

## **BILL ANALYSIS**

Senate Research Center

H.B. 1703  
By: Torres (Cain)  
State Affairs  
5-12-97  
Engrossed

### **DIGEST**

Currently, owners of businesses who desire to alter the form of business under which a permit or license is held must apply for a new permit or license.

### **PURPOSE**

As proposed, H.B. 1703 allows owners who desire to alter the form of their business to do so without re-permitting or licensing.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 11A, Alcoholic Beverage Code, by adding Section 11.12 as follows:

Sec. 11.12. ALTERING FORM OF BUSINESS ENTITY. Authorizes the holder of a permit issued under this chapter, including a food and beverage certificate, to alter the form of the business entity that holds the permit if the ownership of the newly created business entity is identical to the ownership of the former business entity. Requires the holder of the permit to perform certain functions before a certain date.

SECTION 2. Amends Chapter 61A, Alcoholic Beverage Code, by adding Section 61.14, as follows:

Sec. 61.14. ALTERING FORM OF BUSINESS ENTITY. Authorizes the holder of a license to alter the form of the business entity that holds the license if the ownership of the newly created business entity is identical to the ownership of the former business entity. Requires the holder of the license to perform certain functions. Authorizes the entity to use the license and exercise any privileges granted by the license under certain conditions.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause