

## **BILL ANALYSIS**

Senate Research Center  
80R7217 MCK-F

S.B. 1217  
By: Gallegos  
Business & Commerce  
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As Filed

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

Under current law, the Texas Alcoholic Beverage Commission (commission) is prohibited from authorizing a license or permit period of greater than one year.

As proposed, S.B. 1217 prohibits the Texas Alcoholic Beverage Commission from authorizing a license or permit period of greater than two years and authorizes the commission, for certain reasons, to issue a permit or license with an expiration date of less than two years after the date the permit or license is issued.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 3 (Section 11.09, Alcoholic Beverage Code) and SECTION 4 (Section 61.03, Alcoholic Beverage Code) of this bill.

Rulemaking authority previously granted to the Texas Alcoholic Beverage Commission is modified in SECTION 1 (Section 5.50, Alcoholic Beverage Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5.50(b), Alcoholic Beverage Code, to require the Texas Alcoholic Beverage Commission (commission) by rule to assess surcharges on all applicants for an original or renewal, rather than to assess and collect annual surcharges from all holders of a, certificate, permit, or license issued by the commission in addition to any fee set by this code and to collect the surcharges at the time of application.

SECTION 2. Amends Section 6.02(c), Alcoholic Beverage Code, to prohibit the commission from authorizing a license or permit period of greater than two years, rather than one year.

SECTION 3. Amends Section 11.09, Alcoholic Beverage Code, by amending Subsections (a) and (b) and adding Subsections (d) and (e), as follows:

(a) Provides that a permit issued under this code expires on the second anniversary of the date it is issued, rather than one year after the date it is issued, except as provided by Subsections (d) and (e) or another provision of this code. Requires the commission to double the amount of fees and surcharges otherwise applicable under this code for a permit with a two-year term, notwithstanding Section 5.50(b).

(b) Prohibits the commission from prorating or refunding any part of the fee for the secondary permit if the application of this section results in the expiration of the permit in less than two years, rather than one year.

(d) Authorizes the commission by rule to require that the expiration date for an individual permit holder's permit is the first anniversary of the date on which the permit is issued due to the permit holder's violation history.

(e) Authorizes the commission to issue a permit with an expiration date less than two years after the date the permit is issued in order to maintain a reasonable annual distribution of renewal application review work and permit fees. Requires the commission, if the commission issues a permit with an expiration date less than two years

after the date the permit is issued, to prorate the permit fee on a monthly basis so that the permit holder pays only that portion of the permit fee that is allocable to the number of months during which the permit is valid.

SECTION 4. Amends Section 61.03, Alcoholic Beverage Code, by amending Subsections (a) and (b) and adding Subsections (d) and (e), as follows:

(a) Provides that any license, except a branch, importer's, importer's carrier's, or temporary license expires on the second anniversary of the date it is issued, except as provided by Subsections (d) and (e) or another provision of this code, rather than prohibiting a license from being issued for a term longer than one year, except as provided by Subsection (b). Requires the commission to double the amount of fees and surcharges otherwise applicable under this code for a license with a two-year term, notwithstanding Section 5.50(b).

(b) Prohibits the commission from prorating or refunding any part of the fee for the secondary license if the application of this section results in the expiration of the license in less than two years, rather than one year.

(d) Authorizes the commission by rule to require that the expiration date for an individual license holder's license is the first anniversary of the date on which the license is issued due to the license holder's violation history.

(e) Authorizes the commission to issue a license with an expiration date less than two years after the date the license is issued in order to maintain a reasonable annual distribution of renewal application review work and permit fees. Requires the commission, if the commission issues a license with an expiration date less than two years after the date the license is issued, to prorate the license fee on a monthly basis so that the license holder pays only that portion of the license fee that is allocable to the number of months during which the license is valid.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2007.