

BILL ANALYSIS

Senate Research Center

S.B. 995
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill allows a holder of a distiller's and rectifier's permit (distiller) to sell a single souvenir bottle of each of its distilled spirits brands to each distillery visitor.

Chapter 14 (Distiller's and Rectifier's Permit) of the Alcoholic Beverage Code allows a distiller to manufacture, rectify, purify, refine, mix, bottle, label, and package its product. A distiller may also host free samplings of its product to a visitor to the distillery while the visitor is on the premises.

Craft distilling is positive for agriculture, tourism, and the economy. It creates skilled jobs, and distilleries can host thousands of tours every year. The souvenir bottles would be sold in container sizes that meet Texas Alcoholic Beverage Commission rules and that are labeled, stamped, or otherwise designated differently than the containers the permittee sells to wholesalers. Generating interest in the product at the distillery would be good for business in each tier of the Texas alcohol sales system.

As proposed, S.B. 995 amends current law relating to the sale of souvenir bottles of distilled spirits 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 Section 14.01(a), Alcoholic Beverage Code, as follows:

(a) Authorizes the holder of a distiller's and rectifier's permit to sell souvenir bottles of distilled spirits to ultimate consumers for off-premises consumption in accordance with Section 14.05. Makes a nonsubstantive change.

SECTION 2. Amends Chapter 14, Alcoholic Beverage Code, by adding Section 14.05, as follows:

Sec. 14.05. SOUVENIR BOTTLE SALES. (a) Authorizes the holder of a distiller's and rectifier's permit whose premises are located in an area where the sale of distilled spirits is legal, to sell souvenir bottles of distilled spirits manufactured or bottled on the permitted premises to ultimate consumers in unbroken packages for off-premises consumption.

(b) Prohibits a consumer from purchasing more than one souvenir bottle per visit of each brand of distilled spirits manufactured or bottled on the permitted premises.

(c) Prohibits a permit holder from selling more than 50,000 gallons of distilled spirits under this section annually.

(d) Requires that distilled spirits under this section be sold in container sizes that meet Texas Alcoholic Beverage Commission rules and that are labeled, stamped, or otherwise designed differently than the containers the permittee sells to wholesalers.

(e) Prohibits a person authorized to sell distilled spirits under this section from selling a souvenir bottle of distilled spirits to a minor or to an obviously intoxicated person.

SECTION 3. Effective date: September 1, 2011.