

By: Goldman

H.B. No. 3791

Substitute the following for H.B. No. 3791:

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C.S.H.B. No. 3791

A BILL TO BE ENTITLED

1

AN ACT

2 relating to prohibited relationships between holders of certain  
3 alcoholic beverage licenses and permits.

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

5 SECTION 1. Section 102.04(b), Alcoholic Beverage Code, is  
6 amended to read as follows:

7 (b) Except as permitted in Section 23.01 [~~of this code~~], no  
8 person to whom this section applies may:

9 (1) have a direct or indirect interest in the  
10 business, premises, equipment, or fixtures of a mixed beverage  
11 establishment;

12 (2) furnish or lend any money, service, or other thing  
13 of value to a mixed beverage permittee or guarantee the fulfillment  
14 of a financial obligation of a mixed beverage permittee;

15 (3) enter or offer to enter into an agreement,  
16 condition, or system which in effect amounts to the shipment and  
17 delivery of alcoholic beverages on consignment;

18 (4) furnish, rent, lend, or sell to a mixed beverage  
19 permittee any equipment, fixtures, or supplies used in the selling  
20 or dispensing of alcoholic beverages;

21 (5) pay or make an allowance to a mixed beverage  
22 permittee for a special advertising or distributing service [~~or~~  
23 ~~allow the permittee an excessive discount~~];

24 (6) offer to a mixed beverage permittee a prize,

1 premium, or other inducement, except as permitted by Section  
2 102.07(b) [~~of this code~~]; or

3 (7) advertise in the convention program or sponsor a  
4 function at a meeting or convention or a trade association of  
5 holders of mixed beverage permits, unless the trade association was  
6 incorporated before 1950.

7 SECTION 2. Section 102.07, Alcoholic Beverage Code, is  
8 amended by amending Subsection (a) and adding Subsection (a-1) to  
9 read as follows:

10 (a) Except as provided in Subsections (a-1), (b), (d), and  
11 (g), a [~~no~~] person who owns or has an interest in the business of a  
12 distiller, brewer, rectifier, wholesaler, class B wholesaler,  
13 winery, or wine bottler, or [~~nor~~] the agent, servant, or employee of  
14 such a person, may not:

15 (1) own or have a direct or indirect interest in the  
16 business, premises, equipment, or fixtures of a retailer;

17 (2) furnish, give, or lend any money, service, or  
18 thing of value to a retailer;

19 (3) guarantee a financial obligation of a retailer;

20 (4) make or offer to enter an agreement, condition, or  
21 system which will in effect amount to the shipment and delivery of  
22 alcoholic beverages on consignment;

23 (5) furnish, give, rent, lend, or sell to a retail  
24 dealer any equipment, fixtures, or supplies to be used in selling or  
25 dispensing alcoholic beverages, except that alcoholic beverages  
26 may be packaged in combination with other items if the package is  
27 designed to be delivered intact to the ultimate consumer and the

1 additional items have no value or benefit to the retailer other than  
2 that of having the potential of attracting purchases and promoting  
3 sales;

4 (6) pay or make an allowance to a retailer for a  
5 special advertising or distribution service; or

6 (7) [~~allow an excessive discount to a retailer, or~~

7 [~~(8)~~] offer a prize, premium, gift, or similar  
8 inducement to a retailer or to the agent, servant, or employee of a  
9 retailer.

10 (a-1) For purposes of Subsection (a)(7), transportation  
11 provided by a manufacturer subject to Subsection (a) to a retailer  
12 or retailer's agent, servant, or employee to attend an educational  
13 program at the manufacturer's facility is not considered an  
14 inducement unless the manufacturer prohibits a retailer or  
15 retailer's agent, servant, or employee who accepts the  
16 transportation from selling a product of a competitor of the  
17 manufacturer.

18 SECTION 3. Section 102.07(c), Alcoholic Beverage Code, is  
19 repealed.

20 SECTION 4. This Act takes effect September 1, 2019.