

BILL ANALYSIS

Senate Research Center
85R20041 MCK-F

H.B. 2097
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, brewpubs may produce 10,000 barrels of malt liquor, ale, and beer per year and then sell their product directly from their premises to ultimate consumers. Because this is their business model, brewpubs must hold a brewpub license plus either a wine and beer retailer's permit, a mixed beverage permit, or a retail dealer's on-premise license. Each of these permits/licenses allows a brewpub to sell specific types of alcohol to an ultimate consumer.

Current law is unclear on whether a brewpub that sells its product to an ultimate consumer through a beer and wine retailer's permit may sell wine produced by others. H.B. 2097 resolves this ambiguity by allowing these brewpubs to sell wine produced by others, as well as the beer, ale, or malt liquor that they produce.

H.B. 2097 amends current law relating to the sale of malt liquor, ale, and beer by the holder of a brewpub license.

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 74.08(a), Alcoholic Beverage Code, to authorize the holder of a brewpub license who holds a wine and beer retailer's permit and whose sale of beer, ale, or malt liquor consists only of beer, ale, or malt liquor manufactured on the brewpub's premises, rather than who sells alcoholic beverages manufactured only in the brewpub's premises, to take certain actions.

SECTION 2. Effective date: September 1, 2017.