

BILL ANALYSIS

Senate Research Center
84R3554 MCK-F

S.B. 430
By: Eltife
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 430 clarifies the type of wholesaler who may purchase malt and vinous liquors from a brewpub license holder as well as whom a brewpub license holder may sell those products to on the wholesale tier level.

S.B. 430 corrects an oversight to allow the wholesale permit (W), the general class B wholesaler permit (X), and the local class B wholesaler permit (LX) to all purchase malt and vinous liquors from holders of a brewpub license (BP) and likewise the brewpub license holder to sell to them.

By amending sections to include holders of wholesale permits and local class B wholesaler permits, the bill also eliminates the need for a wholesaler to hold multiple permits to purchase malt and vinous liquors from a brewpub license holder.

As proposed, S.B. 430 amends current law relating to allowing the holder of a brewpub license to sell ale and malt liquor to certain wholesalers.

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 19.01, Alcoholic Beverage Code, as follows:

Sec. 19.01. AUTHORIZED ACTIVITIES. Authorizes the holder of a wholesaler's permit to participate in certain transactions as set forth, including authorizing the holder of a wholesaler's permit to purchase ale and malt liquor from holders of brewpub licenses. Makes nonsubstantive changes regarding redesignation of subdivisions.

SECTION 2. Amends Section 21.01, Alcoholic Beverage Code, as follows:

Sec. 21.01. AUTHORIZED ACTIVITIES. Allows the holder of a local class B wholesaler's permit to:

- (1) Makes no change to this subdivision;
- (2) purchase malt and vinous liquors from holders of brewpub licenses, and other wholesalers in the state;
- (3) sell the malt and vinous liquors, in the original containers in which the permit holder receives them, to general and local class B wholesaler's permittees and, in the permit holder's county of residence, to local distributor's permittees and retailers, including mixed beverage permittees and daily temporary mixed beverage permittees; and
- (4) Makes no change to this subdivision.

Makes nonsubstantive changes.

SECTION 3. Amends Section 74.10(a), Alcoholic Beverage Code, to authorize the holder of a brewpub license to sell ale and malt liquor to the holder of a wholesaler's permit, a general class B wholesaler's permit, or a local class B wholesaler's permit, in addition to the activities authorized by Section 74.01 (Authorized Activities).

SECTION 4. Effective date: upon passage or September 1, 2015.