

BILL ANALYSIS

Senate Research Center

C.S.S.B. 271
By: Gallegos
State Affairs
3-23-97
Committee Report (Substituted)

DIGEST

Currently, the Texas Alcoholic Beverage Code requires beer distributors and wholesalers to enter into exclusive territorial agreements with manufacturers of any brand of 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 a brand of ale, beer, or malt liquor to remedy any inconsistencies that may exist in this code.

PURPOSE

As proposed, C.S.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) Provides that this section applies only to a holder of a local distributor's permit under Chapter 23, Alcoholic Beverage Code, that operates in a county in which 8,000 or more alcoholic beverage licenses or permits of any type have been issued under this code and are in effect.

(b) Prohibits a holder of a local distributor's permit under Chapter 23, Alcoholic Beverage Code, who has purchased a brand of ale, beer, or malt liquor (beer) from certain persons or institutions from delivering the brand of 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.

(c) Authorizes a holder of a local distributor's permit to purchase a brand of 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 (d).

(d) Requires a holder of a local distributor's permit who delivers a brand of 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 the brand of beer from a distributor or wholesaler who has been assigned the territory where the permit holder's premises is located.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Amends the relating clause.

SECTION 1.

Amends Section 102.56, Alcoholic Beverage Code, to add a new Subsection (a), to provide that this section applies only to a holder of a local distributor's permit under Chapter 23, Alcoholic Beverage Code, that operates in a county in which 8,000 or more alcoholic beverage licenses or permits of any type have been issued under this code and are in effect. Adds the words "a brand of" or "the brand of" before the phrase "ale, beer, or malt liquor" as mentioned in the proposed version. Deletes text in proposed Subsection (c) which provided an exemption from the requirement of this section. Redesignates proposed Subsection (a) through (c) as new Subsection (b) through (d). Makes conforming and nonsubstantive changes.