

SUBJECT: Notifying legislators of applications for certain alcoholic beverage permits

COMMITTEE: Licensing and Administrative Procedures — favorable, with amendment

VOTE: 5 ayes — Hamilton, Driver, Goolsby, Homer, D. Jones

0 nays

4 absent — Flores, Eissler, Raymond, Wise

WITNESSES: None

DIGEST: HB 1008, as amended, would require a person who applied for a permit or renewal to sell alcoholic beverages for on-premises consumption to notify the state senator and representative of the district of the application. Notice would have to be sent by mail at the applicant's expense. The requirement would not apply to a fraternal or veterans organization or an applicant for a food and beverage certificate.

Notice would have to be provided on a form prescribed by the Texas Alcoholic Beverage Commission. A private club applying for a permit or renewal also would have to use the form to provide notice. The form would have to include:

- the type of permit and business;
- the exact location of the business;
- the name of each owner of the business; and
- the name and title of each officer if the applicant was a corporation.

Notice would have to be provided within five days of applying to the Texas Alcoholic Beverage Commission or at least 30 days before a permit expired for which an applicant was applying for a renewal.

A person brewing, importing, distributing, or selling beer also would have to comply with all the requirements of the bill.

The bill would take effect on September 1, 2003. It would apply to permit, license, or renewal filed on or after that date. A permit, license, or renewal

filed before that date would be governed by the law in effect on the date it was filed.

**SUPPORTERS
SAY:**

HB 1008 would require bars and other establishments, such as topless clubs, applying or seeking a renewal of a permit to serve alcoholic beverages to notify their state senator and representative. Under some circumstances, such establishments may generate controversy in a community. For instance, parents may be concerned about a bar's proximity to a school because of the danger of intoxicated drivers or strangers, leading a neighborhood association to clash with the bar owners. In cases of controversy, legislators are often requested to intervene; however, many legislators may not be aware of the establishment. The bill would require notification so that when such controversies arose, legislators would be informed of the establishment and better able to serve their constituents.

The bill would not apply to restaurants, fraternal organizations, or veterans groups because these establishments usually do not generate controversy in the community. The notification form would require basic information about the establishment, including the type of business, location, and owner. Filling out the form and mailing it would create a minimal burden for a permit applicant.

**OPPONENTS
SAY:**

The bill would unfairly single out bars and similar establishments for the new notification requirements. An applicant for a food and beverage certificate would not have to meet the new requirements. However, a rowdy restaurant could cause just as much concern as a bar in some communities. Moreover, applicants for alcoholic beverage permits already must publish notice in newspapers. Requiring applicants also to provide specific notice to legislators simply would be a redundant step in an already overly bureaucratic process.

NOTES:

The committee amendment would amend the bill to require notification when a person applied for a permit authorizing the retail sale or service of alcoholic beverages for on-premises consumption. It also would specify that notification form requirements applied to private clubs applying for permits.