

SUBJECT: Modifying restrictions for holders of package store tasting permits

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 8 ayes — Flores, Hamilton, Driver, Eissler, Goolsby, Homer, D. Jones, Raymond

0 nays

1 absent — Wise

WITNESSES: For — (*Registered, but did not testify:*) Fred Maroske, Texas Package Store Association; Dale Szynkowski, Distilled Spirits Council of U.S.

Against — None

BACKGROUND: Alcoholic Beverage Code, sec. 22.01 authorizes a holder of a “package store permit” to sell alcohol in unbroken original containers for off-premises consumption. Sec. 52.01 authorizes a holder of a package store permit to obtain a “package store tasting permit” and host events for people to taste alcoholic beverages at the licensed package store. Sec. 22.13 requires that all package store employees be age 21 or older, and Alcoholic Beverage Code, Ch. 105 governs the hours of sale and consumption for liquor, beer, and wine.

Sec. 52.01(b) requires the holder of a tasting permit to mail notice of a tasting event to the Texas Alcoholic Beverage Commission (TABC) at least 72 hours before it occurs. The notification must state the types and brands of alcoholic beverage available at the tasting event, date and hours of the event, and the address of the licensed premises.

Sec. 52.01(e) prohibits the tasting of more than two of the following three categories at each event: distilled spirits, wine, and beer or coolers. In addition, the permit holder may make available for tasting only one brand or type of distilled spirit, three different wines, and two brands or types of beer or coolers.

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Sec. 52.01(j) requires the removal of all empty or open containers of alcoholic beverages used in the tasting at the end of the event. Sec. 52.01(k) prohibits the advertisement of the tasting event except by on-site communications or direct mail.

Alcoholic Beverage Code, sec. 16.07 allows wineries to conduct wine tasting events without having to notify TABC and with no limitation on the number of wines that may be sampled.

DIGEST:

CSHB 1510 would amend Alcoholic Beverage Code, sec. 52.01 to require a holder of a package store tasting permit to provide written notice of a tasting event at the package store premises by posting notice of the tasting event on the premises at least 48 hours before it occurred. The bill would repeal the requirement that TABC be mailed written notice of the event.

The bill would authorize a permit holder to offer not more than 20 different products for tasting at an event. It would repeal current restrictions that allow the tasting of only two of three alcohol categories, and would repeal existing limits on the number of types or brands for each.

In lieu of removing the containers at the conclusion of the tasting event, CSHB 1510 would authorize the sponsor to store the empty or open alcohol containers in a locked, secure area on the premises. Finally, the bill would authorize the holder of a tasting permit to advertise the event by electronic mail and on the holder's website.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 1510 would update law governing package store tasting permits to accommodate consumer demand and a changing industry while preserving important safeguards. Because current law allows sponsors of package store tasting events to serve only two of three alcohol categories (spirits, wine, and beer or coolers), sponsors often do not offer samples of distilled spirits. Yet producers of distilled spirits have improved their product offerings and consumers are eager to sample these products. This bill would allow package store owners to provide the choices consumers want by offering a full range of alcoholic beverages at tasting events and allowing a greater variety — up to 20 products — for sampling.

At the same time, CSHB 1510 would preserve existing safeguards by restricting package stores from opening more than two containers of each product type at any one time during tasting events. This bill would not affect current law governing the age of employees and the hours of operation for package stores.

CSHB 1510 would treat package stores in much the same way as the law treats wineries that host tasting events. Wineries are not required to notify TABC prior to tasting events or limit the number of products they serve.

OPPONENTS SAY: CSHB 1510 could compromise TABC's enforcement of Chapter 52 of the Alcoholic Beverage Code. Because the bill would require only posted notice of a tasting event just 48 hours in advance, enforcement officials normally would not find out about these events. Accordingly, officials would not know when and where to inspect to ensure compliance with law governing the handling of alcohol during tasting events. Nor could the commission continue to record the frequency and location of these tasting events, which could hinder its ability to track the use of a regulated, sometimes dangerous, substance.

The bill would make it easier for greater numbers of people to access distilled spirits, which contain more alcohol per ounce and therefore pose more potential danger. By relaxing existing rules, the bill would make it easier to promote these products at package stores.

NOTES: The committee substitute differs from the bill as introduced by reducing the advance notification requirement for a tasting event to 48 hours from 72 hours. The committee substitute also would authorize a tasting permit holder to offer not more than 20 different alcohol products at a tasting event, while repealing the restriction that an event sponsor serve no more than two of three categories of alcoholic beverages (spirits, wine, and beer or coolers).