

**SUBJECT:** Permitting distillers of spirits to provide samples to retailers

**COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended

**VOTE:** 7 ayes — T. King, Goldman, Geren, Harless, Hernandez, Kuempel, Paddie  
0 nays  
4 absent — Guillen, Herrero, K. King, S. Thompson

**WITNESSES:** For — Todd Gregory, BlackEyed Distilling (*Registered, but did not testify*; Dale Szyndrowski, Distilled Spirits Council; Robert Floyd, Southern Glazers; Amber Hausenfluck, Texas Distilled Spirits Association; Tom Spilman, Wholesale Beer Distributors of Texas)  
Against — None  
On — (*Registered, but did not testify*: Thomas Graham and Bentley Nettles, Texas Alcoholic Beverage Commission)

**BACKGROUND:** Alcoholic Beverage Code sec. 102.02 authorizes a permitted wholesaler to give liquor samples to a permitted alcohol retailer, subject to certain restrictions. The retailer may sample the product only in the presence of a wholesaler.  
Some note that permitted distillers may not provide liquor samples to retailers without the presence of a wholesaler.

**DIGEST:** CSHB 1997 would allow holders of a distiller's and rectifier's permit and their employees to provide samples and product tastings to permitted retailers and their employees. The bill would apply to permitted distillers, rectifiers, and nonresident sellers.  
Distilled spirits provided as a sample or at a tasting would have to:

- be manufactured by the permit holder;
- be of a brand that the retailer had not previously purchased;
- be limited to 750 milliliters of each brand; and
- meet all applicable labeling requirements.

At tastings, permitted distillers could make a presentation or answer questions. They could legally transport distilled spirits to and from a retail premise for a sampling or tasting. A retail permit holder could not sample a distilled spirit on the retail premises unless the permitted distiller was present.

The cost of the distilled spirits at a sampling or tasting would be the responsibility of the holder of the distiller and rectifier's permit. The permitted distiller could not negotiate price or establish agreements with retailers while providing samples or tastings.

The bill would take effect September 1, 2019.