

House Bill 1997
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Chapter 14, Alcoholic Beverage Code, is amended by adding Section 14.07 to read as follows:

Sec. 14.07. RETAILER SAMPLING. (a) Subject to this section and notwithstanding any other provision of this code, the holder of a distiller's and rectifier's permit or the agent or employee of the holder of a distiller's and rectifier's permit may:

(1) provide a sample of distilled spirits to the holder of a retail permit authorizing the sale of distilled spirits or an agent or employee of the holder of the retail permit; or

(2) provide a distilled spirits product tasting on the retailer's premises, including the opening, touching, or pouring of distilled spirits, for the holder of the retail permit or an agent or employee of the holder of the retail permit.

(b) The holder of the distiller's and rectifier's permit or the agent or employee of the holder of the distiller's and rectifier's permit may make a presentation or answer questions at a distilled spirits tasting provided under Subsection (a).

(c) The holder of a retail permit authorizing the sale of distilled spirits or an agent or employee of the permit holder may not sample or taste a distilled spirit provided under this section on the permitted retail premises unless the holder of the distiller's and rectifier's permit is present.

(d) The distilled spirits provided as a sample or at a tasting under Subsection (a):

(1) must be manufactured by the holder of the distiller's and rectifier's permit;

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SECTION 1. Chapter 14, Alcoholic Beverage Code, is amended by adding Section 14.07 to read as follows:

Sec. 14.07. RETAILER SAMPLING. (a) Subject to this section and notwithstanding any other provision of this code, the holder of a distiller's and rectifier's permit or the agent or employee of the holder of a distiller's and rectifier's permit may:

(1) provide a sample of distilled spirits to the holder of a retail permit authorizing the sale of distilled spirits or an agent or employee of the holder of the retail permit; or

(2) provide a distilled spirits product tasting on the retailer's premises, including the opening, touching, or pouring of distilled spirits, for the holder of the retail permit or an agent or employee of the holder of the retail permit.

(b) The holder of the distiller's and rectifier's permit or the agent or employee of the holder of the distiller's and rectifier's permit may make a presentation or answer questions at a distilled spirits tasting provided under Subsection (a).

(c) The holder of a retail permit authorizing the sale of distilled spirits or an agent or employee of the permit holder may not sample or taste a distilled spirit provided under this section on the permitted retail premises unless:

(1) the holder of the distiller's and rectifier's permit is present; or

(2) an agent or employee of the holder of the distiller's and rectifier's permit is present.

(d) The distilled spirits provided as a sample or at a tasting under Subsection (a):

(1) must be manufactured by the holder of the distiller's and rectifier's permit;

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(2) may not be of a brand previously purchased by the holder of the retailer's permit unless the spirits were purchased and used for educational or training purposes;

(3) must be limited to 750 milliliters of each brand provided as a sample or at a tasting; and

(4) must meet all labeling requirements of this code.

(e) Distilled spirits may legally be transported by the holder of the distiller's and rectifier's permit or the permit holder's agent or employee to a retail premises for the purpose of providing a sample or a tasting under this section.

(f) The cost of the distilled spirits provided for a sampling or tasting under this section is the responsibility of the holder of the distiller's and rectifier's permit providing the sampling or tasting.

(g) The holder of a distiller's and rectifier's permit or the agent or employee of the holder of a distiller's and rectifier's permit may not negotiate price or establish agreements while providing samples or tastings under this section.

SECTION 2. Section 15.01, Alcoholic Beverage Code, is amended to read as follows:

Sec. 15.01. AUTHORIZED ACTIVITIES. The holder of a distiller's agent's permit may:

(1) represent the holder of a distiller's and rectifier's permit;

(2) solicit and take orders from a holder of a wholesaler's permit for the sale of distilled spirits manufactured by the permit holder represented by the agent; ~~and~~

(3) conduct free distilled spirits tastings for consumers on the premises of the holder of a package store permit; and

(4) provide samples or tastings of distilled spirits on a retailer's premises in accordance with Section 14.07.

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(2) may not be of a brand previously purchased by the holder of the retailer's permit unless the spirits were purchased and used for educational or training purposes;

(3) must be limited to 750 milliliters of each brand provided as a sample or at a tasting; and

(4) must meet all labeling requirements of this code.

(e) Distilled spirits may legally be transported by the holder of the distiller's and rectifier's permit or the permit holder's agent or employee to a retail premises for the purpose of providing a sample or a tasting under this section.

(f) The cost of the distilled spirits provided for a sampling or tasting under this section is the responsibility of the holder of the distiller's and rectifier's permit providing the sampling or tasting.

(g) The holder of a distiller's and rectifier's permit or the agent or employee of the holder of a distiller's and rectifier's permit may not negotiate price or establish agreements while providing samples or tastings under this section.

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SECTION 3. Sections 22.10 and 22.11, Alcoholic Beverage Code, are amended to read as follows:

Sec. 22.10. **OPENING CONTAINERS PROHIBITED.** Except as authorized under Section 14.07, 37.01(d), or 52.01 [~~of this code~~], no person may break or open a container containing liquor or beer or possess an opened container of liquor or beer on the premises of a package store.

Sec. 22.11. **CONSUMPTION ON PREMISES PROHIBITED.** Except as authorized under Section 14.07, 37.01(d), or 52.01, no person may sell, barter, exchange, deliver, or give away any drink or drinks of alcoholic beverages from a container that has been opened or broken on the premises of a package store.

SECTION 4. Sections 28.06(a) and (c), Alcoholic Beverage Code, are amended to read as follows:

(a) Except as provided by Sections 14.07 and 37.01(d), no [~~No~~] holder of a mixed beverage permit, nor any officer, agent, or employee of a holder, may possess or permit to be possessed on the premises for which the permit is issued any alcoholic beverage which is not covered by an invoice from the supplier from whom the alcoholic beverage was purchased.

(c) Except as provided by Sections 14.07 and 37.01(d), no [~~No~~] holder of a mixed beverage permit, nor any officer, agent, or employee of a holder, may knowingly possess or permit to be possessed on the licensed premises any alcoholic beverage which is not covered by an invoice from

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the supplier from whom the alcoholic beverage was purchased.

SECTION 5. Section 28.15(a), Alcoholic Beverage Code, is amended to read as follows:

(a) Except as provided by Sections 14.07 and 37.01(d), a [A] mixed beverage permittee may not possess or permit a person to possess on the premises distilled spirits in any container that does not bear a serially numbered identification stamp issued by the commission or other identification approved by the commission.

SECTION 5. Same as House version.

SECTION 6. Section 32.15, Alcoholic Beverage Code, is amended to read as follows:

Sec. 32.15. **REMOVAL OF BEVERAGES FROM PREMISES.** A private club, irrespective of location or system of storage of alcoholic beverages, may not permit any person to remove any alcoholic beverages from the club premises, except as authorized by ~~[Subsection (b) of]~~ Section 28.10(b) or for the purpose of removing unused inventory the person brought onto the premises under Section 14.07 or 37.01(d) [28.10 of this code].

SECTION 6. Same as House version.

SECTION 7. Section 32.20(a), Alcoholic Beverage Code, is amended to read as follows:

(a) Except as provided by Sections 14.07 and 37.01(d), a [A] private club registration permittee may not possess or permit a person to possess on the premises distilled spirits in any container that does not bear a serially numbered

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identification stamp issued by the commission or other identification approved by the commission.

SECTION 8. Section 36.01, Alcoholic Beverage Code, is amended to read as follows:

Sec. 36.01. AUTHORIZED ACTIVITIES. The holder of a manufacturer's agent's permit may:

(1) represent only the holders of nonresident seller's permits; ~~and~~

(2) solicit and take orders for the sale of liquor from permittees authorized to import liquor for the purpose of resale; and

(3) if the agent represents the holder of a nonresident seller's permit, provide samples or tastings of distilled spirits on a retailer's premises as authorized by Section 37.01(d).

SECTION 9. Section 37.01, Alcoholic Beverage Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Any alcoholic beverages used in a sampling event under Subsection (b) ~~[this section]~~ must be purchased from the retailer on whose premises the sampling event is held. Subsection (b) ~~[This section]~~ does not authorize the holder of a nonresident seller's permit or manufacturer's agent's permit to withdraw or purchase alcoholic beverages from the holder of a wholesaler's permit or provide alcoholic beverages for a sampling event on a retailer's premises that is not purchased from the retailer. The amount of alcoholic beverages purchased from the retailer may not exceed the amount of alcoholic beverages used in the sampling event.

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(d) The holder of a nonresident seller's permit or an agent or employee of the permit holder may provide samples or tastings of the kinds of distilled spirits the permit holder is authorized to produce in the manner authorized by Section 14.07 for the holder of a distiller's and rectifier's permit or the agent or employee of the holder of a distiller's and rectifier's permit. Distilled spirits may legally be transported by the holder of a nonresident seller's permit or the permit holder's agent or employee to a retailer's premises for the purpose of providing a sample or a tasting under this subsection. The cost of the distilled spirits provided for a sampling or tasting under this subsection is the responsibility of the holder of the nonresident seller's permit providing the sampling or tasting.

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

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