

BILL ANALYSIS

C.S.H.B. 2097
By: Geren
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties have identified a need for clarity regarding the authority of a brewpub license holder who holds a wine and beer retailer's permit to self-distribute beer, ale, or malt liquor manufactured on the brewpub's premises to certain retailers. C.S.H.B. 2097 seeks to provide this clarification.

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

ANALYSIS

C.S.H.B. 2097 amends the Alcoholic Beverage Code to specify that the authorization for the holder of a brewpub license who holds a wine and beer retailer's permit to sell malt liquor, ale, and beer produced under the license to specified retailers and qualified persons applies to a brewpub license holder whose sale of beer, ale, or malt liquor consists only of beer, ale, or malt liquor manufactured on the brewpub's premises.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2097 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 74.08(a), Alcoholic Beverage Code, is amended to read as follows:

(a) In addition to the activities authorized by Section 74.01, the holder of a brewpub license who holds a wine and beer retailer's

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 74.08(a), Alcoholic Beverage Code, is amended to read as follows:

(a) In addition to the activities authorized by Section 74.01, the holder of a brewpub license who holds a wine and beer retailer's

permit and whose sale of ~~[who sells]~~ alcoholic beverages consists only of beer, ale, or malt liquor manufactured ~~[only]~~ on the brewpub's premises may:

- (1) sell malt liquor or ale produced under the license to those retailers or qualified persons to whom the holder of a general class B wholesaler's permit may sell malt liquor or ale under Section 20.01; and
- (2) sell beer produced under the license to:
 - (A) those retailers to whom the holder of a general distributor's license may sell beer under Section 64.01; or
 - (B) qualified persons to whom the holder of a general distributor's license may sell beer for shipment and consumption outside the state under Section 64.01.

SECTION 2. This Act takes effect September 1, 2017.

permit and whose sale of beer, ale, or malt liquor consists only of beer, ale, or malt liquor ~~[who sells alcoholic beverages]~~ manufactured ~~[only]~~ on the brewpub's premises may:

- (1) sell malt liquor or ale produced under the license to those retailers or qualified persons to whom the holder of a general class B wholesaler's permit may sell malt liquor or ale under Section 20.01; and
- (2) sell beer produced under the license to:
 - (A) those retailers to whom the holder of a general distributor's license may sell beer under Section 64.01; or
 - (B) qualified persons to whom the holder of a general distributor's license may sell beer for shipment and consumption outside the state under Section 64.01.

SECTION 2. Same as introduced version.