

BILL ANALYSIS

S.B. 926
By: Parker
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the 79th Regular Session, the legislature enacted S.B. 1331, which authorized the Texas Alcoholic Beverage Commission (TABC) to issue up to four temporary wine and beer retailer's permits per year to the Texas Motor Speedway in Denton County. The 86th Regular Session enacted legislation that continued TABC following the sunset review process, consolidated several permits to streamline TABC's processes, and repealed and reorganized several chapters and sections of the Alcoholic Beverage Code as part of this consolidation effort. During this process, the specific language providing for the authority to temporarily sell wine and malt beverages at the Texas Motor Speedway was placed in an incorrect section of the code, inadvertently removing a mixed beverage permit holder's authority to do so. S.B. 926 seeks to reorganize the applicable statute to provide for the temporary sale of wine and malt beverages during racing events at certain facilities, such as the Texas Motor Speedway.

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 4 of this bill.

ANALYSIS

S.B. 926 repeals Alcoholic Beverage Code provisions providing for the temporary sale of wine and malt beverages by a wine and malt beverage retailer's permit holder in an area of a facility with a 150,000-plus seating capacity that is open to the public and not otherwise covered by a license or permit during a motor vehicle racing event sponsored by a professional motor racing association. The bill amends the Alcoholic Beverage Code to authorize a mixed beverage permit holder instead to temporarily sell wine and malt beverages during such an event in an area meeting that same criteria but in a facility with a 40,000-plus seating capacity. The bill authorizes a mixed beverage permit holder to temporarily sell wine and malt beverages containing alcohol in excess of one-half of one percent by volume but not more than 17 percent by volume for consumption on or off the premises where sold, but not for resale, and for not more than five consecutive days at an event or six days if necessary to accommodate the postponement of scheduled racing events due to an act of nature.

S.B. 926 provides for certain limitations on the temporary sale of wine and malt beverages by a mixed beverage permit holder, which are the same as those in a repealed provision regarding such a temporary sale by a wine and malt beverage retailer's permit holder, relating to the authorized frequency, location, and time of sale and to the beverage container and number of beverages sold to a single consumer at one time. The bill authorizes a mixed beverage permit

holder temporarily selling wine and malt beverages, or the permit holder's officer, agent, or employee to allow a person to possess, consume, and remove alcoholic beverages brought onto the premises by the person.

S.B. 926 requires a mixed beverage permit holder selling wine or malt beverages under that permit in a county other than the county in which the premises covered by the permit is located to do the following:

- purchase the beverages from a distributor or wholesaler authorized under the Alcoholic Beverage Code to sell the beverages in the county in which the permit holder sells the beverages under the bill's provisions; and
- report to the Texas Alcoholic Beverage Commission (TABC), in the manner prescribed by TABC rule, the amount of beverages purchased and sold under the bill's provisions, by type.

The bill requires TABC to adopt rules to implement the bill's provisions.

S.B. 926 repeals Sections 25.16(d) and (e), Alcoholic Beverage Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.