

## **BILL ANALYSIS**

Senate Research Center  
80R8879 AJA-F

H.B. 2727  
By: Goolsby (Williams)  
Business & Commerce  
4/27/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Prior to 1997, Texas law prohibited distributors of imported beer, ale, and malt liquor from storing these products in Texas when they were to be sold out of state. The situation rendered importing goods from Mexico for sale in states other than Texas less than efficient. In 1997, the 75<sup>th</sup> Legislature attempted to remedy the problem by creating a "storage license" that permits a license holder to import and store beer, ale, and malt liquor in a county with a population of 300,000 or less that borders the United Mexican States.

H.B. 2727 expands the present storage restrictions by creating a less restrictive permit for the receipt, storage, shipment, and return of imported beer, ale, and malt liquor.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 1 (Section 55.02, Alcoholic Beverage Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle A, Title 3, Alcoholic Beverage Code, by adding Chapter 55, as follows:

#### **CHAPTER 55. MANUFACTURER'S AGENT'S WAREHOUSING PERMIT**

Sec. 55.01. **AUTHORIZED ACTIVITIES.** (a) Authorizes the holder of a manufacturer's agent's warehousing permit to receive beer, ale, or malt liquor from the holder of a nonresident brewer's permit or nonresident manufacturer's license and store the alcoholic beverages on the permitted premises. Authorizes the holder of a manufacturer's agent's warehousing permit to ship, cause to be shipped, sell, and otherwise transfer the beer, ale, or malt liquor to licensed or permitted distributors and wholesalers in this state and to persons outside this state who are qualified to receive the beer, ale, or malt liquor under the regulatory laws of the state or other jurisdiction in which the beer, ale, or malt liquor is received. Authorizes the holder of a manufacturer's agent's warehousing permit to return beer, ale, or malt liquor to the manufacturer or brewer from which it was originally received.

(b) Authorizes the holder of a manufacturer's agent's warehousing permit to ship only to wholesalers and distributors in this state who have been issued a territorial designation by the actual manufacturer or brewer of the brand or brands to be shipped. Requires this territorial designation for the sale of beer to be under and a part of the agreement entered into between the actual manufacturer of the brand and the distributor under Subchapter C (Territorial Limits on Sale of Beer) and Subchapter D (Beer Industry Fair Dealing Law), Chapter 102. Provides that this chapter does not affect the requirement that the actual manufacturer, and the agreement between the actual manufacturer and the distributor, comply with Subchapters C and D, Chapter 102.

(c) Authorizes beer, ale, or malt liquor received at premises permitted under this chapter that is not labeled and approved for sale in this state to be held and stored at the premises and be shipped from the premises if it is cosigned and transported to qualified persons in other states or jurisdictions where its sale is legal.

(d) Provides that the provisions of this code related to the residency of an applicant for a permit do not apply to a permit under this chapter.

Sec. 55.02. FEE. Requires the Texas Alcoholic Beverage Commission (commission) by rule to set the amount of the annual state fee for a manufacturer's agent's warehousing permit.

Sec. 55.03. ELIGIBILITY FOR PERMIT. Authorizes a manufacturer's agent's warehousing permit to be issued to entities that meet certain conditions.

Sec. 55.04. LOCATION OF PREMISES. Requires the premises of a permit holder under this chapter to be located in an area that is wet for the sale of beer, ale, and malt liquor.

Sec. 55.05. REPORTING REQUIREMENTS. Requires the commission to require monthly reports from a permit holder under this chapter showing certain information. Requires the reports to conform in all respects to the requirements and forms prescribed by the commission and contain any other information required by the commission.

SECTION 2. Provides that if any part of Chapter 55, Alcoholic Beverage Code, as added by this Act, is invalidated by a final, unappealable order of a court, the entire chapter is invalid and any permit issued under the chapter is void.

SECTION 3. Effective date: September 1, 2007.