

BILL ANALYSIS

C.S.H.B. 133
By: Alvarado
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties raise numerous concerns about powdered alcohol, including concerns regarding its availability to underage drinkers, its potential potency, and its marketing. C.S.H.B. 133 seeks to address these concerns by classifying powdered alcohol as an alcoholic beverage and imposing certain packaging regulations and advertising parameters for powdered alcohol.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 133 amends the Alcoholic Beverage Code to include powdered alcohol and any beverage containing more than one-half of one percent of alcohol by volume, which is capable of use for beverage purposes, when reconstituted in the definition of "alcoholic beverage" for purposes of the Alcoholic Beverage Code. The bill prohibits a person from selling powdered alcohol to an ultimate consumer unless the powdered alcohol is sealed in single-serving packages containing not more than 14 grams of powdered alcohol each and prohibits a person from suggesting or depicting the consumption of powdered alcohol without the addition of liquid to the powdered alcohol in an advertisement for powdered alcohol. The bill imposes a tax on the first sale of powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 133 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

85R 28313

17.123.975

Substitute Document Number: 85R 28046

SECTION 1. Section 1.04(1), Alcoholic Beverage Code, is amended.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 2. This Act takes effect September 1, 2017.

SECTION 1. Same as introduced version.

SECTION 2. Subchapter C, Chapter 101, Alcoholic Beverage Code, is amended by adding Section 101.461 to read as follows:
Sec. 101.461. PACKAGING OF POWDERED ALCOHOL. Notwithstanding any other law, a person may not sell powdered alcohol to an ultimate consumer unless the powdered alcohol is sealed in single-serving packages containing not more than 14 grams of powdered alcohol each.

SECTION 3. Subchapter A, Chapter 108, Alcoholic Beverage Code, is amended by adding Section 108.11 to read as follows:
Sec. 108.11. ADVERTISING OF POWDERED ALCOHOL. In an advertisement for powdered alcohol, a person may not suggest or depict the consumption of powdered alcohol without the addition of liquid to the powdered alcohol.

SECTION 4. The heading to Section 201.03, Alcoholic Beverage Code, is amended to read as follows:
Sec. 201.03. TAX ON DISTILLED SPIRITS AND POWDERED ALCOHOL.

SECTION 5. Section 201.03(a), Alcoholic Beverage Code, is amended to read as follows:
(a) A tax is imposed on the first sale of:
(1) distilled spirits at the rate of \$2.40 per gallon; and
(2) powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging.

SECTION 6. Same as introduced version.