

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

1 AN ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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