

BILL ANALYSIS

Senate Research Center
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H.B. 2299
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Testing of malt beverage products ensures compliance with state alcoholic beverage regulations. However, the increase in malt beverage producers has greatly increased the number of products submitted for testing, resulting in bottlenecks and longer processing times and encumbering the market introduction of new and seasonal beverages.

The Texas Alcoholic Beverage Commission (TABC) included in the Redundancies and Impediments section of their FY2017-2021 Strategic Plan, Section 101.67, Alcoholic Beverage Code, as an existing regulatory requirement suitable for improvement. Currently, the statute specifies that either an independent, reputable laboratory or TABC must conduct an alcohol content test, while many quality-conscious manufacturers have their own in-house laboratories, utilizing the exact same equipment that TABC uses to conduct their testing. A legislative change would allow manufacturers to submit their own certified laboratory analysis, eliminating redundant testing, and therefore accelerating TABC approvals and enabling the faster introduction of new and seasonable into the marketplace.

Section 101.67, Alcoholic Beverage Code, requires TABC to approve beer, ale, malt liquor labels and products before being lawfully introduced to the Texas market. Accordingly, authorized manufacturers of beer, ale, and malt liquor must submit a product sample from an independent, reputable laboratory or directly to TABC for analysis to verify the alcohol content of the beverage.

H.B. 2299 seeks to address this issue by providing for the testing of alcoholic beverage samples to verify the alcohol content of the beverages by certain certified laboratories.

H.B. 2299 amends current law relating to verification of alcohol content for prior approval of malt beverages.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Alcoholic Beverage Commission is rescinded in SECTION 1 (Section 101.67, Alcoholic Beverage Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 101.67(a), (d), and (e), Alcoholic Beverage Code, as follows:

(a) Prohibits any person from shipping or causing to be shipped into the state, importing into the state, manufacturing and offering for sale in the state, or distributing, selling, or storing in the state any beer, ale, or malt liquor unless:

(1) a sample of the beverage or a sample of the same type and quality of beverage has been first tested to verify the alcohol content of the beverage by, rather than first submitted to an independent, reputable laboratory or the Texas Alcoholic Beverage Commission (TABC) for analysis to verify the alcohol content of the beverage:

(A) an independent laboratory;

(B) a laboratory certified by the United States Alcohol and Tobacco Tax and Trade Bureau or its successor agency as qualified for the analysis of beer for export; or

(C) TABC; and

(2) makes no changes to this subdivision.

(d) Requires TABC, if TABC determines that the product tested and label submitted under Subsection (a), rather than the product analysis provided by the independent laboratory or the sample, and the label, required by Subsection (a), comply with the provisions of this code and TABC rules to issue a certificate of approval upon receipt of a fee in an amount that is sufficient to cover the cost of administering this section (Prior Approval of Malt Beverages).

(e) Authorizes TABC to require proof by affidavit or otherwise that a laboratory performing a test under Subsection (a)(1)(A) is independent. Deletes existing text requiring TABC, by rule, to establish the procedures for accepting analysis of beer, ale, or malt liquor by an independent laboratory under Subsection (a)(1).

SECTION 2. Effective date: September 1, 2017.