

BILL ANALYSIS

Senate Research Center
85R19395 JAM-F

C.S.S.B. 1176
By: Campbell
Business & Commerce
3/30/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Schlitterbahn holds four Texas Alcoholic Beverage Commission (TABC) beer and wine licenses for the properties it owns and operates in New Braunfels. In the early 2000's Schlitterbahn's corporate offices moved to a centralized warehousing facility. Since TABC specifies that the delivery and storage of alcoholic beverages purchased through a permit be received at the licensed premise, Schlitterbahn worked with the local TABC agent at the time and received verbal permission to have their deliveries of alcoholic beverages received and stored at this off-premise facility.

In 2016, during a routine visit by the local area TABC agent and auditor, it was discussed that this verbal permission that Schlitterbahn had received and operated under for over 15 years be researched and formalized. After research and consultation internally, TABC came to the conclusion that there were no provisions in the code and rules of the Texas Alcoholic Beverage Code to allow for the storage of beer and wine away from the permitted premises. Therefore, Schlitterbahn's current practices of receiving and storing alcoholic beverages are in violation and will have to be changed. Schlitterbahn worked with TABC to get an extension through the 2017 operating season to allow the organization to pursue a legislative solution. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1176 amends current law relating to the creation of a water park permit in the Alcoholic Beverage Code and authorizes a fee.

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 Subtitle A, Title 3, Alcoholic Beverage Code, by adding Chapter 56, as follows:

CHAPTER 56. WATER PARK PERMIT

Sec. 56.01. **AUTHORIZED ACTIVITIES.** Authorizes the holder of two or more water park permits, notwithstanding any other provision of this code, to deliver alcoholic beverages from any premises for which one of those permits has been issued to any other premises for which one of those permits has been issued.

Sec. 56.02. **QUALIFICATIONS FOR PERMIT; ELIGIBLE PREMISES.** (a) Authorizes a water park permit to be issued only to a person who holds a wine and beer retailer's permit under Chapter 25 (Wine and Beer Retailer's Permit) and operates a certain public venue.

(b) Authorizes a person described by Subsection (a) to be issued water park permits for not more than five premises for which wine and beer retailer's permits have been issued under Chapter 25 and that are located in a certain public venue or not more than one mile from the boundary of that venue.

Sec. 56.03. FEE. Provides that the annual state fee for a water park permit is \$30.

Sec. 56.04. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided in this chapter, the provisions of this code applicable to a wine and beer retailer's permit apply to a water park permit.

SECTION 2. Effective date: upon passage or September 1, 2017.