

By: Zaffirini

S.B. No. 196

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

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

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

(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(a), Alcoholic Beverage Code, as
8 effective September 1, 2021, is amended to read as follows:

9 (a) Except as provided in Subsections (a-1), (b), (d), and
10 (g), a person who owns or has an interest in the business of a
11 distiller, rectifier, wholesaler, class B wholesaler, or winery, or
12 the agent, servant, or employee of such a person, may not:

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

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

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

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

21 (5) furnish, give, rent, lend, or sell to a retail
22 dealer any equipment, fixtures, or supplies to be used in selling or
23 dispensing alcoholic beverages, except that alcoholic beverages
24 may be packaged in combination with other items if the package is
25 designed to be delivered intact to the ultimate consumer and the
26 additional items have no value or benefit to the retailer other than
27 that of having the potential of attracting purchases and promoting

1 sales;

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

4 (7) [~~allow an excessive discount to a retailer, or~~
5 [~~8~~] offer a prize, premium, gift, or similar
6 inducement to a retailer or to the agent, servant, or employee of a
7 retailer.

8 SECTION 3. Section 102.07, Alcoholic Beverage Code, is
9 amended by adding Subsection (a-1) to read as follows:

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 4. Section 102.07(c), Alcoholic Beverage Code, is
19 repealed.

20 SECTION 5. This Act takes effect September 1, 2021.