87R97 MCK-D

By:  Leman H.B. No. 1734

A BILL TO BE ENTITLED

AN ACT

relating to the sale of malt beverages by certain brewers to ultimate consumers for on- and off-premises consumption; providing administrative penalties.

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

SECTION 1.  Chapter 62, Alcoholic Beverage Code, as effective September 1, 2021, is amended by adding Section 62.123 to read as follows:

Sec. 62.123.  SALES BY CERTAIN HISTORIC BREWERS TO CONSUMERS. (a) This section applies only to the holder of a brewer's license:

(1)  who has continuously operated a brewery producing malt beverages since 1934 at a location included in a licensed premises of the brewer:

(A)  located in:

(i)  a county with a population of not more than 20,000; and

(ii)  a municipality with a population of not more than 2,500; and

(B)  all or part of which is designated as a landmark of historical significance by the Texas State Historical Survey Committee or the Texas Historical Commission; and

(2)  who brews, bottles, packages, and labels malt beverages on those licensed premises.

(b)  The holder of a brewer's license described by Subsection (a) may sell malt beverages brewed, bottled, packaged, and labeled on the premises described by Subsection (a) to ultimate consumers on those premises:

(1)  for responsible consumption on those premises; or

(2)  subject to Subsection (c), for off-premises consumption.

(c)  Sales to a consumer under this section for off-premises consumption are limited to 144 fluid ounces of malt beverages per calendar day.

(d)  The total sales of malt beverages to ultimate consumers under this section at the same premises may not exceed 3,000 barrels annually.

(e)  A holder of a brewer's license who sells malt beverages to ultimate consumers under this section:

(1)  shall file a territorial agreement with the commission under Subchapters C and D, Chapter 102;

(2)  must purchase any malt beverages the license holder sells on the brewer's premises from the holder of a license issued under Chapter 64 or 66; and

(3)  with respect to those purchases, must comply with the requirements of this code governing dealings between a distributor and a member of the retail tier, including Sections 61.73 and 102.31.

(f)  The commission:

(1)  may require the holder of a brewer's license who sells malt beverages to ultimate consumers under this section to report to the commission each month, in the manner prescribed by the commission, the total amounts of malt beverages sold by the license holder under this section during the preceding month for:

(A)  responsible consumption on the brewer's premises; and

(B)  off-premises consumption, as authorized by Subsection (b);

(2)  by rule shall adopt a simple form for a report required under Subdivision (1); and

(3)  shall maintain reports received under this subsection for public review.

(g)  The commission may impose an administrative penalty against a license holder who violates Subsection (c) or fails to comply with a requirement established by the commission under Subsection (f). The commission shall adopt rules establishing:

(1)  the amount of an administrative penalty under this subsection; and

(2)  the procedures for imposing an administrative penalty under this subsection.

SECTION 2.  This Act takes effect September 1, 2021.