

By: Anchia

H.B. No. 4164

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain alcoholic beverage licenses and permits.

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

SECTION 1. Section 61.71(a)(25), Alcoholic Beverage Code, is amended to read as follows:

(a) The commission or administrator may suspend for not more than 60 days or cancel an original or renewal retail dealer's on- or off-premise license if it is found, after notice and hearing, that the licensee:

(25) occupied premises in which the holder of a manufacturer's or distributor's license had an interest of any kind, except as described by Section 102.03(c);

SECTION 2. Section 102.03, Alcoholic Beverage Code, is amended by adding subsection (c) to read as follows:

Sec. 102.03. PERSONS BARRED FROM INTEREST IN PREMISES OF RETAIL LIQUOR OUTLET.

(c) Subsection (b) of this section does not prohibit the holder of a non-resident seller's permit, direct shipper's permit, winery permit or wine bottler's permit that has an interest directly or indirectly, or through a subsidiary, affiliate, agent, employee, officer, director, or firm member in a commercial real estate development located within a municipality from leasing a premise that is part of the commercial real estate development to

1 the holder of a package store permit, wine only package store
2 permit, or mixed beverage permit if the holder of the non-resident
3 seller's permit, direct shipper's permit, winery permit or wine
4 bottler's permit, either directly or indirectly, or through a
5 subsidiary, affiliate, agent, employee, officer, director, or firm
6 member:

7 (1) owns a minimum of 1,000,000 cumulative gross
8 square feet of commercial real estate contiguous to, adjacent to,
9 or within two square miles of the premises, or

10 (2) owns commercial real estate, comprising the
11 premises, that is within a 2 mile radius of a civic theater center,
12 symphony hall, opera hall, museum, athletic training facility, or
13 public entertainment facility as defined in Section 108.73(2).

14 SECTION 3. Section 102.04(b), Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 102.04. PERSONS BARRED FROM INTEREST IN MIXED BEVERAGE
17 BUSINESS.

18 (b) Except as permitted in Section 23.01 and Section
19 102.03(c) of this code, no person to whom this section applies may:

20 (1) have a direct or indirect interest in the business, premises,
21 equipment, or fixtures of a mixed beverage establishment; (2)
22 furnish or lend any money, service, or other thing of value to a
23 mixed beverage permittee or guarantee the fulfillment of a
24 financial obligation of a mixed beverage permittee; (3) enter or
25 offer to enter into an agreement, condition, or system which in
26 effect amounts to the shipment and delivery of alcoholic beverages
27 on consignment; (4) furnish, rent, lend, or sell to a mixed beverage

1 permittee any equipment, fixtures, or supplies used in the selling
2 or dispensing of alcoholic beverages; Texas Alcoholic Beverage Code
3 (2017) 135 (5) pay or make an allowance to a mixed beverage
4 permittee for a special advertising or distributing service, or
5 allow the permittee an excessive discount; (6) offer to a mixed
6 beverage permittee a prize, premium, or other inducement, except as
7 permitted by Section 102.07 (b) of this code; or (7) advertise in
8 the convention program or sponsor a function at a meeting or
9 convention or a trade association of holders of mixed beverage
10 permits, unless the trade association was incorporated before 1950.

11 SECTION 4. Section 102.07(a)(1), Alcoholic Beverage Code,
12 is amended to read as follows:

13 (a) Except as provided in Subsections (b), (d), and (g), no
14 person who owns or has an interest in the business of a distiller,
15 brewer, rectifier, wholesaler, class B wholesaler, winery, or wine
16 bottler, nor the agent, servant, or employee of such a person, may:

17 (1) except as permitted by Section 102.03(c), own or
18 have a direct or indirect interest in the business, premises,
19 equipment, or fixtures of a retailer;

20 SECTION 5. This Act takes effect September 1, 2019.