

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.

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

- 5 (1) for responsible consumption on those premises; or
6 (2) subject to Subsection (c), for off-premises
7 consumption.

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

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

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

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

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

21 (3) with respect to those purchases, must comply with
22 the requirements of this code governing dealings between a
23 distributor and a member of the retail tier, including Sections
24 61.73 and 102.31.

25 (f) The commission:

26 (1) may require the holder of a brewer's license who
27 sells malt beverages to ultimate consumers under this section to

1 report to the commission each month, in the manner prescribed by the
2 commission, the total amounts of malt beverages sold by the license
3 holder under this section during the preceding month for:

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

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

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

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

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

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

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

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