

BILL ANALYSIS

Senate Research Center

S.B. 1378
By: Parker
State Affairs
8/21/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Alcoholic Beverage Code regulates the activities of nonresident sellers and wineries to maintain a structured and controlled marketplace for alcoholic beverages. Current laws restrict nonresident sellers from holding interests in Texas-based importers and set limitations on their operational privileges. However, existing provisions include specific exceptions for certain entities that meet historical or geographical criteria. The proposed amendment to Section 37.07 of the Alcoholic Beverage Code further clarifies these restrictions by addressing the relationship between nonresident sellers and winery permit holders.

S.B. 1378 seeks to refine the regulatory framework governing nonresident sellers who also hold a winery permit. Specifically, the bill ensures that holders of both permits, or affiliates thereof, are prohibited from selling wine to their own winery operations. This measure strengthens the integrity of the state's alcohol distribution system by preventing potential conflicts of interest, maintaining compliance with regulatory standards, and preserving fair market competition within the industry. By updating statutory language, the bill maintains accountability in Texas' alcoholic beverage distribution laws.

S.B. 1378 amends current law relating to the powers of certain nonresident seller's permit holders who also hold a winery permit.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 37.07, Alcoholic Beverage Code, as follows:

Sec. 37.07. PROHIBITED ACTIVITIES. (a) Creates this subsection from existing text. Prohibits a holder of a nonresident seller's permit, or any affiliate of the holder, regardless of whether the affiliation is corporate or by management, direction, or control, from doing any of certain activities, including holding or having an interest in the permit, business, assets, or corporate stock of a person authorized to import liquor into this state for the purpose of resale unless certain conditions are met, including unless the permittee holds a winery permit that was first issued on or before May 1, 2010, for a winery whose premises is located in a municipality with a population of more than 130,000 and less than 150,000 and located in three counties, one of which has a population of more than two million and less than three million. Makes nonsubstantive changes.

(b) Prohibits the holder of a nonresident seller's permit who holds a winery permit or whose affiliate holds a winery permit from selling wine to the holder of the winery permit.

SECTION 2. Effective date: September 1, 2025.