

## **BILL ANALYSIS**

Senate Research Center  
83R17109 JAM-F

C.S.S.B. 883  
By: Van de Putte  
Business & Commerce  
4/30/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Alcoholic Beverage Commission's administrative rules define promotional items as "things designed to promote a specific product or brand and are further designed for use by the consumer, either on or off the retailer's premises." Under Texas's current alcohol regulations, beer manufacturers and distributors may sell these branded promotional items to retailers. The retailer is then free to give or sell the items to the consumer. Beer manufacturers and distributors are also permitted to give or sell interior signs to retailers.

Unfortunately, manufacturers and wholesalers of malt liquor, ale, wine, and distilled spirits are not statutorily authorized to sell promotional items or give or sell interior signs to retailers.

C.S.S.B. 883 creates a new subchapter in the Alcoholic Beverage Code that allows any member of a manufacturing, wholesaler, or distributor tier to sell promotional items to retailers as long as the promotional items are not sold for less than the manufacturer's regularly published wholesale price. C.S.S.B. 883 also permits manufacturers, distributors, and wholesalers of beer, wine, malt liquor, ale, and distilled spirits to give or sell interior signs to retailers. Finally, C.S.S.B. 883 prohibits a manufacturer, wholesaler, or distributor from making or financing any improvements to a retailer's building.

C.S.S.B. 883 amends current law relating to promotional items provided by manufacturers, wholesalers, and distributors of alcoholic beverages to retailers.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 108, Alcoholic Beverage Code, by adding Section 108.036, as follows:

Sec. 108.036. CERTAIN PROMOTIONAL ITEMS PROVIDED TO RETAILER BY MANUFACTURER, WHOLESALER, OR DISTRIBUTOR. (a) Authorizes a member of the manufacturing, wholesaler, or distributor tier of alcoholic beverages, notwithstanding any other provision of this code, to:

- (1) sell to a retailer promotional items that bear an alcoholic beverage manufacturer's logo, brand, or product name and are designed to promote a specific product or brand and for use by the consumer, either on or off the retailer's premises; and
- (2) give or sell to a retailer interior signs that have the primary purpose of advertising a brand or product or the price of a brand or product, provided that a sign provided to a retailer under this section may not bear the name, logo, or trademark of a specific retailer.

(b) Prohibits promotional items sold under Subsection (a)(1) from being sold for less than the item manufacturer's regularly published wholesale price. Requires that payment for an item sold under this section be in cash, paid on or before delivery.

(c) Prohibits a manufacturer, wholesaler, or distributor of alcoholic beverages from painting, improving, or remodeling a retailer's building or any part of a retailer's building, inside or out, or finance any improvements to a retailer's building.

SECTION 2. Effective date: September 1, 2013.