

1-1 By: Zaffirini S.B. No. 196
 1-2 (In the Senate - Filed November 16, 2020; March 3, 2021,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 March 26, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; March 26, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 196 By: Nichols

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to prohibited relationships between holders of certain
 1-22 alcoholic beverage licenses and permits.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 102.04(b), Alcoholic Beverage Code, is
 1-25 amended to read as follows:

1-26 (b) Except as permitted in Section 23.01 [~~of this code~~], no
 1-27 person to whom this section applies may:

1-28 (1) have a direct or indirect interest in the
 1-29 business, premises, equipment, or fixtures of a mixed beverage
 1-30 establishment;

1-31 (2) furnish or lend any money, service, or other thing
 1-32 of value to a mixed beverage permittee or guarantee the fulfillment
 1-33 of a financial obligation of a mixed beverage permittee;

1-34 (3) enter or offer to enter into an agreement,
 1-35 condition, or system which in effect amounts to the shipment and
 1-36 delivery of alcoholic beverages on consignment;

1-37 (4) furnish, rent, lend, or sell to a mixed beverage
 1-38 permittee any equipment, fixtures, or supplies used in the selling
 1-39 or dispensing of alcoholic beverages;

1-40 (5) pay or make an allowance to a mixed beverage
 1-41 permittee for a special advertising or distributing service [~~or~~
 1-42 ~~allow the permittee an excessive discount~~];

1-43 (6) offer to a mixed beverage permittee a prize,
 1-44 premium, or other inducement, except as permitted by Section
 1-45 102.07(b) [~~of this code~~]; or

1-46 (7) advertise in the convention program or sponsor a
 1-47 function at a meeting or convention or a trade association of
 1-48 holders of mixed beverage permits, unless the trade association was
 1-49 incorporated before 1950.

1-50 SECTION 2. Section 102.07(a), Alcoholic Beverage Code, as
 1-51 effective September 1, 2021, is amended to read as follows:

1-52 (a) Except as provided in Subsections (a-1), (b), (d), and
 1-53 (g), a person who owns or has an interest in the business of a
 1-54 distiller, rectifier, wholesaler, class B wholesaler, or winery, or
 1-55 the agent, servant, or employee of such a person, may not:

1-56 (1) own or have a direct or indirect interest in the
 1-57 business, premises, equipment, or fixtures of a retailer;

1-58 (2) furnish, give, or lend any money, service, or
 1-59 thing of value to a retailer;

1-60 (3) guarantee a financial obligation of a retailer;

2-1 (4) make or offer to enter an agreement, condition, or
2-2 system which will in effect amount to the shipment and delivery of
2-3 alcoholic beverages on consignment;

2-4 (5) furnish, give, rent, lend, or sell to a retail
2-5 dealer any equipment, fixtures, or supplies to be used in selling or
2-6 dispensing alcoholic beverages, except that alcoholic beverages
2-7 may be packaged in combination with other items if the package is
2-8 designed to be delivered intact to the ultimate consumer and the
2-9 additional items have no value or benefit to the retailer other than
2-10 that of having the potential of attracting purchases and promoting
2-11 sales;

2-12 (6) pay or make an allowance to a retailer for a
2-13 special advertising or distribution service; or

2-14 (7) ~~[allow an excessive discount to a retailer, or~~
2-15 ~~[-8-]]~~ offer a prize, premium, gift, or similar
2-16 inducement to a retailer or to the agent, servant, or employee of a
2-17 retailer.

2-18 SECTION 3. Section 102.07, Alcoholic Beverage Code, is
2-19 amended by adding Subsection (a-1) to read as follows:

2-20 (a-1) For purposes of Subsection (a)(7), transportation
2-21 provided by a manufacturer subject to Subsection (a) to a retailer
2-22 or retailer's agent, servant, or employee to attend an educational
2-23 program at the manufacturer's facility in this state is not
2-24 considered an inducement unless the manufacturer prohibits a
2-25 retailer or retailer's agent, servant, or employee who accepts the
2-26 transportation from selling a product of a competitor of the
2-27 manufacturer.

2-28 SECTION 4. Section 102.07(c), Alcoholic Beverage Code, is
2-29 repealed.

2-30 SECTION 5. This Act takes effect September 1, 2021.

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