

## **BILL ANALYSIS**

Senate Research Center  
84R6841 JAM-F

S.B. 808  
By: Eltife  
Business & Commerce  
3/30/2015  
As Filed

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

S.B. 905 (Van de Putte et al.; SP: Kuempel) 83rd Legislature, Regular Session, 2013, amended Chapter 14, Alcoholic Beverage Code, to allow distilleries that were located in a “wet” area to sell their product directly to consumers; the consumption of samples on a distillery’s premises; and for the sale of two commemorative bottles for off-premise consumption.

Many of the changes in S.B. 905 refer to a “wet” area, which has been up to interpretation by industry and regulators. S.B. 808 provides clarity by referencing specific citations from the Election Code to define “wet.”

As proposed, S.B. 808 amends current law relating to the sale of distilled spirits to ultimate consumers by the holder of a distiller's and rectifier's permit.

### **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. Reenacts Section 14.01(a), Alcoholic Beverage Code, as amended by Chapters 106 (S.B. 905), 195 (S.B. 642), and 1171 (S.B. 652), Acts of the 83rd Legislature, Regular Session, 2013, and amends it, as follows:

(a) Authorizes the holder of a distiller’s and rectifier’s permit to:

(1) – (6) Makes no change to these subdivisions;

(7) Makes a nonsubstantive change;

(8) sell bulk alcohol produced by the permit holder to holders of industrial permits in this state; and

(9) sell distilled spirits to ultimate consumers under Section 14.04 (Distilled Spirits Sampling) or 14.05 (Sales to Ultimate Consumers). Creates this subdivision from existing Subdivision (8). Deletes existing text referring to a condition of being located in a wet area.

SECTION 2. Amends Section 14.04(a), Alcoholic Beverage Code, as follows:

(a) Authorizes the holder of a distiller’s and rectifier’s permit to dispense free samples or, if the permitted premises is located in an area where the sale of alcoholic beverages is legal as provided by a ballot issue approved by voters under Section 501.035(b)(7) (relating to ballot language regarding the sale of alcohol and mixed beverages), (8) (relating to ballot language regarding the sale of mixed beverages), or (9) (relating to ballot language regarding the sale of mixed beverages in restaurants), Election Code, to collect a fee for the sampling. Makes nonsubstantive changes.

SECTION 3. Amends Sections 14.05(a) and (b), Alcoholic Beverage Code, as added by Chapter 106 (S.B. 905), Acts of the 83rd Legislature, Regular Session, 2013, as follows:

(a) Authorizes the holder of a distiller's and rectifier's permit whose permitted premises is located in an area where the sale of alcoholic beverages is legal as provided by a ballot issue approved by the voters under Section 501.035(7), (8), or (9), Election Code, to sell to ultimate consumers for consumption on the permitted premises distilled spirits manufactured or rectified by the permit holder in an amount not to exceed 3,000 gallons annually.

(b) Authorizes the holder of a distiller's and rectifier's permit to sell distilled spirits manufactured by the permit holder to ultimate consumers for off-premises consumption in unbroken packages containing not more than 750 milliliters of distilled spirits for off-premises consumption in an amount not to exceed 3,500 gallons annually if:

(1) for a permit issued on or after September 1, 2013, the permitted premises is located in an area where the sale of alcoholic beverages is legal as provided by a ballot issue approved by the voters under Section 501.035(b)(5) (relating to ballot language regarding the sale of all alcoholic beverages for off-premise consumption only), (6) (relating to ballot language regarding the sale of all alcoholic beverages except mixed beverages), or (7), Election Code; or

(2) for a permit issued before September 1, 2013, the permitted premises is located in an area where the sale of alcoholic beverages is legal as provided by a ballot issue approved by the voters under Section 501.035(b)(5), (6), (7), (8), or (9), Election Code.

SECTION 4. Effective date: September 1, 2015.