beverages [~~beer~~] and wine but not distilled spirits. The
115-69 department may designate facilities located on state property to

116-1 use for purposes of this section.

116-2 SECTION 386. Section 466.155(a), Government Code, is
116-3 amended to read as follows:

116-4 (a) After a hearing, the director shall deny an application
116-5 for a license or the commission shall suspend or revoke a license if
116-6 the director or commission, as applicable, finds that the applicant
116-7 or sales agent:

116-8 (1) is an individual who:

116-9 (A) has been convicted of a felony, criminal
116-10 fraud, gambling or a gambling-related offense, or a misdemeanor
116-11 involving moral turpitude, if less than 10 years has elapsed since
116-12 the termination of the sentence, parole, mandatory supervision, or
116-13 probation served for the offense;

116-14 (B) is or has been a professional gambler;

116-15 (C) is married to an individual:

116-16 (i) described in Paragraph (A) or (B); or

116-17 (ii) who is currently delinquent in the
116-18 payment of any state tax;

116-19 (D) is an officer or employee of the commission
116-20 or a lottery operator; or

116-21 (E) is a spouse, child, brother, sister, or
116-22 parent residing as a member of the same household in the principal
116-23 place of residence of a person described by Paragraph (D);

116-24 (2) is not an individual, and an individual described
116-25 in Subdivision (1):

116-26 (A) is an officer or director of the applicant or
116-27 sales agent;

116-28 (B) holds more than 10 percent of the stock in the
116-29 applicant or sales agent;

116-30 (C) holds an equitable interest greater than 10
116-31 percent in the applicant or sales agent;

116-32 (D) is a creditor of the applicant or sales agent
116-33 who holds more than 10 percent of the applicant's or sales agent's
116-34 outstanding debt;

116-35 (E) is the owner or lessee of a business that the
116-36 applicant or sales agent conducts or through which the applicant
116-37 will conduct a ticket sales agency;

116-38 (F) shares or will share in the profits, other
116-39 than stock dividends, of the applicant or sales agent; or

116-40 (G) participates in managing the affairs of the
116-41 applicant or sales agent;

116-42 (3) has been finally determined to be:

116-43 (A) delinquent in the payment of a tax or other
116-44 money collected by the comptroller, the Texas Workforce Commission,
116-45 or the Texas Alcoholic Beverage Commission;

116-46 (B) in default on a loan made under Chapter 52,
116-47 Education Code; or

116-48 (C) in default on a loan guaranteed under Chapter
116-49 57, Education Code;

116-50 (4) is a person whose location for the sales agency is:

116-51 (A) a location licensed for games of bingo under
116-52 Chapter 2001, Occupations Code;

116-53 (B) on land that is owned by:

116-54 (i) this state; or

116-55 (ii) a political subdivision of this state
116-56 and on which is located a public primary or secondary school, an
116-57 institution of higher education, or an agency of the state; or

116-58 (C) a location for which a person holds a wine and
116-59 malt beverage [beer] retailer's permit, mixed beverage permit,
116-60 mixed beverage permit with a retailer late hours certificate

116-61 [permit], private club registration permit, or private club
116-62 registration permit with a retailer late hours certificate [permit]

116-63 issued under Chapter 25, 28, 29, or 32, [or 33,] Alcoholic Beverage
116-64 Code, other than a location for which a person holds a wine and malt
116-65 beverage [beer] retailer's permit issued under Chapter 25,

116-66 Alcoholic Beverage Code, that derives less than 30 percent of the
116-67 location's gross receipts from the sale or service of alcoholic
116-68 beverages; or

116-69 (5) has violated this chapter or a rule adopted under

117-1 this chapter.

117-2 SECTION 387. Effective September 1, 2019, Section
117-3 431.2211(c), Health and Safety Code, is amended to read as follows:

117-4 (c) This subchapter does not apply to the distribution of
117-5 beverages in sealed containers by holders of licenses or permits
117-6 issued under Chapter 19, 20, [21,] 23, or 64, [~~or 65,~~] Alcoholic
117-7 Beverage Code. The provisions of the Alcoholic Beverage Code
117-8 prevail to the extent of any conflict with this chapter.

117-9 SECTION 388. Section 438.013(c), Health and Safety Code, is
117-10 amended to read as follows:

117-11 (c) In this section, "liquor dispensary" means a place where
117-12 malt beverages [~~beer, ale~~], wine, or any other alcoholic beverage
117-13 is stored, prepared, labeled, bottled, served, or handled.

117-14 SECTION 389. Sections 1956.001(1) and (10), Occupations
117-15 Code, are amended to read as follows:

117-16 (1) "Aluminum material" means a product made from
117-17 aluminum, an aluminum alloy, or an aluminum by-product. The term
117-18 includes aluminum wiring and an aluminum malt beverage [~~beer~~] keg
117-19 but does not include another type of aluminum can used to contain a
117-20 food or beverage.

117-21 (10) "Regulated metal" means:

117-22 (A) manhole covers;

117-23 (B) guardrails;

117-24 (C) metal cylinders designed to contain
117-25 compressed air, oxygen, gases, or liquids;

117-26 (D) malt beverage [~~beer~~] kegs made from metal
117-27 other than aluminum;

117-28 (E) historical markers or cemetery vases,
117-29 receptacles, or memorials made from metal other than aluminum;

117-30 (F) unused rebar;

117-31 (G) street signs;

117-32 (H) drain gates;

117-33 (I) safes;

117-34 (J) communication, transmission, and service
117-35 wire or cable;

117-36 (K) condensing or evaporator coils for central
117-37 heating or air conditioning units;

117-38 (L) utility structures, including the fixtures
117-39 and hardware;

117-40 (M) aluminum or stainless steel containers
117-41 designed to hold propane for fueling forklifts;

117-42 (N) metal railroad equipment, including tie
117-43 plates, signal houses, control boxes, signs, signals, traffic
117-44 devices, traffic control devices, traffic control signals, switch
117-45 plates, e-clips, and rail tie functions;

117-46 (O) catalytic converters not attached to a
117-47 vehicle;

117-48 (P) fire hydrants;

117-49 (Q) metal bleachers or other seating facilities
117-50 used in recreational areas or sporting arenas;

117-51 (R) any metal item clearly and conspicuously
117-52 marked with any form of the name, initials, or logo of a
117-53 governmental entity, utility, cemetery, or railroad;

117-54 (S) insulated utility, communications, or
117-55 electrical wire that has been burned in whole or in part to remove
117-56 the insulation;

117-57 (T) backflow valves;

117-58 (U) metal in the form of commonly recognized
117-59 products of the industrial metals recycling process, including
117-60 bales, briquettes, billets, sows, ingots, pucks, and chopped or
117-61 shredded metals; and

117-62 (V) commercial grade lead batteries or lead-acid
117-63 batteries.

117-64 SECTION 390. Effective September 1, 2019, Section 2401.002,
117-65 Occupations Code, is amended to read as follows:

117-66 Sec. 2401.002. APPLICATION OF CHAPTER. This chapter does
117-67 not apply to a person who:

117-68 (1) acts as a customs broker as defined by 19 U.S.C.
117-69 Section 1641;

118-1 (2) operates trucks and delivery vehicles in the
 118-2 wholesale distribution of alcoholic beverages under Chapter 19, 20,
 118-3 or ~~[21,]~~ 64, ~~[or 65,]~~ Alcoholic Beverage Code; or

118-4 (3) acts as an ocean freight forwarder as defined by 46
 118-5 U.S.C. Section 1702.

118-6 SECTION 391. Effective September 1, 2019, Section
 118-7 111.006(h), Tax Code, is amended to read as follows:

118-8 (h) The comptroller shall disclose information to a person
 118-9 regarding net sales by quantity, brand, and size that is submitted
 118-10 in a report required under Section 151.462 if:

118-11 (1) the person requesting the information holds a
 118-12 permit or license under Chapter 19, 20, ~~[21,]~~ 37, 64, ~~[65,]~~ or 66,
 118-13 Alcoholic Beverage Code; and

118-14 (2) the request relates only to information regarding
 118-15 the sale of a product distributed by the person making the request.

118-16 SECTION 392. Section 151.054(d), Tax Code, is amended to
 118-17 read as follows:

118-18 (d) A sale of liquor, wine, ~~[beer,]~~ or malt beverages
 118-19 ~~[liquor]~~ by the holder of a brewer's ~~[manufacturer's]~~ license,
 118-20 wholesaler's permit, general class B wholesaler's permit, ~~[local~~
 118-21 ~~class B wholesaler's permit,]~~ local distributor's permit, or a
 118-22 general~~[, local,]~~ or branch distributor's license issued under the
 118-23 Alcoholic Beverage Code to the holder of a retail license or permit
 118-24 issued under the Alcoholic Beverage Code is presumed to be a sale
 118-25 for resale. In a sale to which this section applies, the seller is
 118-26 not required to receive a resale certificate from the purchaser.

118-27 SECTION 393. Sections 151.461(1), (2), (5), and (6), Tax
 118-28 Code, are amended to read as follows:

118-29 (1) "Brewer" means a person required to hold a brewer's
 118-30 license ~~[permit]~~ under Chapter 62 ~~[12]~~, Alcoholic Beverage Code.

118-31 (2) "Distributor" means a person required to hold:

118-32 (A) a general distributor's license under
 118-33 Chapter 64, Alcoholic Beverage Code; or

118-34 (B) ~~[a local distributor's license under Chapter~~
 118-35 ~~65, Alcoholic Beverage Code; or~~

118-36 ~~[(C)]~~ a branch distributor's license under
 118-37 Chapter 66, Alcoholic Beverage Code.

118-38 (5) "Retailer" means a person required to hold:

118-39 (A) a wine and malt beverage ~~[beer]~~ retailer's
 118-40 permit under Chapter 25, Alcoholic Beverage Code;

118-41 (B) a wine and malt beverage ~~[beer]~~ retailer's
 118-42 off-premise permit under Chapter 26, Alcoholic Beverage Code;

118-43 (C) a nonprofit entity temporary event ~~[wine and~~
 118-44 ~~beer retailer's]~~ permit ~~[or special three-day wine and beer permit]~~
 118-45 under Chapter 30 ~~[27]~~, Alcoholic Beverage Code;

118-46 (D) a mixed beverage permit under Chapter 28,
 118-47 Alcoholic Beverage Code;

118-48 (E) ~~[a daily temporary mixed beverage permit~~
 118-49 ~~under Chapter 30, Alcoholic Beverage Code,~~

118-50 ~~[(F)]~~ a private club registration permit under
 118-51 Chapter 32, Alcoholic Beverage Code;

118-52 (F) ~~[(G)]~~ a certificate issued to a fraternal or
 118-53 veterans organization under Section 32.11, Alcoholic Beverage
 118-54 Code;

118-55 (G) ~~[(H)]~~ a daily temporary private club permit
 118-56 ~~under Subchapter B, Chapter 33, Alcoholic Beverage Code,~~

118-57 ~~[(I)]~~ a temporary auction permit under Chapter 53,
 118-58 Alcoholic Beverage Code;

118-59 ~~[(J)]~~ a retail dealer's on-premise license under
 118-60 Chapter 69, Alcoholic Beverage Code;

118-61 ~~[(K)]~~ a temporary license under Chapter 72,
 118-62 Alcoholic Beverage Code;] or

118-63 (H) ~~[(L)]~~ a retail dealer's off-premise license
 118-64 under Chapter 71, Alcoholic Beverage Code, except for a dealer who
 118-65 also holds a package store permit under Chapter 22, Alcoholic
 118-66 Beverage Code.

118-67 (6) "Wholesaler" means a person required to hold:

118-68 (A) a winery permit under Chapter 16, Alcoholic
 118-69 Beverage Code;

119-1 (B) a wholesaler's permit under Chapter 19,
119-2 Alcoholic Beverage Code; or

119-3 (C) a general Class B wholesaler's permit under
119-4 Chapter 20, Alcoholic Beverage Code[~~, or~~

119-5 [~~(D) a local Class B wholesaler's permit under~~
119-6 ~~Chapter 21, Alcoholic Beverage Code].~~

119-7 SECTION 394. Section 151.462, Tax Code, is amended to read
119-8 as follows:

119-9 Sec. 151.462. REPORTS BY BREWERS, [~~MANUFACTURERS,~~
119-10 WHOLESALERS, AND DISTRIBUTORS. (a) The comptroller shall require
119-11 each brewer, [~~manufacturer,~~] wholesaler, distributor, or package
119-12 store local distributor to file with the comptroller a report each
119-13 month of alcoholic beverage sales to retailers in this state.

119-14 (b) Each brewer, [~~manufacturer,~~] wholesaler, distributor,
119-15 or package store local distributor shall file a separate report for
119-16 each permit or license held on or before the 25th day of each month.
119-17 The report must contain the following information for the preceding
119-18 calendar month's sales in relation to each retailer:

119-19 (1) the brewer's, [~~manufacturer's,~~] wholesaler's,
119-20 distributor's, or package store local distributor's name, address,
119-21 taxpayer number and outlet number assigned by the comptroller, and
119-22 alphanumeric permit or license number issued by the Texas Alcoholic
119-23 Beverage Commission;

119-24 (2) the retailer's:
119-25 (A) name and address, including street name and
119-26 number, city, and zip code;
119-27 (B) taxpayer number assigned by the comptroller;
119-28 and

119-29 (C) alphanumeric permit or license number issued
119-30 by the Texas Alcoholic Beverage Commission for each separate retail
119-31 location or outlet to which the brewer, [~~manufacturer,~~] wholesaler,
119-32 distributor, or package store local distributor sold the alcoholic
119-33 beverages that are listed on the report; and

119-34 (3) the monthly net sales made by the brewer,
119-35 [~~manufacturer,~~] wholesaler, distributor, or package store local
119-36 distributor to the retailer for each outlet or location covered by a
119-37 separate retail permit or license issued by the Texas Alcoholic
119-38 Beverage Commission, including separate line items for:

119-39 (A) the number of units of alcoholic beverages;
119-40 (B) the individual container size and pack of
119-41 each unit;
119-42 (C) the brand name;
119-43 (D) the type of beverage, such as distilled
119-44 spirits, wine, or malt beverage;
119-45 (E) the universal product code of the alcoholic
119-46 beverage; and
119-47 (F) the net selling price of the alcoholic
119-48 beverage.

119-49 (c) Except as provided by this subsection, the brewer,
119-50 [~~manufacturer,~~] wholesaler, distributor, or package store local
119-51 distributor shall file the report with the comptroller
119-52 electronically. The comptroller may establish procedures to
119-53 temporarily postpone the electronic reporting requirement for a
119-54 brewer, [~~manufacturer,~~] wholesaler, distributor, or package store
119-55 local distributor who demonstrates to the comptroller an inability
119-56 to comply because undue hardship would result if it were required to
119-57 file the return electronically. If the comptroller determines that
119-58 another technological method of filing the report is more efficient
119-59 than electronic filing, the comptroller may establish procedures
119-60 requiring its use by brewers, [~~manufacturers,~~] wholesalers,
119-61 distributors, and package store local distributors.

119-62 SECTION 395. Section 151.466, Tax Code, is amended to read
119-63 as follows:

119-64 Sec. 151.466. APPLICABILITY TO CERTAIN BREWERS
119-65 [~~MANUFACTURERS~~]. This subchapter applies only to a brewer
119-66 [~~manufacturer~~] licensed under Chapter 62A, Alcoholic Beverage
119-67 Code.

119-68 SECTION 396. Section 151.468(b), Tax Code, is amended to
119-69 read as follows:

(b) In addition to the penalties imposed under Subsection (a), a brewer, ~~manufacturer,~~ wholesaler, distributor, or package store local distributor shall pay the state a civil penalty of not less than \$25 or more than \$2,000 for each day a violation continues if the brewer, ~~manufacturer,~~ wholesaler, distributor, or package store local distributor:

- (1) violates this subchapter; or
- (2) violates a rule adopted to administer or enforce this subchapter.

SECTION 397. Section 151.470, Tax Code, is amended to read as follows:

Sec. 151.470. AUDIT; INSPECTION. The comptroller may audit, inspect, or otherwise verify a brewer's, ~~manufacturer's,~~ wholesaler's, distributor's, or package store local distributor's compliance with this subchapter.

SECTION 398. Section 183.001(b)(1), Tax Code, is amended to read as follows:

(1) "Permittee" means a mixed beverage permittee, a private club registration permittee, a private club exemption certificate permittee, a private club registration permittee with a retailer late hours certificate ~~permittee~~, a nonprofit entity ~~daily~~ temporary event ~~private club~~ permittee, a private club registration permittee holding a food and beverage certificate, ~~a daily temporary mixed beverage permittee,~~ a mixed beverage permittee with a retailer late hours certificate ~~permittee~~, a mixed beverage permittee holding a food and beverage certificate, ~~a caterer permittee,~~ or a distiller's and rectifier's permittee.

SECTION 399. Section 522.003(1), Transportation Code, is amended to read as follows:

- (1) "Alcohol" means:
- (A) malt beverages ~~beer, ale, port, stout, sake,~~ or any other similar fermented beverages or products containing one-half of one percent or more of alcohol by volume, brewed or produced wholly or in part from malt or a malt substitute;
 - (B) wine, including sake, containing one-half of one percent or more of alcohol by volume; or
 - (C) distilled spirits, including ethyl alcohol, ethanol, and spirits of wine in any form, and all dilutions and mixtures of distilled spirits from whatever source or by whatever process produced.

SECTION 400. Section 643.002, Transportation Code, is amended to read as follows:

Sec. 643.002. EXEMPTIONS. This chapter does not apply to:

- (1) motor carrier operations exempt from registration by the Unified Carrier Registration Act of 2005 (49 U.S.C. Section 14504a) or a motor vehicle registered under the single state registration system established under 49 U.S.C. Section 14504(c) when operating exclusively in interstate or international commerce;
- (2) a motor vehicle registered as a cotton vehicle under Section 504.505;
- (3) a motor vehicle the department by rule exempts because the vehicle is subject to comparable registration and a comparable safety program administered by another governmental entity;
- (4) a motor vehicle used to transport passengers operated by an entity whose primary function is not the transportation of passengers, such as a vehicle operated by a hotel, day-care center, public or private school, nursing home, or similar organization;
- (5) a vehicle operating under:
 - (A) Section 14.07 ~~a private carrier permit issued under Chapter 42~~, Alcoholic Beverage Code;
 - (B) Section 16.10, Alcoholic Beverage Code;
 - (C) Section 19.06, Alcoholic Beverage Code; or
 - (D) Section 20.04, Alcoholic Beverage Code;
- (6) a vehicle operated by a governmental entity; or
- (7) a tow truck, as defined by Section 2308.002, Occupations Code.

121-1 SECTION 401. (a) The Texas Sunset Commission staff, with
 121-2 assistance from the Texas Legislative Council and the Texas
 121-3 Alcoholic Beverage Commission, shall review the Texas Alcoholic
 121-4 Beverage Code and make recommendations to the Texas Sunset
 121-5 Commission for both a modernization and a nonsubstantive technical
 121-6 revision of the code, including:

121-7 (1) identifying inconsistencies in authorities and
 121-8 treatment of different alcoholic beverages and regulated
 121-9 businesses;

121-10 (2) reviewing the use of the terms "license" for beer
 121-11 and "permit" for all other alcoholic beverages;

121-12 (3) identifying any needed technical changes,
 121-13 including:

121-14 (A) removing unconstitutional provisions and
 121-15 outdated language;

121-16 (B) updating the code's structure to comply with
 121-17 modern drafting standards; and

121-18 (C) correcting legal citations; and

121-19 (4) identifying changes needed to modernize the code
 121-20 within the three-tier system.

121-21 (b) The Texas Sunset Commission staff and the Texas
 121-22 Legislative Council may not consider changes to the overall
 121-23 three-tier regulatory system.

121-24 (c) Not later than September 1, 2022, the Texas Legislative
 121-25 Council shall prepare a nonsubstantive revision of the Texas
 121-26 Alcoholic Beverage Code to implement any nonsubstantive
 121-27 recommendations made under Subsection (a) of this section.

121-28 (d) Not later than September 1, 2022, the Texas Sunset
 121-29 Commission staff shall make substantive recommendations to the
 121-30 Texas Sunset Commission to address any recommended changes to
 121-31 modernize the Texas Alcoholic Beverage Code that the Texas
 121-32 Legislative Council determines cannot be included in a
 121-33 nonsubstantive code revision.

121-34 (e) This section takes effect September 1, 2019.

121-35 SECTION 402. (a) Not later than December 1, 2019, the
 121-36 governor shall appoint two additional members to the Texas
 121-37 Alcoholic Beverage Commission. At the first meeting of the Texas
 121-38 Alcoholic Beverage Commission after the additional members are
 121-39 appointed under this subsection, or as soon as practicable after
 121-40 that meeting, the two new members of the commission shall draw lots
 121-41 to determine which member will serve a term expiring November 15,
 121-42 2023, and which member will serve a term expiring November 15, 2025.

121-43 (b) In determining the number of members of the Texas
 121-44 Alcoholic Beverage Commission that constitutes a quorum of the
 121-45 commission, each new membership position created by the amendment
 121-46 by this Act of Section 5.02(a), Alcoholic Beverage Code, does not
 121-47 count in that determination until the governor has initially
 121-48 appointed a person to fill the position and the person qualifies for
 121-49 office.

121-50 (c) This section takes effect September 1, 2019.

121-51 SECTION 403. (a) Except as provided by Subsection (b) of
 121-52 this section, Section 5.022, Alcoholic Beverage Code, as amended by
 121-53 this Act, applies to a member of the Texas Alcoholic Beverage
 121-54 Commission appointed before, on, or after the effective date of
 121-55 this Act.

121-56 (b) A member of the Texas Alcoholic Beverage Commission who,
 121-57 before September 1, 2019, completed the training program required
 121-58 by Section 5.022, Alcoholic Beverage Code, as that law existed
 121-59 before September 1, 2019, is required to complete additional
 121-60 training only on subjects added by this Act to the training program
 121-61 as required by Section 5.022, Alcoholic Beverage Code, as amended
 121-62 by this Act. A commission member described by this subsection may
 121-63 not vote, deliberate, or be counted as a member in attendance at a
 121-64 meeting of the commission held on or after December 1, 2019, until
 121-65 the member completes the additional training.

121-66 (c) This section takes effect September 1, 2019.

121-67 SECTION 404. (a) Not later than January 31, 2020, the Texas
 121-68 Alcoholic Beverage Commission shall adopt rules to implement the
 121-69 changes in law made by this Act to Section 5.361, Alcoholic Beverage

122-1 Code, relating to developing a plan for inspecting alcoholic
 122-2 beverage licensees and permittees. The Texas Alcoholic Beverage
 122-3 Commission shall with the assistance of the Legislative Budget
 122-4 Board develop target goals for the percentage of licensed and
 122-5 permitted facilities the commission inspects each year.

122-6 (b) Not later than December 31, 2020, the Texas Alcoholic
 122-7 Beverage Commission shall adopt rules to implement Sections 11.43,
 122-8 11.431, 11.432, 61.31, 61.313, and 61.314, Alcoholic Beverage Code,
 122-9 as amended or added by this Act, relating to the permit and license
 122-10 application and protest process.

122-11 (c) Not later than December 31, 2020, the Texas Alcoholic
 122-12 Beverage Commission shall adopt rules to implement the changes in
 122-13 law made by this Act to Sections 101.67 and 101.671, Alcoholic
 122-14 Beverage Code, relating to the registration of alcoholic beverages.

122-15 (d) Not later than December 31, 2019, the Texas Alcoholic
 122-16 Beverage Commission shall adopt the rules required by Section
 122-17 108.52, Alcoholic Beverage Code, as amended by this Act, relating
 122-18 to outdoor advertising.

122-19 (e) This section takes effect September 1, 2019.

122-20 SECTION 405. (a) The Texas Alcoholic Beverage Commission
 122-21 shall adopt rules setting a fee for each original or renewal
 122-22 certificate, permit, and license as authorized by Section 5.50,
 122-23 Alcoholic Beverage Code, as amended by this Act, not later than
 122-24 September 1, 2021. The certificate, permit, and license fees
 122-25 established by commission rule apply only to an original or renewal
 122-26 certificate, permit, or license issued on or after September 1,
 122-27 2021. This subsection takes effect September 1, 2019.

122-28 (b) Effective September 1, 2021, the following provisions
 122-29 of the Alcoholic Beverage Code establishing the amount of a fee are
 122-30 repealed:

- 122-31 (1) Section 14.02;
- 122-32 (2) Section 16.02;
- 122-33 (3) Section 19.02;
- 122-34 (4) Section 20.02;
- 122-35 (5) Section 22.02;
- 122-36 (6) Section 23.02;
- 122-37 (7) Section 24.02;
- 122-38 (8) Section 25.02;
- 122-39 (9) Section 26.02;
- 122-40 (10) Section 28.02;
- 122-41 (11) Section 32.02;
- 122-42 (12) Section 37.02;
- 122-43 (13) Section 38.04;
- 122-44 (14) Section 41.02;
- 122-45 (15) Section 43.02;
- 122-46 (16) Section 46.02;
- 122-47 (17) Section 50.002;
- 122-48 (18) Section 51.05;
- 122-49 (19) Section 54.04;
- 122-50 (20) Section 55.02;
- 122-51 (21) Section 56.03;
- 122-52 (22) Section 62.02;
- 122-53 (23) Section 62A.03;
- 122-54 (24) Section 63.02;
- 122-55 (25) Section 64.02;
- 122-56 (26) Section 66.02;
- 122-57 (27) Section 69.02;
- 122-58 (28) Section 69.03;
- 122-59 (29) Section 71.02; and
- 122-60 (30) Section 74.02.

122-61 SECTION 406. (a) Effective September 1, 2021, the
 122-62 following provisions of the Alcoholic Beverage Code are repealed:

- 122-63 (1) Chapters 12, 12A, 13, 17, 27, 31, 33, 34, 42, 44,
 122-64 45, 48A, 52, 53, 67, 68, 70, and 72;
- 122-65 (2) Subchapter B, Chapter 201;
- 122-66 (3) Section 1.04(12);
- 122-67 (4) Section 19.05;
- 122-68 (5) Section 20.03;
- 122-69 (6) Section 22.06(b);

- 123-1 (7) Section 22.07;
- 123-2 (8) Section 24.05(b);
- 123-3 (9) Section 24.06;
- 123-4 (10) Section 25.03;
- 123-5 (11) Section 28.13;
- 123-6 (12) Section 37.04;
- 123-7 (13) Section 43.07;
- 123-8 (14) Section 51.01;
- 123-9 (15) Section 62.06;
- 123-10 (16) Section 71.03; and
- 123-11 (17) Section 107.07(d).

123-12 (b) Effective September 1, 2021, Section 151.461(3), Tax
 123-13 Code, is repealed.

123-14 SECTION 407. (a) Effective December 31, 2020, the
 123-15 following provisions of the Alcoholic Beverage Code relating to the
 123-16 permit and license application and protest process are repealed:

- 123-17 (1) Section 5.435;
- 123-18 (2) Section 5.46;
- 123-19 (3) Section 11.41;
- 123-20 (4) Section 25.051;
- 123-21 (5) Section 25.052;
- 123-22 (6) Section 26.06;
- 123-23 (7) Section 26.07;
- 123-24 (8) Section 61.311;
- 123-25 (9) Section 61.312;
- 123-26 (10) Section 61.32;
- 123-27 (11) Section 61.33;
- 123-28 (12) Sections 61.34(a) and (b);
- 123-29 (13) Section 61.39;
- 123-30 (14) Section 61.47; and
- 123-31 (15) Section 69.05.

123-32 (b) Effective December 31, 2020, the following provisions
 123-33 of the Government Code are repealed:

- 123-34 (1) Section 101.121; and
- 123-35 (2) Section 411.120.

123-36 SECTION 408. (a) The changes in law made by this Act do not
 123-37 affect the validity of a disciplinary action or other proceeding
 123-38 that was initiated before the effective date of this Act and that is
 123-39 pending on the effective date of this Act. A disciplinary action
 123-40 that is pending on the effective date of this Act is governed by the
 123-41 law in effect on the date the action was taken, and the former law is
 123-42 continued in effect for that purpose.

123-43 (b) The repeal of a law by this Act does not entitle a person
 123-44 to a refund of a certificate, permit, or license fee paid by the
 123-45 person before the effective date of this Act.

123-46 SECTION 409. On September 1, 2021, the Texas Alcoholic
 123-47 Beverage Commission shall convert any existing permits issued under
 123-48 Chapter 12, 12A, or 13, Alcoholic Beverage Code, to the
 123-49 corresponding license under Chapter 62, 62A, or 63, Alcoholic
 123-50 Beverage Code. The new license shall have the same expiration date
 123-51 as the permit it is replacing.

123-52 SECTION 410. The holder of a permit who immediately before
 123-53 the effective date of this Act was authorized under the permit to
 123-54 purchase, sell, transport, or store ale and malt liquor, may, after
 123-55 the effective date of the provisions of this Act changing
 123-56 references to "beer," "ale," and "malt liquor" in the Alcoholic
 123-57 Beverage Code to "malt beverages," continue to purchase, sell,
 123-58 transport, or store ale and malt liquor under that permit until the
 123-59 date the permit expires.

123-60 SECTION 411. (a) Effective September 1, 2019,
 123-61 notwithstanding the repeal by this section of Chapters 18 and 21,
 123-62 Alcoholic Beverage Code, a person holding a permit issued under
 123-63 Chapter 18 or 21, Alcoholic Beverage Code, on August 31, 2019, may
 123-64 continue to operate under that permit until the date the permit
 123-65 expires and Chapters 18 and 21, Alcoholic Beverage Code, remain in
 123-66 effect for those purposes.

123-67 (b) Effective September 1, 2019, the following provisions
 123-68 of the Alcoholic Beverage Code are repealed:

- 123-69 (1) Chapters 18, 21, 47, 49, 65, and 75;

- 124-1 (2) Section 5.05(b);
- 124-2 (3) Section 5.61;
- 124-3 (4) Section 15.02;
- 124-4 (5) Section 15.03;
- 124-5 (6) Section 15.06;
- 124-6 (7) Section 25.03(a);
- 124-7 (8) Section 35.02;
- 124-8 (9) Section 35.03;
- 124-9 (10) Section 35.04;
- 124-10 (11) Section 35.08;
- 124-11 (12) Section 36.02;
- 124-12 (13) Section 36.03;
- 124-13 (14) Section 36.09;
- 124-14 (15) Section 38.02;
- 124-15 (16) Section 38.03;
- 124-16 (17) Section 62.13;
- 124-17 (18) Sections 73.02, 73.03, 73.04, 73.05, 73.06,
- 124-18 73.07, 73.08, 73.09, 73.10, and 73.11;
- 124-19 (19) Section 74.10;
- 124-20 (20) Sections 108.52(d), (f), and (h); and
- 124-21 (21) Section 204.06.

124-22 SECTION 412. Sections 11.37 and 61.37, Alcoholic Beverage
124-23 Code, as amended by this Act, apply only to an application for a
124-24 permit or license received on or after the effective date of this
124-25 Act. An application for a permit or license received before the
124-26 effective date of this Act is governed by the law in effect
124-27 immediately before the effective date of this Act, and that law is
124-28 continued in effect for that purpose.

124-29 SECTION 413. Except as otherwise provided by this Act, this
124-30 Act takes effect September 1, 2021.

124-31 * * * * *