

BILL ANALYSIS

C.S.H.B. 602
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In recent years, breweries have become popular tourist destinations in many states, including Texas. Many people, after touring a brewery, wish to purchase beer or other products from the brewery. Currently, breweries in Texas are not allowed to sell or give their products to customers at the end of a tour. Many professional brewers believe offering products to tourists in unbroken containers will provide a marketing benefit for the brewery and raise the profile of Texas craft brews. C.S.H.B. 602 seeks to address this situation by allowing certain breweries and manufacturers to include limited quantities of ale and beer in unbroken packages for off-premises consumption as part of their tour packages.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 602 amends the Alcoholic Beverage Code to authorize certain holders of a brewer's permit or a beer manufacturer's license to charge an admission fee for a tour of the brewery premises or the manufacturer's premises, respectively, and at the end of the tour to give ale or beer to tour participants in unbroken packages for off-premises consumption without an additional charge. The bill makes its provisions applicable to the holder of a brewer's permit and the holder of a manufacturer's license conducting tours at the same premises whose joint annual production of ale or beer, respectively, in the state does not exceed a total of 75,000 barrels. The bill sets a cap of 144 ounces as the total amount of ale and beer together that a tour participant is authorized to receive in a single day at the same premises. The bill specifies that its provisions do not authorize the holder of a brewer's permit to sell ale, or the holder of a manufacturer's license to sell beer, to an ultimate consumer.

C.S.H.B. 602 sets out the purpose of its provisions relating to the promotion of the advancement of certain breweries and manufacturers. The bill establishes legislative findings regarding the authority of the Texas Alcoholic Beverage Commission to enforce the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 602 contains a provision not included in the original making its provisions applicable to the holder of a brewer's permit or a beer manufacturer's license conducting tours at the same premises whose joint annual production of ale or beer, respectively, in the state does not exceed a total of 75,000 barrels, whereas the original does not provide such a limitation. The substitute omits language included in the original specifically authorizing the holder of permit or license to

give tours of the brewery premises or manufacturer's premises, respectively. The substitute differs from the original by setting a cap of 144 ounces on the total amount of ale and beer together that a tour participant may receive in a single day at the same premises, whereas the original sets that cap at 48 12-ounce bottles. The substitute contains provisions not included in the original relating to the bill's purpose, legislative findings, and severability.