

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1639
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires alcoholic beverage distributors to obtain a local wholesaler's permit before they may purchase ale and malt liquor from licensed brewpubs. This was probably a drafting oversight from the 83rd Legislative Session since very few distributors hold a local wholesaler's permit. Instead, most distributors hold a general wholesaler's permit.

S.B. 1639 corrects this oversight by allowing distributors to purchase ale and malt liquor from brewpubs with a general wholesaler's permit. S.B. 1639 also clarifies that a distributor with a local class B wholesaler's permit may purchase malt and vinous liquors from brewpubs. Finally, S.B. 1639 makes several technical corrections to the local distributor's section of the Alcoholic Beverage Code.

All of these changes are in keeping with the legislative intent of the brewpub reforms that were passed in the 83rd Legislative Session. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1639 amends current law relating to allowing certain wholesalers and distributors to purchase beer, ale, and malt liquor from 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 19.01, Alcoholic Beverage Code, as follows:

Sec. 19.01. AUTHORIZED ACTIVITIES. Authorizes the holder of a wholesaler's permit, among certain activities, to purchase ale and malt liquor from holders of brewpub licenses. Redesignates existing Subdivisions (2) through (5) as Subdivisions (3) through (6).

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

Sec. 21.01. AUTHORIZED ACTIVITIES. (a) Authorizes the holder of a local class B wholesaler's permit to purchase malt and vinous liquors from holders of brewer's permits, holders of brewpub licenses, and other wholesalers in the state and 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. Make nonsubstantive changes.

SECTION 3. Amends Section 65.01(a), Alcoholic Beverage Code, to authorize the holder of a local distributor's license to receive beer in unbroken original packages from manufacturers and brewpubs and from general, branch, or local distributors.

SECTION 4. Amends Section 74.10(a), Alcoholic Beverage Code, to authorize the holder of a brewpub license to, in addition to the activities authorized by Section 74.01 (Authorized Activities), 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.

SECTION 5. Effective date: upon passage or September 1, 2017.