

BILL ANALYSIS

Senate Research Center
83R20692 JAM-F

C.S.S.B. 962
By: Carona
Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2005, the Sunset Advisory Commission determined that the Texas Alcoholic Beverage Commission (TABC) was duplicating work done by the United States Alcohol and Tobacco Tax and Trade Bureau (TTB) related to testing and labeling wine and spirits. The legislature streamlined the Alcoholic Beverage Code by mandating that TABC accept TTB's Certificate of Label Approval (COLA). However, there have been instances where a label with COLA conflicts with other state laws, such as copyright laws.

Under Section 101.671 (Prior Approval of Distilled Spirits and Wine), Alcoholic Beverage Code, before an authorized permittee can ship wine or spirits into the state, it must first register with TABC. The registration application must include a COLA issued by TTB for the product. Under a strict interpretation of the law, TABC does not have the legal authority to deny a label approval for any reason if the product has a federal COLA. There is no way to revoke approval once it has been granted.

C.S.S.B. 962 amends current law relating to the approval of certain alcoholic beverages by the Texas Alcoholic Beverage Commission.

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 Section 101.671, Alcoholic Beverage Code, by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Requires that the registration application to the Texas Alcoholic Beverage Commission (TABC) for shipment of distilled spirits or wine include a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau for the product except for rare or vintage wine that is acquired at auction and for which no certificate is available. Requires that rare or vintage wine purchased at auction and registered by TABC under this subsection comply with all other provisions of this code, including provisions regarding the sale, purchase, importation, and distribution of that wine.

(b) Requires TABC, except as provided by Subsection (b-1), on registration of a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau, to approve the product under this section and issue a letter to that effect to the permittee.

(b-1) Authorizes TABC to refuse to register a product under this section if the product violates this code.

SECTION 2. Effective date: September 1, 2013.