

BILL ANALYSIS

S.B. 2558
By: Gallegos
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Alcoholic Beverage Code does not contain language which defines or identifies product instruction events.

S.B. 2558 amends current law relating to the promotion and marketing of alcoholic beverages.

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 Chapter 108, Alcoholic Beverage Code, by adding Subchapter D, as follows:

SUBCHAPTER D. PROMOTIONAL EVENTS

Sec. 108.101. **PRODUCT INSTRUCTION EVENTS.** (a) Defines "product instruction event."

(b) Authorizes a holder of a manufacturer's license, nonresident manufacturer's license, brewer's permit, nonresident brewer's permit, nonresident seller's permit, general distributor's license, local distributor's license, wholesaler's permit, Class B wholesaler's permit, agent's beer license, agent's permit, or manufacturer's agent's permit, or the license or permit holder's agent, representative, or employee, notwithstanding Section 102.07 (Prohibited Dealings With Retailer or Consumer), 102.14 (Manufacturer or Distributor; Furnishing Equipment or Fixtures), 102.15 (Manufacturer or Distributor; Prohibited Dealings With Retailer), or 108.06 (Prizes and Premiums), or any other provision of this code, to, in order to promote the license or permit holder's malt beverages, conduct product instruction events: at the premises of a retailer holding a license or permit to sell alcoholic beverages for on-premises or off-premises consumption; and on a brand-identified promotional vehicle that is owned, rented, or leased by the license or permit holder conducting the event while the vehicle is located on the premises of a retailer described by Subdivision (1).

(c) Provides that a product instruction event is required to be conducted during normal business hours, and may not exceed four hours in length.

(d) Authorizes the license or permit holder conducting a product instruction event to open, touch, pour, and serve only malt beverages that the license or permit holder manufactures or is authorized to distribute.

(e) Requires the license or permit holder conducting the product instruction event to purchase all malt beverages used in the event from the retailer. Prohibits the retailer from charging the license or permit holder more than the price the retailer charges a consumer for the beverages.

(f) Authorizes a product instruction event to be prearranged with and preannounced to a retailer. Prohibits a product instruction event from being preannounced to a consumer.

(g) Authorizes a retailer to host not more than two product instruction events each calendar year.

SECTION 2. Effective date: September 1, 2009.