

## **BILL ANALYSIS**

Senate Research Center

S.B. 271  
By: Gallegos  
State Affairs  
3-19-97  
As Filed

### **DIGEST**

Currently, the Texas Alcoholic Beverage Code requires beer distributors and wholesalers to enter into exclusive territorial agreements with manufacturers of any beer, malt liquor, or ale product which they choose to sell. Under this code, certain licenses must be obtained in order to purchase beer, malt liquor, or ale products from a beer distributor or wholesaler. In some counties there are multiple distributors of the same manufacturers' products that have definitive geographic territories, which may cause difficulty for beer distributors and wholesalers. This bill sets forth the geographical area in which a holder of a local distributor's permit may sell ale, beer, or malt liquor to remedy any inconsistencies that may exist in this code.

### **PURPOSE**

As proposed, S.B. 271 sets forth the geographical area in which a holder of a local distributor's permit may sell ale, beer, or malt liquor.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 102C, Alcoholic Beverage Code, by adding Section 102.56, as follows:

Sec. 102.56. APPLICATION OF TERRITORIAL LIMITS TO CERTAIN PERMIT HOLDERS. (a) Prohibits a holder of a local distributor's permit under Chapter 23, Alcoholic Beverage Code, who has purchased ale, beer, or malt liquor (beer) from certain persons or institutions from delivering the beer to any holder of a mixed beverage permit or private club permit whose premises is located outside the territory assigned to the distributor or wholesaler who sold the product under a territorial limit agreement authorized by this subchapter.

(b) Authorizes a holder of a local distributor's permit to purchase beer only from a distributor or wholesaler who has been assigned the territory where the premises of the holder of the local distributor's permit is located, except as provided by Subsection (c).

(c) Requires a holder of a local distributor's permit who delivers beer to a holder of a mixed beverage permit or private club permit whose premises are located outside the assigned territory where the premises of the holder of the local distributor's permit are located, to purchase beer from a distributor or wholesaler who has been assigned the territory where the permit holder's premises is located, unless the premises under Chapter 32 are located in an area not applicable to the provisions of Section 102.51 or Section 102.54 of this code.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.