

## **BILL ANALYSIS**

Senate Research Center  
76R2748 AJA-D

S.B. 702  
By: Madla  
Economic Development  
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As Filed

### **DIGEST**

Currently, Texans may import up to one case of wine or one quart of liquor per month for personal use from out-of-state if they accompany the wine or liquor into the state. Texans may also import up to 24-12 ounce bottles of beer per month, if the purchaser either personally accompanies the beer or makes arrangements with a common carrier licensed under Chapter 41, Texas Alcoholic Beverage Code, to transport the shipments to the purchaser in Texas. The direct shipments of alcoholic beverages from out-of-state into Texas is prohibited. S.B. 702 would establish a permitting process within the Texas Alcoholic Beverage Commission through which out-of-state manufacturers, importers, wholesalers, or retailers may ship limited quantities of wine, beer, or alcohol directly to a consumer in Texas.

### **PURPOSE**

As proposed, S.B. 702 allows importation of alcoholic beverages into Texas by direct shipment and provides certain penalties resulting from any infractions therein.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Alcoholic Beverage Commission in SECTION 2 (Section 54.05, Title 3A, Alcoholic Beverage Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 107, Alcoholic Beverage Code, by adding Section 107.12, as follows:

Sec. 107.12. **IMPORTATION BY DIRECT SHIPMENT.** Authorizes a Texas resident to import alcoholic beverages for the resident's personal use by having the beverages shipped directly to the resident from a person holding a valid direct shipper's permit. Authorizes a person to import not more than 24 containers of alcoholic beverages in any combination of beer, wine, or liquor within any one-month period. Prohibits a minor from importing alcoholic beverages into the state.

SECTION 2. Amends Title 3A, Alcoholic Beverage Code, by adding Chapter 54, as follows:

#### **CHAPTER 54. DIRECT SHIPPER'S PERMIT**

Sec. 54.01. **AUTHORIZED ACTIVITIES.** Authorizes a direct shipper's permit holder to ship an alcoholic beverage from the holder's state directly to a resident of this state for the resident's personal use. Prohibits a direct shipper's permit holder from shipping more than 24 containers of alcoholic beverages in any combination of beer, wine, or liquor to a resident or an address in this state within any one-month period or from shipping an alcoholic beverage to a minor. Requires holders of direct shipper's permits to ensure that each shipment of alcoholic beverages to this state is conspicuously labeled with the words "signature of person 21 or older required for delivery." Sets forth required annual fees for holders of direct shippers' permit.

Sec. 54.02. **QUALIFICATION FOR PERMIT.** Authorizes the Texas Alcoholic Beverages Commission (TBAC) to issue a direct shipper's permit only to a person holding a license or permit as an alcoholic beverage manufacturer, importer, wholesaler, or retailer in the state from which the alcoholic beverages are shipped.

Sec. 54.03. **FEE.** Provides that the initial fee for a direct shipper's permit is \$100. Authorizes a

direct shipper's permit holder to renew the permit annually by paying a \$25 renewal fee and providing the TBAC with proof of compliance with Section 54.02.

Sec. 54.04. REPORTS AND PAYMENT OF TAXES. Requires a direct shipper's permit holder to, not later than January 15 of each year, file a report with the TBAC showing the amounts, by type, and the sale prices of the alcoholic beverages shipped into the state during the previous calendar year and any other information that the TBAC requires by rule.

Sec. 54.05. RULES. Requires the TBAC to adopt rules regarding: the manner in which taxes and fees required under Section 54.01(d) will be calculated and collected; records that a direct shipper's permit holder is required to maintain; and the audit of records maintained by a direct shipper's permit holder.

Sec. 54.06. ALTERNATIVES TO SUSPENSION; CANCELLATION. Provides that Section 11.64 applies to a permit issued under this chapter.

SECTION 3. Repeals Section 107.07(f), Alcoholic Beverage Code.

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Emergency clause.