

BILL ANALYSIS

Senate Research Center
81R2213 MCK-D

S.B. 1678
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, entities that do not own the operating facility are not allowed to receive a majority of alcohol-related revenues in facilities owned and operated by municipalities.

As proposed, S.B. 1678 would exempt city-owned facilities that are financed by public securities from the "subterfuge ownership" prohibition in Section 109.53 (Citizenship of Permittee; Control of Premises; Subterfuge Ownership; Etc.), Alcoholic Beverage Code.

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 Subchapter D, Chapter 109, Alcoholic Beverage Code, by adding Section 109.5305, as follows:

Sec. 109.5305. OWNERSHIP OF PERMIT FOR A BUILDING OWNED BY A MUNICIPALITY OR COUNTY. Provides that the provision of Section 109.53 (Citizenship of Permittee; Control of Premises; Subterfuge Ownership; Etc.) or a rule adopted by the Texas Alcoholic Beverage Commission prohibiting subterfuge ownership of a license or permit or the premises covered by a license or permit does not apply to a facility owned by a municipality or county that is financed with public securities, the interest on which is exempt from federal income taxation under the Internal Revenue Code of 1986, or a license or permit issued from a premises at that facility.

SECTION 2. Effective date: September 1, 2009.