

BILL ANALYSIS

H.B. 3171
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Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The distilled spirits industry is growing in Texas. According to the Texas Alcoholic Beverage Commission, there were fewer than 50 distiller's and rectifier's permit holders in Texas in 2013, but there are over 200 such permit holders in Texas today. Texas distillers are seeking ways to market their products throughout the state, but they are not authorized under current law to bring their own product to give away as samples and tastings at festivals or similar events. These permit holders must instead purchase their own product from the festival organizer at cost or at a marked up cost. H.B. 3171 seeks to address this issue by authorizing Texas distiller's and rectifier's permit holders to bring their own manufactured products from their distillery to hand out as samples and tastings at festivals, farmers' markets, celebrations, and similar events.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 2 of this bill.

ANALYSIS

H.B. 3171 amends the Alcoholic Beverage Code to authorize a distiller's and rectifier's permit holder to conduct samplings or tastings at a civic or distilled spirits festival, farmers' market, celebration, or similar event with distilled spirits manufactured by the permit holder. The bill caps the amount of sample portions served at a sampling or tasting at one-half ounce and makes the permit holder providing the sampling or tasting responsible for the cost of providing the distilled spirits. A person who receives a sample may not remove the sample from the event premises, but the permit holder or the permit holder's agent or employee may legally transport distilled spirits to the temporary event for the purpose of providing a sample or a tasting.

H.B. 3171 requires the Texas Alcoholic Beverage Commission (TABC) to adopt rules to implement the bill, including rules that do the following:

- establish a procedure to verify the wet or dry status of the location where the permit holder intends to temporarily sample or taste distilled spirits;
- detail the circumstances when a permit holder may temporarily sample distilled spirits with just a notification to TABC and the circumstances that require TABC's preapproval to do so; and
- require the permit holder to provide any other information TABC determines necessary.

EFFECTIVE DATE

September 1, 2023.