

BILL ANALYSIS

Senate Research Center
89R22377 SCF-D

H.B. 4463
By: VanDeaver (Parker)
State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The bill author has informed the committee that there is a need to modernize the regulations for brewers and nonresident brewers in Texas to assist their ability to contract with one another for manufacturing services and to share facilities under an alternating brewery proprietorship. H.B. 4463 seeks to address this issue and enhance compliance, transparency, and flexibility in the alcoholic beverage industry by providing for brewers and nonresident brewers to engage in joint production activities and authorizing nonresident brewers to transport malt beverages into Texas from multiple out-of-state locations without needing a separate license for each site.

H.B. 4463 amends current law relating to authorized activities of a brewer's or nonresident brewer's license holder and authorizes a fee increase.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 62.14(a) and (b-1), Alcoholic Beverage Code, as follows:

- (a) Authorizes the holder of a brewer's or nonresident brewer's license to contract with the holder of a brewer's or nonresident brewer's license for certain purposes.
- (b-1) Requires each entity that is a party to an alternating brewery proprietorship or contract brewing arrangement to hold a brewer's license in this state at the location where brewing services are conducted under the arrangement.

SECTION 2. Amends Section 63.01, Alcoholic Beverage Code, as follows:

- Sec. 63.01. AUTHORIZED ACTIVITIES. (a) Creates this subsection from existing text. Provides that the holder of a nonresident brewer's license is authorized to transport or cause to be transported malt beverages into Texas only to holders of brewer's or distributor's licenses.
- (b) Authorizes the holder of a nonresident brewer's license to transport or cause to be transported malt beverages into Texas from any of the license holder's locations outside of this state under the license. Provides that the holder is not required to hold a separate nonresident brewer's license for each location outside of this state.
 - (c) Authorizes the holder of a nonresident brewer's license to enter into a contract with the holder of a brewer's license under Section 62.14 (Use of Facilities) and engage in any activity authorized under that section.

SECTION 3. Amends Chapter 63, Alcoholic Beverage Code, by adding Section 63.06, as follows:

Sec. 63.06. RESTRICTION AS TO SOURCE OF SUPPLY; CONSTRUCTION OF OTHER LAW. (a) Provides that no holder of a nonresident brewer's license is authorized to solicit, accept, or fill an order for malt beverages from a holder of a brewer's or distributor's license unless the nonresident brewer is the primary American source of supply for the brand of malt beverages that is ordered.

(b) Provides that a nonresident brewer that is the primary American source of supply for a malt beverage is considered the brewer of the malt beverage for purposes of Subchapters C (Territorial Limits on Sale of Malt Beverages) and D (Malt Beverage Industry Fair Dealing Law), Chapter 102 (Intra-Industry Relationships).

(c) Defines "primary American source of supply." Requires that the nonresident brewer, to be the "primary American source of supply," to be the first source, that is, the manufacturer or the source closest to the manufacturer, in the channel of commerce from whom the product can be secured by Texas distributors or brewers. Provides that a product is authorized to have only one primary American source of supply to Texas.

SECTION 4. Repealer: Section 63.05 (Use of Facilities), Alcoholic Beverage Code.

SECTION 5. Requires the Texas Alcoholic Beverage Commission (TABC), as soon as practicable after the effective date of this Act, to adopt rules to implement the changes in law made by this Act, including rules to adjust, including by increasing, fees assessed by TABC under Section 5.50 (Establishment of Certain Fees), Alcoholic Beverage Code, on applicants for an original or renewal certificate, permit, or license issued by the commission as necessary to ensure the amount of the fees for an original or renewal certificate, permit, or license is sufficient to cover the costs incurred by TABC in administering the Alcoholic Beverage Code, as required by Section 5.50, Alcoholic Beverage Code.

SECTION 6. Effective date: September 1, 2025.