

By: Phelan

H.B. No. 4517

Substitute the following for H.B. No. 4517:

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C.S.H.B. No. 4517

A BILL TO BE ENTITLED

AN ACT

relating to liquor sales on credit by the holder of a distiller's
and rectifier's permit to a wholesaler.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 102, Alcoholic Beverage
Code, is amended by adding Section 102.33 to read as follows:

Sec. 102.33. SALE OF LIQUOR BY DISTILLER AND RECTIFIER TO
WHOLESALER: CREDIT RESTRICTIONS. (a) The holder of a distiller's
and rectifier's permit shall provide a written invoice to the
holder of a wholesaler's permit who purchases liquor from the
holder of the distiller's and rectifier's permit.

(b) The holder of a wholesaler's permit shall pay for liquor
purchased from the holder of a distiller's and rectifier's permit in
accordance with the agreed terms of a contract or written agreement
between the holder of the distiller's and rectifier's permit and the
wholesaler.

(c) If the holder of a wholesaler's permit becomes
delinquent in the payment of an invoice for liquor under this
section, the holder of the distiller's and rectifier's permit who
sold the liquor to the wholesaler may report that fact in writing,
along with any supporting documentation, to the commission. For
purposes of this section, a wholesaler becomes delinquent in the
payment of an invoice if the wholesaler:

(1) fails to pay the amount due to the holder of the

distiller's and rectifier's permit on or before the date payment is required under the agreed terms of a contract or written agreement between the holder of the distiller's and rectifier's permit and the wholesaler; and

(2) fails to pay the amount due to the holder of the distiller's and rectifier's permit after receiving a demand for payment from the holder of the distiller's and rectifier's permit, in accordance with any agreed payment terms of a contract or written agreement between the holder of the distiller's and rectifier's permit and the wholesaler.

(d) It is a violation of this section for the holder of a wholesaler's permit to become delinquent in the payment of an invoice under this section. The commission may take disciplinary action against a wholesaler who violates this section. In determining an appropriate disciplinary action for the violation, the commission may consider:

(1) the duration of the delinquency;
(2) the amount of the delinquent payment;
(3) any previous violations of this section committed by the wholesaler;

(4) the financial resources of the wholesaler; and
(5) any other factors the commission or administrator determines relevant.

(e) The commission shall adopt rules to implement this section, including rules regarding the submission of supporting documentation by the holder of a distiller's and rectifier's permit under Subsection (c).

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1 SECTION 2. This Act takes effect September 1, 2025.