

BILL ANALYSIS

Senate Research Center
76R10244 AJA-D

C.S.S.B. 551
By: Gallegos
Economic Development
3/24/1999
Committee Report (Substituted)

DIGEST

Currently, alcoholic beverage wholesalers and distributors are often unaware of whether a retail establishment's license or permit to sell or serve alcoholic beverages is valid. A change in status of a retailer's permit or license, such as non-renewal, suspension, or change of license/permit class is not reported to wholesalers and distributors, who can be punished for the sale and distribution of alcoholic beverages to an unpermitted or unlicensed retailer. C.S.S.B. 551 would remove administrative sanctions for the sale or delivery of alcoholic beverages to unauthorized persons by certain permitted distributors or wholesalers who reasonably believe that the retailer is authorized to purchase and receive alcoholic beverages and who obtain a written affirmation from the retailer that the retailer is authorized to purchase and receive alcoholic beverages.

PURPOSE

As proposed, C.S.S.B. 551 removes administrative sanctions for the sale or delivery of alcoholic beverages to unauthorized persons by certain distributors or wholesalers.

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 11C, Alcoholic Beverage Code, by adding Section 11.72, as follows:

Sec. 11.72. AFFIRMATION OF COMPLIANCE. Prohibits a person who holds a permit under Chapter 19, 20, 21, or 23 from being subject to an administrative sanction for selling or delivering an alcoholic beverage to a retailer not authorized to purchase and receive the alcoholic beverage if the permit holder reasonably believes that the retailer is authorized to purchase and receive that type of alcoholic beverage and obtains from the retailer at the time of delivery, a written affirmation, which may be printed or stamped on a sales invoice evidencing the sale or delivery of alcoholic beverages by the permit holder, that the retailer is authorized to purchase and receive the type of alcoholic beverage sold and delivered by the permit holder.

SECTION 2. Amends Chapter 61C, Alcoholic Beverage Code, by adding Section 61.86, as follows:

Sec. 61.86. AFFIRMATION OF COMPLIANCE. Prohibits a person who holds a permit under Chapter 64, 65, or 66 from being subject to an administrative sanction for selling or delivering an alcoholic beverage to a retailer not authorized to purchase and receive the alcoholic beverage if the permit holder reasonably believes that the retailer is authorized to purchase and receive that type of alcoholic beverage and obtains from the retailer at the time of delivery, a written affirmation, which may be printed or stamped on a sales invoice evidencing the sale or delivery of alcoholic beverages by the permit holder, that the retailer is authorized to purchase and receive the type of alcoholic beverage sold and delivered by the permit holder.

SECTION 3. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 11.72, Alcoholic Beverage Code, to prohibit a person who holds a permit under Chapter 19, 20, 21, or 23 from being subject to an administrative hearing, rather than held liable, for selling or delivering an alcoholic beverage to a retailer not authorized to purchase and receive the alcoholic beverage, under certain conditions.

SECTION 2.

Amends Section 61.86, Alcoholic Beverage Code, to prohibit a person who holds a permit under Chapter 64, 65, or 66 from being subject to an administrative sanction, rather than held liable, for selling or delivering an alcoholic beverage to a retailer not authorized to purchase and receive the alcoholic beverage, under certain conditions.