

## **BILL ANALYSIS**

Senate Research Center  
78R11573 MCK-F

H.B. 941  
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Business & Commerce  
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Engrossed

### **DIGEST AND PURPOSE**

Current law allows Texas-based manufacturers and breweries to produce, store, and export beer, ale, and malt liquor intended for export to another state and no state tax liability is incurred for manufacturers and breweries under these circumstances. This does not apply to wholesalers and distributors. H.B. 941 allows the holder of any class of beer distributor's license or any class of liquor wholesaler's permit the authority to receive and store brands and packages of beer, ale, or malt liquor which are intended for export to another state where the distributor or wholesaler has been assigned a territory for those brands even though they may not be lawful for sale in Texas.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 19, Alcoholic Beverage Code, by adding Section 19.05, as follows:

Sec. 19.05. ALE AND MALT LIQUOR FOR EXPORT. (a) Provides that, in this section, "ale or malt liquor for export" means ale or malt liquor a wholesaler holds for export to another state in which the wholesaler has been assigned a territory for the distribution and sale of the ale or malt liquor. Provides that the term includes ale and malt liquor that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a wholesaler's permit who receives ale or malt liquor for export from the holder of a brewer's or nonresident brewer's permit to: store the ale or malt liquor for export at the wholesaler's premises; transport the ale or malt liquor for export outside the state in the wholesaler's own vehicles; or deliver the ale or malt liquor for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a wholesaler's permit is not liable for any state tax on the ale or malt liquor for export.

(d) Provides that Section 101.67 does not apply to ale or malt liquor for export.

SECTION 2. Amends Chapter 20, Alcoholic Beverage Code, by adding Section 20.03, as follows:

Sec. 20.03. ALE AND MALT LIQUOR FOR EXPORT. (a) Provides that, in this section, "ale or malt liquor for export" means ale or malt liquor a wholesaler holds for export to another state in which the wholesaler has been assigned a territory for the distribution and sale of the ale or malt liquor. Provides that the term includes ale and malt liquor that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a general class B wholesaler's permit who receives ale or

malt liquor for export from the holder of a brewer's or nonresident brewer's permit to: store the ale or malt liquor for export at the wholesaler's premises; transport the ale or malt liquor for export outside the state in the wholesaler's own vehicles; or deliver the ale or malt liquor for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a general class B wholesaler's permit is not liable for any state tax on the ale or malt liquor for export.

(d) Provides that Section 101.67 does not apply to ale or malt liquor for export.

**SECTION 3.** Amends Chapter 21, Alcoholic Beverage Code, by adding Section 21.03, as follows:

**Sec. 21.03. ALE AND MALT LIQUOR FOR EXPORT.** (a) Provides that, in this section, "ale or malt liquor for export" means ale or malt liquor a wholesaler holds for export to another state in which the wholesaler has been assigned a territory for the distribution and sale of the ale or malt liquor. Provides that the term includes ale and malt liquor that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a local class B wholesaler's permit who receives malt liquor or ale for export from the holder of a brewer's or nonresident brewer's permit to: store the ale or malt liquor for export at the wholesaler's premises; transport the ale or malt liquor for export outside the state in the wholesaler's own vehicles; or deliver the ale or malt liquor for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a local class B wholesaler's permit is not liable for any state tax on the ale or malt liquor for export.

(d) Provides that Section 101.67 does not apply to ale or malt liquor for export.

**SECTION 4.** Amends Chapter 64, Alcoholic Beverage Code, by adding Section 64.09, as follows:

**Sec. 64.09. BEER FOR EXPORT.** (a) Provides that, in this section, "beer for export" means beer a distributor holds for export to another state in which the distributor has been assigned a territory for the distribution and sale of the beer. Provides that the term includes beer that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a general distributor's license who receives beer for export from the holder of a manufacturer's or nonresident manufacturer's license to: store the beer for export at the distributor's premises; transport the beer for export outside the state in the distributor's own vehicles; or deliver the beer for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a general distributor's license is not liable for any state tax on the beer for export.

(d) Provides that Section 101.67 does not apply to beer for export.

**SECTION 5.** Amends Chapter 65, Alcoholic Beverage Code, by adding Section 65.08, as follows:

**Sec. 65.08. BEER FOR EXPORT.** (a) Provides that, in this section, "beer for export" means beer a distributor holds for export to another state in which the distributor has been assigned a territory for the distribution and sale of the beer. Provides that the term includes beer that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a local distributor's license who receives beer for export from the holder of a manufacturer's or nonresident manufacturer's license to: store the beer for export at the distributor's premises; transport the beer for export outside the state in the distributor's own vehicles; or deliver the beer for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a local distributor's license is not liable for any state tax on the beer for export.

(d) Provides that Section 101.67 does not apply to beer for export.

SECTION 6. Amends Chapter 66, Alcoholic Beverage Code, by adding Section 66.11, as follows:

Sec. 66.11. BEER FOR EXPORT. (a) Provides that, in this section, "beer for export" means beer a distributor holds for export to another state in which the distributor has been assigned a territory for the distribution and sale of the beer. Provides that the term includes beer that is illegal to sell in this state because of alcohol content, containers, packages, or labels.

(b) Authorizes the holder of a branch distributor's license who receives beer for export from the holder of a manufacturer's or nonresident manufacturer's license to: store the beer for export at the distributor's premises; transport the beer for export outside the state in the distributor's own vehicles; or deliver the beer for export to a common carrier for export and delivery outside the state.

(c) Provides that the holder of a branch distributor's license is not liable for any state tax on the beer for export.

(d) Provides that Section 101.67 does not apply to beer for export.

SECTION 7. Effective date: September 1, 2003.