

BILL ANALYSIS

Senate Research Center

S.B. 1346
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State Affairs
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As Filed

DIGEST

Currently, the Alcoholic Beverage Code prohibits "tiered houses," which are overlapping ownerships between those engaged in the alcoholic beverage industry at different levels. Those levels include what are referred to as the three-tiered system; "manufacturers," "wholesalers," and "retailers."

It appears that there are many individuals involved in one level of the alcoholic beverage industry who have an "ownership interest" in another level without realizing it. In addition, totally unrelated corporations may own or be owned by others with an interest in the alcoholic beverage industry.

This bill would allow a nonresident seller (manufacturer) to hold an indirect minority interest in an entity that holds a retail permit, under certain conditions.

PURPOSE

As proposed, S.B. 1346 provides requirements for ownership interest in a business that is the holder of an alcoholic beverage permit or license.

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 Section 102.01, Alcoholic Beverage Code, by amending Subsection (c) and adding Subsection (1), to authorize a business entity that is owned in whole or part by another business entity that owns a direct or indirect interest in an entity that is the holder of a nonresident seller's permit to own a minority equity interest in an entity that is the holder of a retail permit or license under Chapter 25, 28, 31, or 69, Alcoholic Beverage Code, if certain conditions exist. Makes a conforming change.

SECTION 2. Amends Section 102.04(b), Alcoholic Beverage Code, to make a conforming change.

SECTION 3. Amends Section 102.07(a), Alcoholic Beverage Code, to make a conforming change.

SECTION 4. Emergency clause.
Effective date: upon passage.