

- SUBJECT:** Allowing smaller boats to obtain mixed beverage permits
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 8 ayes — Flores, Isett, Goolsby, Hamilton, Jones, Miles, Quintanilla, Thompson
0 nays
1 absent — Geren
- WITNESSES:** For — (*Registered, but did not testify:* Tom Lober)
Against — None
- BACKGROUND:** Alcoholic Beverage Code, sec. 28.13 allows mixed beverage permits to be issued for certain types of boats whose home ports are in areas in which the sale of mixed beverages is legal. The boats must:
- carry at least 350 passengers;
 - weigh at least 90 gross tons; and
 - be at least 80 feet long.
- Certain residency requirements do not apply to these permit holders.
- Alcoholic Beverage Code, sec. 25.03 allows wine and beer permits to be issued for regularly scheduled excursion boats that carry at least 45 passengers, weigh at least 35 tons, and are at least 55 feet long.
- DIGEST:** HB 1248 would expand the type of boats that could be issued mixed beverage permits. The permits could be issued for regularly scheduled excursion boats licensed by the U.S. Coast Guard to carry passengers in Texas waters and that:
- carried at least 45 passengers;
 - weighed at least 35 gross tons; and
 - were at least 55 feet long.

The boats' home ports would have to be in areas where the sale of mixed beverages was legal, and the owner or operator of the boat would have to be the sole permit holder.

Residency requirements found in the Alcoholic Beverage Code would apply to the permit holders authorized by the bill, and permits issued under the bill would be inoperative in dry areas.

The bill would take effect September 1, 2007.

**SUPPORTERS
SAY:**

HB 1248 is necessary to give smaller, dinner-cruise boats more options for serving alcohol. Current law allows larger cruise ships to obtain mixed beverage permits but does not allow smaller boats this opportunity. However, these smaller boats are allowed permits to sell beer and wine. There is no compelling reason to continue the distinctions between boats of different sizes and the permits they may acquire.

HB 1248 would address this situation by allowing smaller boats to obtain mixed beverage permits. The current prohibition may have been based on an historic distinction between the selling and consumption of mixed drinks and beer and wine that resulted in more restrictive laws dealing with mixed drinks. This distinction has eroded over time, and the state has been eliminating regulatory differences between the two types of permits. It makes no sense to continue this distinction because people can become just as intoxicated with beer and wine as with hard liquor.

HB 1248 contains many safeguards to ensure supervision and regulation of boats that might get permits under the bill. All laws regarding intoxication, selling alcohol to minors, and securing inventory would apply to these smaller boats. To ensure accountability for the actions on the boat, the permit would be held by the owner or operator, and residency requirements would apply to the permit holder. This means that a concessionaire without any vested interest in the events on the boat could not obtain the license. To ensure that local laws were respected, HB 1248 would make a permit issued under the bill inoperative in dry areas.

HB 1248 could result in more oversight of alcohol on boats because passengers currently may bring hard liquor on to the vessels. With the change made by HB 1248, more boat owners might move toward selling mixed drinks and prohibit passengers from bringing them on.

The size limits set by HB 1248 would be the same as in Alcoholic Beverage Code, sec. 25.03 that authorize beer and wine permits for these smaller boats. These boats generally are charter boats used for corporate dinners or other celebrations. The limits in HB 1248 would ensure the bill did not apply to water taxis or smaller personal-type boats.

**OPPONENTS
SAY:**

HB 1248 would further erode the historic distinction in Texas law that has placed more restrictions on the selling of hard liquor than beer and wine. It may be appropriate to keep this distinction due to tendencies of some persons to become more intoxicated with hard liquor.