

BILL ANALYSIS

Senate Research Center
88R19889 MPF-F

H.B. 3712
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

For decades, holders of a distributor's license (beer distributors) were able to provide malt beverage (beer) samples to retail accounts. This allowed retail accounts to sample new malt beverage products before deciding to carry these products in their stores. However, this practice was inadvertently prohibited during the 2019 Texas Alcoholic Beverage Commission Sunset bill.

H.B. 3712 would reinstate this industry practice and allow the holder of a distributor's license to provide no more than 72 ounces of malt beverages to a retail account for the purpose of sampling new malt beverages products.

The committee substitute is a Texas Legislative Council draft and differs in minor or non-substantive ways from the introduced H.B. 3712. The following terms are replaced to conform to the definitions included in Alcoholic Beverage Code, Title I, Chapter I: "distributor's license" and "other alcoholic beverages." Additionally, the term "six-pack" is replaced with "72 ounces" to better reflect instances where the volume for malt beverages are the same but the packaging may be in a six-pack or four-pack

H.B. 3712 amends current law relating to authorizing a holder of a distributor's license to provide samples of malt beverages to retailers.

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 Section 102.02, Alcoholic Beverage Code, as follows:

Sec. 102.02. PROVIDING SAMPLES. (a) Authorizes the holder of a wholesaler's permit or distributor's license or the holder's agent, representative, or employee to furnish or give a sample of liquor or malt beverages to a holder of a permit or license authorizing the sale of that category of alcoholic beverage at retail if the retail permittee or licensee has not previously purchased that brand from that wholesaler permittee or distributor licensee, notwithstanding any other provision of this code.

(b) Prohibits the liquor or malt beverages provided as a sample under Subsection (a) from being more than:

- (1) creates this subsection from existing text;
- (2) three liters of any brand of wine; and
- (3) 72 ounces of any brand of malt beverage.

Deletes existing text authorizing the wholesaler to give the retail permittee not more than three liters of any brand of wine in that package, and not more than one six-pack of any other alcoholic beverage so packaged.

(c) Authorizes the holder of a retail permit or license authorizing the sale of liquor or malt beverages or the permittee's or licensee's agent, servant, or employee to sample the alcoholic beverage provided under Subsection (a) on the permitted or licensed retail premises only if:

- (1) the holder of the wholesaler's permit or distributor's license is present; or
- (2) the wholesaler's or distributor's agent, servant, or employee is present.

Deletes existing text authorizing the retail permittee or the permittee's agent, servant, or employee to sample the product on the licensed premises only if the wholesaler or the wholesaler's agent, servant, or employee is present.

SECTION 2. Effective date: September 1, 2023.