

## **BILL ANALYSIS**

Senate Research Center  
84R7378 AJA-F

S.B. 1386  
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Business & Commerce  
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As Filed

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

This legislation builds upon past legislative initiatives to keep Texas' thriving craft brewery industry on an equal footing with their out-of-state competitors. It would also allow them, in a limited fashion, the same rights that Texas wineries and distilleries already enjoy. Importantly, this only gives breweries a new and limited right, without expanding the overall cap of 5,000 barrels, which they can sell directly to consumers.

S.B. 1386 allows breweries to sell beer and ale directly to the ultimate consumer to take off-premise. This benefits retailers and distributors by allowing Texas craft brewers the ability to better market their products. It limits monthly purchases to 576 fluid ounces per consumer, which is the equivalent of two cases of beer. Additionally, this would only apply to breweries that produce less than 225,000 barrels of beer or ale per year.

As proposed, S.B. 1386 amends current law relating to the sale of beer and ale by certain manufacturers for off-premises consumption.

### **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 12.052, Alcoholic Beverage Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Authorizes the holder of a brewer's permit whose annual production of ale together with the annual production of beer by the holder of a manufacturer's license at the same premises does not exceed a total of 225,000 barrels to sell ale produced on the brewer's premises under the permit to ultimate consumers on the brewer's premises, in addition to the activities authorized by Section 12.01 (Authorized Activities):

- (1) for responsible consumption on the brewer's premises; or
- (2) subject to Subsection (a-1), for off-premises consumption.

(a-1) Provides that sales to consumers on the brewer's premises for off-premises consumption are limited to one purchase per consumer per month. Provides that the consumer's monthly purchase is limited to 576 fluid ounces of beer and ale combined.

SECTION 2. Amends Section 62.122, Alcoholic Beverage Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Authorizes a manufacturer's licensee whose annual production of beer together with the annual production of ale by the holder of a brewer's permit at the same premises does not exceed 225,000 barrels to sell beer produced on the manufacturer's premises under the license to ultimate consumers on the manufacturer's premises:

- (1) for responsible consumption on the manufacturer's premises; or

(2) subject to Subsection (a-1), for off-premises consumption.

(a-1) Provides that sales to consumers on the manufacturer's premises for off-premises consumption are limited to one purchase per consumer per month. Provides that the consumer's monthly purchase is limited to 576 fluid ounces of beer and ale combined.

SECTION 3. Effective date: September 1, 2015.