

BILL ANALYSIS

Senate Research Center
87R21659 JAM-D

C.S.S.B. 655
By: Schwertner et al.
Administration
4/21/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas distilled spirits industry has seen incredible growth over the past decade. From 1997 to 2008, there were only eight distillers in Texas. In 2013, when distilleries obtained the right to sell bottles at their distilleries, there were 49 distillery permits in Texas. Today, there are 170 distiller's and rectifier's permits. Despite this significant growth, distillers are limited to the amount of their products they can sell at two 750 ml size commemorative bottles every 30 days and a 3,500 gallon limit annually. This restriction is a burden even without a pandemic to consider, but this point was further proven by an average 60 percent loss of revenue over the last year for Texas distillers.

As filed, S.B. 655 will allow Texas distillers to market and sell more of the brands and labels they produce to visitors of their distilleries by combining and increasing the on and off-premise gallonage limit, and by removing the limit of bottles they can sell from their tasting rooms.

The committee substitute to S.B. 655 will increase the limit from two bottles to four bottles rather than repealing the limit completely. Additionally, it will maintain the current gallonage limit.

(Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 655 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. Amends Sections 14.05(c) and (f), Alcoholic Beverage Code, as follows:

(c) Prohibits the holder of a distiller's and rectifier's permit under Subsection (b) from selling more than four, rather than more than two, 750 milliliter bottles of distilled spirits or the equivalent to the same consumer within a 30-day period.

(f) Deletes existing text requiring the permit holder to check a purchaser's identification. Makes a nonsubstantive change.

SECTION 2. Effective date: September 1, 2021.