

By: _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: _____ C.S.____B. No. _____

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation and functions of the Texas Alcoholic
3 Beverage Commission, including the consolidation, repeal, and
4 creation of certain licenses and permits; changing fees.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 1.04(5), (7), (13), (15), (17), and
7 (27), Alcoholic Beverage Code, are amended to read as follows:

8 (5) "Liquor" means any alcoholic beverage, other than
9 a malt beverage, containing alcohol in excess of five [~~four~~]
10 percent by volume [~~weight~~], unless otherwise indicated. Proof that
11 an alcoholic beverage is alcohol, spirits of wine, whiskey, liquor,
12 wine, brandy, gin, rum, [~~ale, malt liquor,~~] tequila, mescal,
13 habanero, or barreteago, is prima facie evidence that it is liquor.

14 (7) "Wine and vinous liquor" means the product
15 obtained from the alcoholic fermentation of juice of sound ripe
16 grapes, fruits, berries, or honey, and includes wine coolers and
17 saké.

18 (13) "Mixed beverage" means one or more servings of a
19 beverage composed in whole or part of an alcoholic beverage in a
20 sealed or unsealed container of any legal size for consumption on
21 the premises where served or sold by the holder of a mixed beverage
22 permit, the holder of certain nonprofit entity temporary event
23 permits [~~a daily temporary mixed beverage permit, the holder of a~~
24 ~~caterer's permit, the holder of a mixed beverage late hours~~

1 ~~permit~~], the holder of a private club registration permit, or the
2 holder of certain retailer late hours certificates [~~a private club~~
3 ~~late hours permit~~].

4 (15) "Malt beverage" [~~"Beer"~~] means a fermented [~~malt~~]
5 beverage of any name or description containing one-half of one
6 percent or more of alcohol by volume, brewed or produced from malt,
7 in whole or in part, or from any malt substitute [~~and not more than~~
8 ~~four percent of alcohol by weight~~].

9 (17) "Brewer [~~Manufacturer~~]" means a person engaged in
10 the [~~manufacture or~~] brewing of malt beverages [~~beer~~], whether
11 located inside or outside the state.

12 (27) "Contract brewing arrangement" means an
13 arrangement in which two breweries, each of which has a separate
14 facility, contract for one brewery to brew [~~manufacture~~] malt
15 beverages on behalf of the other brewery due to the limited capacity
16 or other reasonable business necessity of one party to the
17 arrangement.

18 SECTION 2. Effective December 31, 2020, Section 1.04(9),
19 Alcoholic Beverage Code, is amended to read as follows:

20 (9) "Applicant" means a person who submits or files an
21 original or renewal application with the [~~county judge,~~]
22 commission[~~, or administrator~~] for a license or permit.

23 SECTION 3. Effective September 1, 2019, Section 5.01(b),
24 Alcoholic Beverage Code, is amended to read as follows:

25 (b) The Texas Alcoholic Beverage Commission is subject to
26 Chapter 325, Government Code (Texas Sunset Act). Unless continued
27 in existence as provided by that chapter, the commission is

1 abolished and Subchapter A, Chapter 5, expires September 1, 2031
2 [~~2019~~].

3 SECTION 4. Effective September 1, 2019, Section 5.02(a),
4 Alcoholic Beverage Code, is amended to read as follows:

5 (a) The commission is composed of five [~~three~~] members, who
6 are appointed by the governor with the advice and consent of the
7 senate.

8 SECTION 5. Effective September 1, 2019, Section 5.022,
9 Alcoholic Beverage Code, is amended by amending Subsection (b) and
10 adding Subsection (d) to read as follows:

11 (b) The training program must provide the person with
12 information regarding:

13 (1) the law governing [~~legislation that created the~~]
14 commission operations;

15 (2) [~~and~~] the [~~commission's~~] programs, functions,
16 rules, and budget of the commission;

17 (3) the scope of and limitations on the rulemaking
18 authority of the commission;

19 (4) [~~(2)~~] the results of the most recent formal audit
20 of the commission;

21 (5) [~~(3)~~] the requirements of:

22 (A) laws relating to open meetings, public
23 information, administrative procedure, and disclosing conflicts of
24 interest; and

25 (B) other laws applicable to members of a state
26 policymaking body in performing their duties; and

27 (6) [~~(4)~~] any applicable ethics policies adopted by

1 the commission or the Texas Ethics Commission.

2 (d) The administrator of the commission shall create a
3 training manual that includes the information required by
4 Subsection (b). The administrator shall distribute a copy of the
5 training manual annually to each member of the commission. Each
6 member of the commission shall sign and submit to the administrator
7 a statement acknowledging that the member received and has reviewed
8 the training manual.

9 SECTION 6. Effective September 1, 2019, Section 5.03,
10 Alcoholic Beverage Code, is amended to read as follows:

11 Sec. 5.03. TERMS OF OFFICE. The members of the commission
12 hold office for staggered terms of six years, with the term of one
13 or two members [~~member~~] expiring every two years. Each member holds
14 office until the member's [~~his~~] successor is appointed and has
15 qualified. The governor may appoint a [A] member to serve
16 consecutive terms [~~may be appointed to succeed himself~~].

17 SECTION 7. Effective September 1, 2019, Section 5.05,
18 Alcoholic Beverage Code, is amended by amending Subsections (a),
19 (a-1), and (a-2) and adding Subsection (a-3) to read as follows:

20 (a) A [No] person may not be appointed to or serve on the
21 commission, or hold an office under the commission, or be employed
22 by the commission, if the person is employed by or [~~who~~]

23 [~~(1)~~] has a [~~any~~] financial interest [~~connection with a~~
24 ~~person engaged~~] in an alcoholic beverage business. For purposes of
25 this subsection, a person has a financial interest [+

26 [~~(2) holds stocks or bonds~~] in an alcoholic beverage
27 business if:

1 (1) the person owns or controls, directly or
2 indirectly, an ownership [~~+~~ ~~or~~

3 ~~[(3) has a pecuniary]~~ interest of:

4 (A) at least five percent in a single [~~an~~]
5 alcoholic beverage business, including the right to share in
6 profits, proceeds, or capital gains; or

7 (B) at least five percent cumulative interest,
8 including the right to share in profits, proceeds, or capital
9 gains, in multiple alcoholic beverage businesses; or

10 (2) the person's spouse or child has an ownership
11 interest described by Subdivision (1).

12 (a-1) A financial interest prohibited by Subsection (a)
13 does not include an ownership interest under a retirement plan, a
14 blind trust, or insurance coverage, or an ownership interest of
15 less than five percent in a corporation.

16 (a-2) Notwithstanding any other law, a child of a commission
17 employee may be employed by the holder of a license or permit issued
18 under this code.

19 (a-3) [~~(a-2)~~] The commission shall establish an agency
20 policy requiring employees to disclose information regarding their
21 children's employment by a holder of a license or permit issued
22 under this code.

23 SECTION 8. Effective September 1, 2019, Subchapter A,
24 Chapter 5, Alcoholic Beverage Code, is amended by adding Section
25 5.21 to read as follows:

26 Sec. 5.21. ADVISORY COMMITTEES. (a) The commission, by
27 rule, may establish advisory committees it considers necessary to

1 accomplish the purposes of this code.

2 (b) Chapter 2110, Government Code, applies to an advisory
3 committee created by the commission.

4 SECTION 9. Effective September 1, 2019, the heading to
5 Section 5.361, Alcoholic Beverage Code, is amended to read as
6 follows:

7 Sec. 5.361. ENFORCEMENT; INSPECTIONS.

8 SECTION 10. Effective September 1, 2019, Section 5.361,
9 Alcoholic Beverage Code, is amended by adding Subsections (a-1) and
10 (a-2) to read as follows:

11 (a-1) As part of the commission's enforcement activities
12 under this section, the commission by rule shall develop a plan for
13 inspecting permittees and licensees using a risk-based approach
14 that prioritizes public safety. The inspection plan may provide
15 for a virtual inspection of the permittee or licensee that may
16 include a review of the permittee's or licensee's records or it may
17 also require a physical inspection of the permittee's or licensee's
18 premises.

19 (a-2) The inspection plan must:

20 (1) establish a timeline for the inspection of each
21 permittee and licensee that ensures that high-risk permittees and
22 licensees are prioritized; and

23 (2) require the commission to physically inspect the
24 premises of each permittee and licensee within a reasonable time as
25 set by rule.

26 SECTION 11. Effective September 1, 2019, Subchapter B,
27 Chapter 5, Alcoholic Beverage Code, is amended by adding Sections

1 5.363 and 5.364 to read as follows:

2 Sec. 5.363. DISCIPLINARY AUTHORITY OF ADMINISTRATOR AND
3 COMMISSION. (a) The commission by rule may delegate to the
4 administrator the authority to take disciplinary and enforcement
5 actions against a person subject to the commission's regulation
6 under this code, including the authority to enter into an agreed
7 settlement of a disciplinary action. In the rules adopted under
8 this subsection, the commission shall specify a threshold for the
9 types of disciplinary and enforcement actions that are delegated to
10 the administrator.

11 (b) The commission shall make the final decision in any
12 disciplinary action in a contested case that has had an
13 administrative hearing.

14 Sec. 5.364. RECEIPT AND USE OF MARKET DATA. (a) The
15 commission may receive market data that is voluntarily provided by
16 a licensee or permittee under this code.

17 (b) The commission may only use the market data received
18 under Subsection (a) for the commission's law enforcement purposes.
19 The commission may not use the data to create a database of
20 information containing individually identifying information.

21 SECTION 12. Section 5.40, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 5.40. REGULATION OF MALT BEVERAGE [~~BEER~~] CONTAINER
24 DEPOSITS. If the commission finds it necessary to effectuate the
25 purposes of this code, it may adopt rules to provide a schedule of
26 deposits required to be obtained on malt beverage [~~beer~~] containers
27 delivered by a licensee.

1 SECTION 13. Effective December 31, 2020, Section 5.43,
2 Alcoholic Beverage Code, is amended to read as follows:

3 Sec. 5.43. WHO MAY HOLD HEARING; RULES OF EVIDENCE. (a)
4 Except [~~as provided by Subsection (b)]~~ for a hearing [~~held under~~
5 ~~Section 61.32 of this code, a hearing]~~ on the adoption of commission
6 rules[~~7~~] or a hearing on an employment matter, the commission
7 designates the State Office of Administrative Hearings to conduct
8 and make a record of any hearing authorized by this code. If the
9 commission or administrator declares a hearing to be an emergency,
10 the State Office of Administrative Hearings shall assign an
11 administrative law judge or may contract with a qualified
12 individual within five days and set a hearing as soon as possible.

13 (b) The commission [~~or administrator]~~ may render a decision
14 on the basis of the record or the proposal for decision if one is
15 required under the administrative procedure law, Chapter 2001,
16 Government Code, as if the [~~administrator or entire]~~ commission had
17 conducted the hearing. The commission may prescribe its rules of
18 procedure for cases not heard by the State Office of Administrative
19 Hearings.

20 SECTION 14. Section 5.50, Alcoholic Beverage Code, is
21 amended to read as follows:

22 Sec. 5.50. ESTABLISHMENT OF CERTAIN FEES. (a) The
23 commission by rule may establish reasonable fees for tasks and
24 services performed by the commission in carrying out the provisions
25 of this code, including fees for [~~incidental to~~]
26 certificates, licenses, and permits under Title 3 [~~of this code~~].

27 (b) The commission may not increase or decrease a fee set by

1 this code, but if a statute is enacted creating a certificate,
2 permit, or license and there is no fee established, the commission
3 by rule may set a fee. The commission by rule shall assess a fee
4 [~~surcharges~~] on all applicants for an original or renewal
5 certificate, permit, or license issued by the commission [~~in~~
6 ~~addition to any fee set by this code~~] and collect the fee
7 [~~surcharges~~] at the time of application.

8 (b-1) The commission shall develop a process for setting
9 fees that ensures the amount of the fees for an original or renewal
10 certificate, permit, or license is sufficient to cover the costs
11 incurred by the commission in administering this code. The process
12 must:

13 (1) allow the commission to:

14 (A) consider relevant information including the
15 type of business being regulated and the level of regulatory
16 activities associated with each certificate, permit, or license;
17 and

18 (B) set different fees for the same original or
19 renewal certificate, permit, or license if the commission
20 determines the level of regulatory activities associated with a
21 certificate, permit, or license varies; and

22 (2) ensure that [~~In assessing a surcharge,~~] the
23 commission does [~~may~~] not overly penalize any segment of the
24 alcoholic beverage industry or impose an undue hardship on small
25 businesses.

26 (b-2) The commission shall periodically review the amount
27 of each fee collected under this code and adjust the amount of each

1 fee to ensure that the commission's regulatory costs are fairly
2 allocated among all certificate, permit, and license holders.

3 (c) Insofar as they relate to the levying and collection of
4 a local fee, Sections 11.38 and 61.36 [~~of this code~~] do not apply to
5 fees set by rule of the commission.

6 (d) Revenues [~~and surcharges~~] from fees collected by the
7 commission under this section shall be deposited in the general
8 revenue fund.

9 SECTION 15. Section 5.51, Alcoholic Beverage Code, is
10 amended to read as follows:

11 Sec. 5.51. BOOKKEEPING RECORDS. A permittee who holds a
12 permit issued under Chapter [~~Chapters~~] 28, 30, or 32 [~~through 33 of~~
13 ~~this code~~] may elect to keep all records required under this code on
14 a machine bookkeeping system. A permittee who desires to use such a
15 system must submit a written application for commission approval of
16 the system before implementing the system. The commission may
17 authorize a permittee to centralize the permittee's records.

18 SECTION 16. Effective September 1, 2019, Section 5.56(b),
19 Alcoholic Beverage Code, is amended to read as follows:

20 (b) The commission in accordance with this subsection may
21 recover the amount transferred under Subsection (a) by imposing a
22 surcharge on licenses and permits [~~, other than an agent's permit or~~
23 ~~an agent's beer license,~~] issued or renewed by the commission each
24 fiscal year. The surcharge shall be an amount equal to the amount
25 transferred under Subsection (a) divided by the number of licenses
26 and permits the commission anticipates issuing during that year,
27 rounded down to the next lowest whole dollar.

1 SECTION 17. Section 5.57(c), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (c) The commission shall make a reasonable attempt to meet
4 with alcoholic beverage industry representatives from:

5 (1) the manufacturing, distribution, and retail tiers
6 of the industry; and

7 (2) the liquor, malt beverage [~~beer~~], and wine
8 segments of the industry.

9 SECTION 18. Effective September 1, 2019, Subchapter B,
10 Chapter 5, Alcoholic Beverage Code, is amended by adding Section
11 5.581 to read as follows:

12 Sec. 5.581. DISCLOSURE OF PERSONNEL RECORDS OF COMMISSIONED
13 PEACE OFFICERS. (a) In this section, "personnel record" includes
14 any letter, memorandum, or document maintained by the commission
15 that relates to a commissioned peace officer of the commission,
16 including background investigations, employment applications,
17 employment contracts, service and training records, requests for
18 off-duty employment, birth records, reference letters, letters of
19 recommendation, performance evaluations and counseling records,
20 results of physical tests, polygraph questionnaires and results,
21 proficiency tests, the results of health examinations and other
22 medical records, workers' compensation files, the results of
23 psychological examinations, leave requests, requests for transfers
24 of shift or duty assignments, commendations, promotional
25 processes, demotions, complaints and complaint investigations,
26 employment-related grievances, and school transcripts.

27 (b) Except as provided by Subsection (c), the personnel

1 records of a commissioned peace officer of the commission may not be
2 disclosed under Chapter 552, Government Code, or otherwise made
3 available to the public while there is a pending internal
4 investigation for alleged employee misconduct.

5 (c) The commission may release any personnel record of a
6 commissioned peace officer:

7 (1) pursuant to a subpoena or court order, including a
8 discovery order;

9 (2) for use by the commission in an administrative
10 hearing; or

11 (3) with the written authorization of the officer who
12 is the subject of the record.

13 (d) A release of information under Subsection (c) does not
14 waive the right to assert in the future that the information is
15 excepted from required disclosure under this section or other law.

16 SECTION 19. Sections 6.03(g) and (k), Alcoholic Beverage
17 Code, are amended to read as follows:

18 (g) To accommodate the interests of the consuming public,
19 the expansion of popular nationwide businesses, and the increasing
20 state interest in tourism, and at the same time to guard against the
21 threats of organized crime, unfair competition, and decreased
22 opportunities for small businesses, the legislature finds that
23 there is no longer need for the three-year residency requirements
24 with regard to those segments of the industry that sell alcoholic
25 beverages to the ultimate consumer only. The legislature finds
26 that it is desirable to retain a one-year residency requirement for
27 businesses that sell to the consumer packaged liquor and fortified

1 wine capable of being used to supply legal or illegal bars and
2 clubs. The legislature also finds it reasonable, desirable, and in
3 the best interests of the state to provide a one-year residency
4 requirement for businesses engaged in the wholesale distribution of
5 ~~[beer,]~~ malt beverages ~~[liquor,]~~ or wine or in the manufacture and
6 distribution of distilled spirits and fortified wines at both the
7 wholesale and the retail levels where those beverages, in unopened
8 containers, are sold to mixed beverage permittees and private club
9 registration permittees as well as to the general public. Adequate
10 protection is deemed to be provided by controlling those sources of
11 supply for distilled spirits and fortified wines.

12 (k) A requirement under this code that 51 percent or more of
13 the stock of a corporation be owned by a person or persons who were
14 citizens of this state for a one-year period preceding the date of
15 the filing of an application for a license or permit does not apply
16 to a corporation organized under the laws of this state that applies
17 for a license or permit under Chapters 25, 26, 28, 30, 32, 48, 50,
18 69, 71, and ~~[25-34, Chapter 44, Chapters 48-51, Chapters 69-72, or~~
19 ~~Chapter] 74 [of this code] if:~~

20 (1) all of the officers and a majority of directors of
21 the applicant corporation have resided within the state for a
22 one-year period preceding the date of the application and each
23 officer or director possesses the qualifications required of other
24 applicants for permits and licenses;

25 (2) the applicant corporation and the applicant's
26 shareholders have no direct or indirect ownership or other
27 prohibited relationship with others engaged in the alcoholic

1 beverage industry at different levels as provided by Chapter 102
2 ~~[of this code]~~ and other provisions of this code;

3 (3) the applicant corporation is not precluded by law,
4 rule, charter, or corporate bylaw from disclosing the applicant's
5 shareholders to the commission; and

6 (4) the applicant corporation maintains its books and
7 records relating to its alcoholic beverage operations in the state
8 at its registered office or at a location in the state approved in
9 writing by the commission.

10 SECTION 20. Effective September 1, 2019, Section 11.01(c),
11 Alcoholic Beverage Code, is amended to read as follows:

12 (c) A right or privilege granted by this section as an
13 exception to prohibitions contained elsewhere in this code may be
14 exercised only in the manner provided. ~~[An act done by a person
15 which is not permitted by this code is unlawful.]~~

16 SECTION 21. Effective December 31, 2020, Section 11.015,
17 Alcoholic Beverage Code, is amended to read as follows:

18 Sec. 11.015. HEARING LOCATION. Notwithstanding any other
19 provision of this code, ~~[except for a hearing required to be
20 conducted by a county judge,]~~ a hearing related to the issuance,
21 renewal, cancellation, or suspension of a permit under this
22 subtitle may be conducted:

23 (1) in the county in which the premises is located;

24 (2) at the nearest permanent hearing office of the
25 State Office of Administrative Hearings; or

26 (3) at any location agreed to by the parties.

27 SECTION 22. Sections 11.09(a) and (b), Alcoholic Beverage

1 Code, are amended to read as follows:

2 (a) A permit issued under this code expires on the second
3 anniversary of the date it is issued, except as provided by
4 Subsections (d) and (e) or another provision of this code.
5 ~~[Notwithstanding Section 5.50(b), the commission shall double the~~
6 ~~amount of fees and surcharges otherwise applicable under this code~~
7 ~~for a permit with a two-year term.]~~

8 (b) A secondary permit which requires the holder of the
9 permit to first obtain another permit, including a retailer late
10 hours certificate ~~[permit or temporary permit]~~, expires on the same
11 date the basic or primary permit expires. The commission may not
12 prorate or refund any part of the fee for the secondary permit if
13 the application of this section results in the expiration of the
14 permit in less than two years.

15 SECTION 23. Section 11.13(a), Alcoholic Beverage Code, is
16 amended to read as follows:

17 (a) This section applies only to a license or permit held in
18 connection with an establishment located in a county with a
19 population of 1.4 million or more for which a license or permit has
20 been issued under Chapter 25 or 69 for the on-premises consumption
21 of malt beverages ~~[beer]~~ exclusively or malt beverages ~~[beer]~~ and
22 wine exclusively, other than a license or permit for an
23 establishment holding a food and beverage certificate whose primary
24 business being operated on the premises is food service.

25 SECTION 24. Effective September 1, 2019, Section 11.31,
26 Alcoholic Beverage Code, is amended to read as follows:

27 Sec. 11.31. APPLICATION FOR PERMIT. All permits shall be

1 applied for and obtained from the commission. [~~This section does~~
2 ~~not apply to wine and beer retailer's permits, except those for~~
3 ~~railway cars or excursion boats, or to wine and beer retailer's~~
4 ~~off-premise permits.~~]

5 SECTION 25. Section 11.321(b), Alcoholic Beverage Code, is
6 amended to read as follows:

7 (b) In addition to any other applicable civil or criminal
8 penalty, the commission may impose an administrative penalty not to
9 exceed \$4,000 on a licensee or permittee who makes a false or
10 misleading statement in an original or renewal application, either
11 in the formal application itself or in any written instrument
12 relating to the application submitted to the commission or its
13 officers or employees, in connection with an establishment that is
14 licensed or permitted under Chapter 25 or 69 for the on-premises
15 consumption of malt beverages [~~beer~~] exclusively or malt beverages
16 [~~beer~~] and wine exclusively, other than an establishment holding a
17 food and beverage certificate whose primary business being operated
18 on the premises is food service.

19 SECTION 26. Section 11.34, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 11.34. CONSOLIDATED APPLICATION. (a) An applicant
22 for a wholesaler's, class B wholesaler's, distiller's and
23 rectifier's, [~~brewer's,~~] or winery permit may consolidate in a
24 single application the [~~his~~] application for that permit and an
25 [~~his~~] application for[+]

26 [~~(1) private storage,~~

27 [~~(2) storage in a public bonded warehouse,~~

1 ~~[(3) a private carrier's permit, and~~
2 ~~[(4)]~~ any other permit the applicant ~~[he]~~ is qualified
3 to receive.

4 (b) An applicant who files a consolidated application must
5 pay the fee required by commission rule ~~[prescribed in this code]~~
6 for each permit included in the application.

7 SECTION 27. Effective September 1, 2019, Sections 11.37(a)
8 and (b), Alcoholic Beverage Code, are amended to read as follows:

9 (a) The county clerk of the county in which an application
10 for a permit is made shall certify whether the location or address
11 given in the application is in a wet area and whether the sale of
12 alcoholic beverages for which the permit is sought is prohibited by
13 any valid order of the commissioners court. The county clerk shall
14 issue the certification not later than the 30th day after the date
15 the county clerk receives the application for certification.

16 (b) The city secretary or clerk of the city in which an
17 application for a permit is made shall certify whether the location
18 or address given in the application is in a wet area and whether the
19 sale of alcoholic beverages for which the permit is sought is
20 prohibited by charter or ordinance. The city secretary or clerk of
21 the city shall issue the certification not later than the 30th day
22 after the date the city secretary or clerk of the city receives the
23 application for certification.

24 SECTION 28. Section 11.38(d), Alcoholic Beverage Code, is
25 amended to read as follows:

26 (d) The following are exempt from the fee authorized in this
27 section:

1 (1) [~~agent's, airline beverage,~~] passenger
2 transportation [~~train beverage, passenger bus beverage,~~
3 ~~industrial~~], carrier [~~carrier's, private carrier's~~], private club
4 registration, and local cartage [~~, storage, and temporary wine and~~
5 ~~beer retailer's~~] permits;

6 [~~(2) a wine and beer retailer's permit issued for a~~
7 ~~dining, buffet, or club car,~~] and

8 (2) [~~(3)~~] a mixed beverage permit during the
9 three-year period following the issuance of the permit.

10 SECTION 29. Effective December 31, 2020, Section 11.38(e),
11 Alcoholic Beverage Code, is amended to read as follows:

12 (e) The commission or administrator may cancel or the
13 commission may deny a permit for the retail sale or service of
14 alcoholic beverages, including a permit held by the holder of a food
15 and beverage certificate, if it finds that the permit holder or
16 applicant has not paid delinquent ad valorem taxes due on that
17 permitted premises or due from a business operated on that premises
18 to any taxing authority in the county of the premises. For purposes
19 of this subsection, a permit holder or applicant is presumed
20 delinquent in the payment of taxes due if the permit holder or
21 applicant:

22 (1) is placed on a delinquent tax roll prepared under
23 Section 33.03, Tax Code;

24 (2) has received a notice of delinquency under Section
25 33.04, Tax Code; and

26 (3) has not made a payment required under Section
27 42.08, Tax Code.

1 SECTION 30. Sections 11.39(a) and (d), Alcoholic Beverage
2 Code, are amended to read as follows:

3 (a) Every applicant for a [~~brewer's,~~] distiller's and
4 rectifier's, mixed beverage, private club registration, winery,
5 wholesaler's, class B wholesaler's, [~~wine bottler's,~~] or package
6 store permit shall give notice of the application by publication at
7 the applicant's [~~his~~] own expense in two consecutive issues of a
8 newspaper of general circulation published in the city or town in
9 which the applicant's [~~his~~] place of business is located. If no
10 newspaper is published in the city or town, the notice shall be
11 published in a newspaper of general circulation published in the
12 county where the applicant's business is located. If no newspaper
13 is published in the county, the notice shall be published in a
14 qualified newspaper published in the closest neighboring county and
15 circulated in the county of the applicant's residence.

16 (d) This section does not apply to:

17 (1) an applicant for a nonprofit entity [~~daily~~]
18 temporary event [~~mixed beverage~~] permit; or

19 (2) commission authorization required to sell
20 alcoholic beverages under:

21 (A) Section 16.12;

22 (B) Section 28.19; or

23 (C) Section 32.25 [~~or a caterer's permit~~].

24 SECTION 31. Section 11.391(c), Alcoholic Beverage Code, is
25 amended to read as follows:

26 (c) This section does not apply to an applicant for a permit
27 issued under Chapter 16, 19, 20, [~~21,~~] 22, 23, or 24 [~~or 52~~].

1 SECTION 32. Section 11.392(a), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (a) The commission shall give notice of an application for a
4 permit or renewal of a permit issued under Chapter 32, an
5 application for a permit issued under Section 30.08, or an
6 application for a certificate or renewal of a certificate issued to
7 the holder of a private club registration permit under Chapter 29
8 ~~[or 33]~~ to:

9 (1) the state senator and the state representative who
10 represent the district in which the premises are located;

11 (2) the municipal governing body, if the premises are
12 located in an incorporated area, and the commissioners court of the
13 county in which the premises are located; and

14 (3) the chief of police of the municipality, if the
15 premises are located in an incorporated area, and the sheriff of the
16 county in which the premises are located.

17 SECTION 33. (a) Effective December 31, 2020, Subchapter B,
18 Chapter 11, Alcoholic Beverage Code, is amended by amending Section
19 11.43 and adding Sections 11.431 and 11.432 to read as follows:

20 Sec. 11.43. APPLICATION REVIEW PROCESS ~~[DISCRETION TO GRANT~~
21 ~~OR REFUSE PERMIT]~~. (a) The commission has ~~[and administrator have]~~
22 discretionary authority ~~[to grant or refuse]~~ to issue an original
23 or renewal permit or deny an application for an original or renewal
24 permit under the provisions of this subchapter or any other
25 applicable provision of this code.

26 (b) On receipt of an application for a permit under this
27 code, the administrator shall evaluate the application. If a

1 protest against the application has been filed, the administrator
2 shall first evaluate the protest.

3 (c) If the administrator determines that no reasonable
4 grounds exist for the protest, or if no protest has been filed, the
5 administrator shall evaluate the permit application.

6 (d) If after evaluating the permit application under
7 Subsection (c) the administrator finds that all facts stated in the
8 application are true and no legal ground to deny the application
9 exists, the administrator shall issue a permit if the commission
10 has delegated authority to issue permits to the administrator. If
11 the commission has not delegated authority to issue permits to the
12 administrator, the administrator shall recommend to the commission
13 that the application be approved and the commission may issue the
14 permit.

15 (e) If after the evaluation of a permit application the
16 administrator finds a legal ground to deny the permit application,
17 the administrator shall recommend to the commission that the
18 application be denied. If the commission denies the application,
19 the applicant may appeal the denial as provided by Subsection (h).

20 (f) If the administrator finds that reasonable grounds
21 exist for the protest, the administrator shall evaluate the
22 application in light of the protest. If, but for the protest, the
23 administrator would approve the application, the administrator
24 shall refer the protested application for a hearing. In a hearing
25 on a protested application, the State Office of Administrative
26 Hearings may request any information from the commission the office
27 determines relevant.

1 (g) If after evaluating the application with the protest the
2 administrator finds a legal ground to deny the permit application,
3 the administrator shall recommend to the commission that the
4 application be denied. If the commission denies the application,
5 the applicant may appeal the denial as provided by Subsection (h).

6 (h) An applicant for a permit whose application has been
7 denied by the commission is entitled to a hearing on the
8 commission's decision.

9 (i) A hearing under this section shall be conducted by the
10 State Office of Administrative Hearings in a location authorized by
11 Section 11.015. Chapter 2001, Government Code, applies to a
12 hearing under this section. After a hearing the administrative law
13 judge shall make findings of fact and conclusions of law and
14 promptly issue to the commission a proposal for a decision on the
15 application. Based on the findings of fact, conclusions of law, and
16 proposal for a decision, the commission shall issue a final
17 decision denying the application or issuing the permit.

18 (j) If the commission denies a permit application, the
19 applicant may, after exhausting all administrative remedies,
20 appeal the commission's decision to a Travis County district court.

21 (k) The commission shall adopt rules to implement the
22 application review and protest process including reasonable
23 timelines, identifying the roles and responsibilities of all
24 parties involved in the process and identifying potential avenues
25 for mediation or informal dispute resolution.

26 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
27 of the public may protest an application for:

1 (1) [~~Notwithstanding any other provision of this code~~
2 ~~that authorizes the commission or administrator to refuse to issue~~
3 ~~a permit without a hearing, the commission or administrator shall~~
4 ~~hold a hearing before granting or refusing to issue]~~ an original
5 mixed beverage permit, private club registration permit, or wine
6 and beer retailer's permit [~~, or retail dealer's on-premise license]~~
7 if a sexually oriented business is to be operated on the premises to
8 be covered by the permit;

9 (2) [~~or license.~~

10 [~~(c) A hearing shall be held on~~] any renewal [~~application~~]
11 of a mixed beverage permit, private club registration permit, or
12 wine and beer retailer's permit [~~, or retail dealer's on-premise~~
13 ~~license]~~ if a sexually oriented business is to be operated on the
14 premises to be covered by the permit [~~or license]~~ and a petition is
15 presented to the commission requesting a hearing which is signed by
16 50 percent of the residents who reside within 300 feet of any
17 property line of the affected premises;

18 (3) a private club registration permit or a permit
19 authorizing the retail sale of alcoholic beverages for on-premises
20 consumption if the person resides within 300 feet of any property
21 line of the premises for which the permit is sought; and

22 (4) a mixed beverage permit or a wine and beer
23 retailer's permit in a municipality with a population of 1,500,000
24 or more if:

25 (A) any point of the property line of the premise
26 is less than 300 feet from the nearest point on a property line of a
27 residence, church, school, hospital, day-care facility, or social

1 service facility, as measured in a straight line; and

2 (B) 75 percent or more of the permittee's actual
3 or anticipated gross revenue is from the sale of alcoholic
4 beverages.

5 (b) In addition to the situations described by Subsection
6 (a), the commission by rule may authorize a member of the public to
7 protest other permit applications the commission considers
8 appropriate.

9 (c) [~~(d)~~] A protest made under this section [~~request for a~~
10 hearing made under Subsection (b) or (c) of this section] must
11 include an allegation of grounds on which the original or renewal
12 application, as applicable, should be denied.

13 Sec. 11.432. PROTEST BY GOVERNMENT OFFICIAL. (a) The
14 following persons may protest an application for an alcoholic
15 beverage permit:

16 (1) a state senator, state representative, county
17 commissioner, or city council member who represents the area in
18 which the premises sought to be permitted are located;

19 (2) the commissioners court of the county in which the
20 premises sought to be permitted are located;

21 (3) the county judge of the county in which the
22 premises sought to be permitted are located;

23 (4) the sheriff or county or district attorney of the
24 county in which the premises sought to be permitted are located;

25 (5) the mayor of the city or town in which the premises
26 sought to be permitted are located; and

27 (6) the chief of police, city marshal, or city

1 attorney of the city or town in which the premises sought to be
2 permitted are located.

3 (b) The commission may give due consideration to the
4 recommendations of a person listed under Subsection (a) when
5 evaluating an application for a permit under this code.

6 (b) Effective September 1, 2021, Subchapter B, Chapter 11,
7 Alcoholic Beverage Code, is amended by amending Section 11.43 and
8 adding Section 11.431 to read as follows:

9 Sec. 11.43. APPLICATION REVIEW PROCESS [~~DISCRETION TO GRANT~~
10 ~~OR REFUSE PERMIT~~]. (a) The commission has [~~and administrator have~~]
11 discretionary authority [~~to grant or refuse~~] to issue an original
12 or renewal permit or deny an application for an original or renewal
13 permit under the provisions of this subchapter or any other
14 applicable provision of this code.

15 (b) On receipt of an application for a permit under this
16 code, the administrator shall evaluate the application. If a
17 protest against the application has been filed, the administrator
18 shall first evaluate the protest.

19 (c) If the administrator determines that no reasonable
20 grounds exist for the protest, or if no protest has been filed, the
21 administrator shall evaluate the permit application.

22 (d) If after evaluating the permit application under
23 Subsection (c) the administrator finds that all facts stated in the
24 application are true and no legal ground to deny the application
25 exists, the administrator shall issue a permit if the commission
26 has delegated authority to issue permits to the administrator. If
27 the commission has not delegated authority to issue permits to the

1 administrator, the administrator shall recommend to the commission
2 that the application be approved and the commission may issue the
3 permit.

4 (e) If after the evaluation of a permit application the
5 administrator finds a legal ground to deny the permit application,
6 the administrator shall recommend to the commission that the
7 application be denied. If the commission denies the application,
8 the applicant may appeal the denial as provided by Subsection (h).

9 (f) If the administrator finds that reasonable grounds
10 exist for the protest, the administrator shall evaluate the
11 application in light of the protest. If, but for the protest, the
12 administrator would approve the application, the administrator
13 shall refer the protested application for a hearing. In a hearing
14 on a protested application, the State Office of Administrative
15 Hearings may request any information from the commission the office
16 determines relevant.

17 (g) If after evaluating the application with the protest the
18 administrator finds a legal ground to deny the permit application,
19 the administrator shall recommend to the commission that the
20 application be denied. If the commission denies the application,
21 the applicant may appeal the denial as provided by Subsection (h).

22 (h) An applicant for a permit whose application has been
23 denied by the commission is entitled to a hearing on the
24 commission's decision.

25 (i) A hearing under this section shall be conducted by the
26 State Office of Administrative Hearings in a location authorized by
27 Section 11.015. Chapter 2001, Government Code, applies to a

1 hearing under this section. After a hearing the administrative law
2 judge shall make findings of fact and conclusions of law and
3 promptly issue to the commission a proposal for a decision on the
4 application. Based on the findings of fact, conclusions of law, and
5 proposal for a decision, the commission shall issue a final
6 decision denying the application or issuing the permit.

7 (j) If the commission denies a permit application, the
8 applicant may, after exhausting all administrative remedies,
9 appeal the commission's decision to a Travis County district court.

10 (k) The commission shall adopt rules to implement the
11 application review and protest process including reasonable
12 timelines, identifying the roles and responsibilities of all
13 parties involved in the process and identifying potential avenues
14 for mediation or informal dispute resolution.

15 Sec. 11.431. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
16 of the public may protest an application for:

17 (1) [~~Notwithstanding any other provision of this code~~
18 ~~that authorizes the commission or administrator to refuse to issue~~
19 ~~a permit without a hearing, the commission or administrator shall~~
20 ~~hold a hearing before granting or refusing to issue]~~ an original
21 mixed beverage permit, private club registration permit, or wine
22 and malt beverage [~~beer~~] retailer's permit[, ~~or retail dealer's~~
23 ~~on-premise license] if a sexually oriented business is to be
24 operated on the premises to be covered by the permit;~~

25 (2) [~~or license.~~

26 [~~(c) A hearing shall be held on]~~ any renewal [~~application]~~
27 of a mixed beverage permit, private club registration permit, or

1 wine and malt beverage [~~beer~~] retailer's permit[, ~~or retail~~
2 ~~dealer's on-premise license~~] if a sexually oriented business is to
3 be operated on the premises to be covered by the permit [~~or license~~]
4 and a petition is presented to the commission requesting a hearing
5 which is signed by 50 percent of the residents who reside within 300
6 feet of any property line of the affected premises;

7 (3) a private club registration permit or a permit
8 authorizing the retail sale of alcoholic beverages for on-premises
9 consumption if the person resides within 300 feet of any property
10 line of the premises for which the permit is sought; and

11 (4) a mixed beverage permit or a wine and malt beverage
12 retailer's permit in a municipality with a population of 1,500,000
13 or more if:

14 (A) any point of the property line of the premise
15 is less than 300 feet from the nearest point on a property line of a
16 residence, church, school, hospital, day-care facility, or social
17 service facility, as measured in a straight line; and

18 (B) 75 percent or more of the permittee's actual
19 or anticipated gross revenue is from the sale of alcoholic
20 beverages.

21 (b) In addition to the situations described by Subsection
22 (a), the commission by rule may authorize a member of the public to
23 protest other permit applications the commission considers
24 appropriate.

25 (c) [~~(d)~~] A protest made under this section [~~request for a~~
26 hearing made under Subsection (b) or (c) of this section] must
27 include an allegation of grounds on which the original or renewal

1 application, as applicable, should be denied.

2 SECTION 34. Effective December 31, 2020, Section 11.44(b),
3 Alcoholic Beverage Code, is amended to read as follows:

4 (b) The commission may not [~~or administrator shall refuse~~
5 ~~to~~] issue [~~for a period of three years~~] a permit or license for any
6 location to an applicant who submitted a prior application that
7 expired or was voluntarily surrendered before the hearing on the
8 application was held on a protest involving allegations of
9 prostitution, a shooting, stabbing, or other violent act, or an
10 offense involving drugs or trafficking of persons before the third
11 anniversary of [~~. The three-year period commences on~~] the date the
12 prior application expired or was voluntarily surrendered.

13 SECTION 35. (a) Effective September 1, 2019, Section
14 11.46(a), Alcoholic Beverage Code, is amended to read as follows:

15 (a) The commission or administrator may refuse to issue an
16 original or renewal permit with or without a hearing if it has
17 reasonable grounds to believe and finds that any of the following
18 circumstances exists:

19 (1) the applicant has been convicted in a court of
20 competent jurisdiction of the violation of any provision of this
21 code during the two years immediately preceding the filing of the
22 [~~his~~] application;

23 (2) five years have not elapsed since the termination,
24 by pardon or otherwise, of a sentence imposed on the applicant for
25 the conviction of a felony;

26 (3) within the six-month period immediately preceding
27 the [~~his~~] application the applicant violated or caused to be

1 violated a provision of this code or a rule or regulation of the
2 commission which involves moral turpitude, as distinguished from a
3 technical violation of this code or of the rule;

4 (4) the applicant failed to answer or falsely or
5 incorrectly answered a question in an original or renewal
6 application;

7 (5) the applicant is indebted to the state for any
8 taxes, fees, or payment of penalty imposed by this code or by rule
9 of the commission;

10 (6) the applicant is not of good moral character or the
11 applicant's [~~his~~] reputation for being a peaceable, law-abiding
12 citizen in the community where the applicant [~~he~~] resides is bad;

13 (7) the applicant is a minor;

14 (8) the place or manner in which the applicant may
15 conduct the applicant's [~~his~~] business warrants the denial
16 [~~refusal~~] of the application for a permit based on the general
17 welfare, health, peace, morals, and safety of the people and on the
18 public sense of decency;

19 (9) the applicant has developed an incapacity that
20 prevents or could prevent the applicant from conducting the
21 applicant's business with reasonable skill, competence, and safety
22 to the public [~~is in the habit of using alcoholic beverages to~~
23 ~~excess or is physically or mentally incapacitated~~];

24 (10) the applicant will sell liquor unlawfully in a
25 dry area or in a manner contrary to law or will knowingly permit an
26 agent, servant, or employee to do so;

27 (11) the applicant is not a United States citizen or

1 has not been a citizen of Texas for a period of one year immediately
2 preceding the filing of the applicant's [~~his~~] application, unless
3 the applicant [~~he~~] was issued a permit or renewal permit on or
4 before September 1, 1948, and has at some time been a United States
5 citizen;

6 (12) the applicant does not provide an adequate
7 building available at the address for which the permit is sought
8 before conducting any activity authorized by the permit;

9 (13) the applicant is residentially domiciled with a
10 person whose permit or license has been cancelled for cause within
11 the 12 months immediately preceding the date of the applicant's
12 [~~his~~] present application;

13 (14) the applicant has failed or refused to furnish a
14 true copy of the applicant's [~~his~~] application to the commission's
15 district office in the district in which the premises for which the
16 permit is sought are located; or

17 (15) during the six months immediately preceding the
18 filing of the application the premises for which the permit is
19 sought have been operated, used, or frequented for a purpose or in a
20 manner that is lewd, immoral, or offensive to public decency.

21 (b) Effective December 31, 2020, Section 11.46, Alcoholic
22 Beverage Code, is amended to read as follows:

23 Sec. 11.46. GENERAL GROUNDS FOR DENIAL [~~REFUSAL~~]. (a) The
24 commission [~~or administrator~~] may deny an application for [~~refuse~~
25 ~~to issue~~] an original or renewal permit [~~with or without a hearing~~]
26 if it has reasonable grounds to believe and finds that any of the
27 following circumstances exists:

1 (1) the applicant has been convicted in a court of
2 competent jurisdiction of the violation of any provision of this
3 code during the two years immediately preceding the filing of the
4 ~~[his]~~ application;

5 (2) five years have not elapsed since the termination,
6 by pardon or otherwise, of a sentence imposed on the applicant for
7 the conviction of a felony;

8 (3) within the six-month period immediately preceding
9 the ~~[his]~~ application the applicant violated or caused to be
10 violated a provision of this code or a rule or regulation of the
11 commission which involves moral turpitude, as distinguished from a
12 technical violation of this code or of the rule;

13 (4) the applicant failed to answer or falsely or
14 incorrectly answered a question in an original or renewal
15 application;

16 (5) the applicant is indebted to the state for any
17 taxes, fees, or payment of penalty imposed by this code or by rule
18 of the commission;

19 (6) the applicant is not of good moral character or the
20 applicant's ~~[his]~~ reputation for being a peaceable, law-abiding
21 citizen in the community where the applicant ~~[he]~~ resides is bad;

22 (7) the applicant is a minor;

23 (8) the place or manner in which the applicant may
24 conduct the applicant's ~~[his]~~ business warrants the denial
25 ~~[refusal]~~ of the application for a permit based on the general
26 welfare, health, peace, morals, and safety of the people and on the
27 public sense of decency;

1 (9) the applicant has developed an incapacity that
2 prevents or could prevent the applicant from conducting the
3 applicant's business with reasonable skill, competence, and safety
4 to the public [~~is in the habit of using alcoholic beverages to~~
5 ~~excess or is physically or mentally incapacitated~~];

6 (10) the applicant will sell liquor unlawfully in a
7 dry area or in a manner contrary to law or will knowingly permit an
8 agent, servant, or employee to do so;

9 (11) the applicant is not a United States citizen or
10 has not been a citizen of Texas for a period of one year immediately
11 preceding the filing of the applicant's [~~his~~] application, unless
12 the applicant [~~he~~] was issued a permit or renewal permit on or
13 before September 1, 1948, and has at some time been a United States
14 citizen;

15 (12) the applicant does not provide an adequate
16 building available at the address for which the permit is sought
17 before conducting any activity authorized by the permit;

18 (13) the applicant is residentially domiciled with a
19 person whose permit or license has been cancelled for cause within
20 the 12 months immediately preceding the date of the applicant's
21 [~~his~~] present application;

22 (14) the applicant has failed or refused to furnish a
23 true copy of the applicant's [~~his~~] application to the commission's
24 district office in the district in which the premises for which the
25 permit is sought are located; or

26 (15) during the six months immediately preceding the
27 filing of the application the premises for which the permit is

1 sought have been operated, used, or frequented for a purpose or in a
2 manner that is lewd, immoral, or offensive to public decency.

3 (b) The commission may not [~~or administrator shall refuse~~
4 ~~to~~] issue an original permit authorizing the retail sale of
5 alcoholic beverages unless the applicant for the permit files with
6 the application a certificate issued by the comptroller of public
7 accounts stating that the applicant holds, or has applied for and
8 satisfies all legal requirements for the issuance of, a sales tax
9 permit, if required, for the place of business for which the
10 alcoholic beverage permit is sought.

11 (c) The commission may not [~~or administrator shall refuse~~
12 ~~to~~] issue, for a period of one year after cancellation, a mixed
13 beverage permit or private club registration permit for a premises
14 where a license or permit has been canceled during the preceding 12
15 months as a result of a shooting, stabbing, or other violent act, or
16 as a result of an offense involving drugs, prostitution, or
17 trafficking of persons.

18 (d) The commission may not [~~or administrator shall refuse~~
19 ~~to~~] issue an original permit to a person convicted of an offense
20 under Section 101.76 for a period of five years from the date of the
21 conviction.

22 SECTION 36. (a) Effective December 31, 2020, Section
23 11.47, Alcoholic Beverage Code, is amended to read as follows:

24 Sec. 11.47. DENIAL [~~REFUSAL~~] OF PERMIT: INTEREST IN BEER
25 ESTABLISHMENT. The commission [~~or administrator~~] may deny an
26 application for [~~refuse to issue~~] an original or renewal permit
27 [~~with or without a hearing~~] if it has reasonable grounds to believe

1 and finds that the applicant or a person with whom the applicant
2 [~~he~~] is residentially domiciled has a financial interest in a
3 permit or license authorizing the sale of beer at retail, except as
4 is authorized by Section 22.06, 24.05, or 102.05 [~~of this code~~].
5 This section does not apply to an applicant for a permit which
6 authorizes the sale of mixed beverages.

7 (b) Effective September 1, 2021, Section 11.47, Alcoholic
8 Beverage Code, is amended to read as follows:

9 Sec. 11.47. DENIAL [~~REFUSAL~~] OF PERMIT: INTEREST IN MALT
10 BEVERAGE [~~BEER~~] ESTABLISHMENT. The commission [~~or administrator~~]
11 may deny an application for [~~refuse to issue~~] an original or renewal
12 permit [~~with or without a hearing~~] if it has reasonable grounds to
13 believe and finds that the applicant or a person with whom the
14 applicant [~~he~~] is residentially domiciled has a financial interest
15 in a permit or license authorizing the sale of malt beverages [~~beer~~]
16 at retail, except as is authorized by Section 22.06, 24.05, or
17 102.05 [~~of this code~~]. This section does not apply to an applicant
18 for a permit which authorizes the sale of mixed beverages.

19 SECTION 37. Effective December 31, 2020, Section 11.48,
20 Alcoholic Beverage Code, is amended to read as follows:

21 Sec. 11.48. DENIAL [~~REFUSAL~~] OF PACKAGE STORE OR MIXED
22 BEVERAGE PERMIT. (a) The commission [~~or administrator~~] may deny an
23 application for [~~refuse to issue~~] an original or renewal mixed
24 beverage permit [~~with or without a hearing~~] if it has reasonable
25 grounds to believe and finds that the applicant, directly or
26 indirectly, or through a subsidiary, affiliate, agent, or employee,
27 or through an officer, director, or firm member, owns an interest of

1 any kind in the premises, business, or permit of a package store.

2 (b) The commission [~~or administrator~~] may deny an
3 application for [~~refuse to issue~~] an original or renewal package
4 store permit [~~with or without a hearing~~] if it has reasonable
5 grounds to believe and finds that the applicant, directly or
6 indirectly, through a subsidiary, affiliate, agent, or employee, or
7 through an officer, director, or firm member, owns an interest of
8 any kind in the premises, business, or permit of a mixed beverage
9 establishment.

10 (c) This section does not apply to anything permitted by
11 Section 102.05 [~~of this code~~].

12 SECTION 38. Effective December 31, 2020, Section 11.481(b),
13 Alcoholic Beverage Code, is amended to read as follows:

14 (b) The commission [~~or administrator~~] may not [~~shall refuse~~
15 ~~to~~] issue an original or renewal permit authorizing on-premises
16 consumption of alcoholic beverages[~~, with or without a hearing,~~] if
17 the commission [~~or administrator~~] has reasonable grounds to believe
18 and finds that, during the three years preceding the date the permit
19 application was filed, a license or permit previously held under
20 this code by the applicant, a person who owns the premises for which
21 the permit is sought, or an officer of a person who owns the
22 premises for which the permit is sought was canceled or not renewed
23 as a result of a shooting, stabbing, or other violent act.

24 SECTION 39. Section 11.481(c), Alcoholic Beverage Code, is
25 amended to read as follows:

26 (c) This section does not apply to the issuance of an
27 original or renewal permit authorizing on-premises consumption for

1 a location that also holds a food and beverage certificate but does
2 not hold a retailer late hours certificate [~~permit~~].

3 SECTION 40. (a) Effective December 31, 2020, Section
4 11.49, Alcoholic Beverage Code, is amended by amending Subsection
5 (b) and adding Subsection (b-1) to read as follows:

6 (b) [~~(1)~~] Subject to the approval of the commission [~~or the~~
7 ~~administrator,~~] and except as provided in Subsection (c) [~~of this~~
8 ~~section~~], an applicant for a permit or license may designate a
9 portion of the grounds, buildings, vehicles, and appurtenances to
10 be excluded from the licensed premises.

11 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)
12 has been made and approved as to the holder of a license or permit
13 authorizing the sale of alcoholic beverages at retail or as to a
14 private club registration permit, the sharing of space, employees,
15 business facilities, and services with another business entity
16 (including the permittee's lessor, which, if a corporation, may be
17 a domestic or foreign corporation, but excluding a business entity
18 holding any type of winery permit, a manufacturer's license, or a
19 general[~~, local,~~] or branch distributor's license), does not
20 constitute a subterfuge or surrender of exclusive control in
21 violation of Section 109.53 or the use or display of the license for
22 the benefit of another in violation of Section 61.71(a)(14). This
23 subsection and Subsection (b) do [~~shall~~] not apply to original or
24 renewal package store permits, wine only package store permits,
25 local distributor's permits, or any type of wholesaler's permit
26 [~~permits~~].

27 (b) Effective September 1, 2021, Section 11.49, Alcoholic

1 Beverage Code, is amended by amending Subsection (b) and adding
2 Subsection (b-1) to read as follows:

3 (b) [~~(1)~~] Subject to the approval of the commission [~~or the~~
4 ~~administrator~~], and except as provided in Subsection (c) [~~of this~~
5 ~~section~~], an applicant for a permit or license may designate a
6 portion of the grounds, buildings, vehicles, and appurtenances to
7 be excluded from the licensed premises.

8 (b-1) [~~(2)~~] If [~~such~~] a designation under Subsection (b)
9 has been made and approved as to the holder of a license or permit
10 authorizing the sale of alcoholic beverages at retail or as to a
11 private club registration permit, the sharing of space, employees,
12 business facilities, and services with another business entity
13 (including the permittee's lessor, which, if a corporation, may be
14 a domestic or foreign corporation, but excluding a business entity
15 holding any type of winery permit, a brewer's [~~manufacturer's~~
16 license, or a general[~~, local~~] or branch distributor's license),
17 does not constitute a subterfuge or surrender of exclusive control
18 in violation of Section 109.53 or the use or display of the license
19 for the benefit of another in violation of Section 61.71(a)(14).
20 This subsection and Subsection (b) do [~~shall~~] not apply to original
21 or renewal package store permits, wine only package store permits,
22 local distributor's permits, or any type of wholesaler's permit
23 [~~permits~~].

24 SECTION 41. Effective September 1, 2021, Sections 11.49(d)
25 and (e), Alcoholic Beverage Code, are amended to read as follows:

26 (d) Any package store, wine only package store,
27 wholesaler's, or local distributor's permittee who is injured in

1 the permittee's [~~his~~] business or property by another person (other
2 than a person in the person's [~~his~~] capacity as the holder of a wine
3 and malt beverage [~~beer~~] retailer's permit, wine and malt beverage
4 [~~beer~~] retailer's off-premise permit, private club registration
5 permit, or mixed beverage permit or any person in the capacity of
6 lessor of the holder of such a permit) by reason of anything
7 prohibited in this section or Section 109.53 [~~of this code~~] is
8 entitled to the same remedies available to a package store
9 permittee under Section 109.53 [~~of this code~~]. Except for actions
10 brought against a person in the person's [~~his~~] capacity as the
11 holder of or as the lessor of the holder of a wine and malt beverage
12 [~~beer~~] retailer's permit, wine and malt beverage [~~beer~~] retailer's
13 off-premise permit, mixed beverage permit, or private club
14 registration permit, the statute of limitations for any action
15 brought under this section or Section 109.53 [~~of this code~~] for any
16 cause of action arising after the effective date of this Act is four
17 years unless a false affidavit has been filed with the commission in
18 which event the statute of limitations is 10 years for all purposes.

19 (e) When a designation under Subsection (b) [~~of this~~
20 ~~section~~] is made by a wine and malt beverage [~~beer~~] retailer or a
21 malt beverage [~~beer~~] retailer, selling primarily for off-premise
22 consumption, or by a wine and malt beverage [~~beer~~] retailer's
23 off-premise permittee, no more than 20 percent of the retail floor
24 and display space of the entire premises may be included in the
25 licensed premises, and all the retail floor and display space in the
26 licensed premises must be compact and contiguous and may not be
27 gerrymandered. However, the retail floor and display space

1 included in the licensed premises may be in two separate locations
2 within the retail premises if the total retail floor and display
3 space included in the licensed premises does not exceed 20 percent
4 of the floor and display space of the entire premises and each of
5 the two portions of floor and display space included in the licensed
6 premises is itself compact and contiguous and not gerrymandered.
7 In addition to the one or two separate locations of retail floor and
8 display space on the premises, the licensed premises may include
9 the cash register and check-out portions of the premises provided
10 that (1) no alcoholic beverages are displayed in the check-out or
11 cash register portion of the premises, and (2) the area of the
12 check-out and cash register portions of the premises are counted
13 towards the total of 20 percent of the retail floor and display
14 space that may be dedicated to the sale and display of wine and malt
15 beverages [~~beer~~]. A storage area that is not accessible or visible
16 to the public may be included in the licensed premises but shall not
17 be considered retail floor and display space for purposes of this
18 section. The commission or administrator shall adopt rules to
19 implement this subsection and to prevent gerrymandering.

20 SECTION 42. Sections 11.492(a) and (b), Alcoholic Beverage
21 Code, are amended to read as follows:

22 (a) A holder of a wine and malt beverage [~~beer~~] retailer's
23 permit may change the permit to a wine and malt beverage [~~beer~~]
24 retailer's off-premise permit, and a holder of a retail dealer's
25 on-premise license may change the license to a retail dealer's
26 off-premise license, in the manner provided by this section.

27 (b) Any time before the expiration of a wine and malt

1 beverage [~~beer~~] retailer's permit or a retail dealer's on-premise
2 license the permittee or licensee may file an application for a
3 change of permit or license under Subsection (a) [~~of this section~~].
4 The applicant must make the application on a form provided by the
5 commission and the application must be accompanied by the
6 appropriate fee for the permit or license sought.

7 SECTION 43. (a) Effective December 31, 2020, Section
8 11.52, Alcoholic Beverage Code, is amended to read as follows:

9 Sec. 11.52. RESTRICTIONS ON LOCATION IN CERTAIN
10 MUNICIPALITIES. (a) In a municipality with a population of
11 1,500,000 or more, an applicant for an original or renewal [~~on the~~
12 ~~assertion by any person of any justiciable grounds for a~~
13 ~~suspension, denial, cancellation, or refusal of a~~] mixed beverage
14 permit or [a] wine and beer retailer's permit[, ~~the commission or~~
15 ~~county judge, as applicable,~~] shall provide the notice required by
16 Subsection (b) [~~hold a hearing~~] if:

17 (1) any point of the property line of the premise is
18 less than 300 feet from the nearest point on a property line of a
19 residence, church, school, hospital, day-care facility, or social
20 service facility, as measured in a straight line; and

21 (2) 75 percent or more of the permittee's [~~or~~
22 ~~licensee's~~] actual or anticipated gross revenue is from the sale of
23 alcoholic beverages.

24 (b) An applicant for an original or renewal permit shall
25 give notice to all tenants or property owners affected in the area
26 described by Subsection (a) [~~of this section~~] that an application
27 has been made within five days after the application is first filed

1 for an original application and at least 30 days prior to the
2 expiration date of a permit in the case of a renewal application.

3 (b) Effective September 1, 2021, Section 11.52(a),
4 Alcoholic Beverage Code, is amended to read as follows:

5 (a) In a municipality with a population of 1,500,000 or
6 more, an applicant for an original or renewal ~~[on the assertion by~~
7 ~~any person of any justiciable grounds for a suspension, denial,~~
8 ~~cancellation, or refusal of a]~~ mixed beverage permit or [a] wine and
9 malt beverage ~~[beer]~~ retailer's permit~~[, the commission or county~~
10 ~~judge, as applicable,]~~ shall provide the notice required by
11 Subsection (b) ~~[hold a hearing]~~ if:

12 (1) any point of the property line of the premise is
13 less than 300 feet from the nearest point on a property line of a
14 residence, church, school, hospital, day-care facility, or social
15 service facility, as measured in a straight line; and

16 (2) 75 percent or more of the permittee's ~~[ex~~
17 ~~licensee's]~~ actual or anticipated gross revenue is from the sale of
18 alcoholic beverages.

19 SECTION 44. (a) Effective September 1, 2019, Section
20 11.61(b), Alcoholic Beverage Code, is amended to read as follows:

21 (b) The commission or administrator may suspend for not more
22 than 60 days or cancel an original or renewal permit if it is found,
23 after notice and hearing, that any of the following is true:

24 (1) the permittee has been finally convicted of a
25 violation of this code;

26 (2) the permittee violated a provision of this code or
27 a rule of the commission;

1 (3) the permittee was finally convicted of a felony
2 while holding an original or renewal permit;

3 (4) the permittee made a false or misleading statement
4 in connection with the permittee's [~~his~~] original or renewal
5 application, either in the formal application itself or in any
6 other written instrument relating to the application submitted to
7 the commission, its officers, or employees;

8 (5) the permittee is indebted to the state for taxes,
9 fees, or payment of penalties imposed by this code, by a rule of the
10 commission, or by Chapter 183, Tax Code;

11 (6) the permittee is not of good moral character or the
12 permittee's [~~his~~] reputation for being a peaceable and law-abiding
13 citizen in the community where the permittee's [~~he~~] resides is bad;

14 (7) the place or manner in which the permittee
15 conducts the permittee's [~~his~~] business warrants the cancellation
16 or suspension of the permit based on the general welfare, health,
17 peace, morals, and safety of the people and on the public sense of
18 decency;

19 (8) the permittee is not maintaining an acceptable
20 bond;

21 (9) the permittee maintains a noisy, lewd, disorderly,
22 or unsanitary establishment or has supplied impure or otherwise
23 deleterious beverages;

24 (10) the permittee is insolvent or has developed an
25 incapacity that prevents or could prevent the permittee from
26 carrying on the management of the permittee's establishment with
27 reasonable skill, competence, and safety to the public [~~mentally~~

1 ~~or physically unable to carry on the management of his~~
2 ~~establishment];~~

3 (11) the permittee is in the habit of using alcoholic
4 beverages to excess;

5 (12) the permittee knowingly misrepresented to a
6 customer or the public any liquor sold by the permittee [~~him~~];

7 (13) the permittee was intoxicated on the licensed
8 premises;

9 (14) the permittee sold or delivered an alcoholic
10 beverage to an intoxicated person;

11 (15) the permittee possessed on the licensed premises
12 an alcoholic beverage that the permittee [~~he~~] was not authorized
13 under the [~~by his~~] permit to purchase and sell;

14 (16) a package store or wine only package store
15 permittee transported or shipped liquor, or caused it to be
16 transported or shipped, into a dry state or a dry area within this
17 state;

18 (17) the permittee is residentially domiciled with a
19 person who has a financial interest in an establishment engaged in
20 the business of selling beer at retail, other than a mixed beverage
21 establishment, except as authorized by Section 22.06, 24.05, or
22 102.05 [~~of this code~~];

23 (18) the permittee is residentially domiciled with a
24 person whose permit or license was cancelled for cause within the
25 12-month period preceding the permittee's [~~his~~] own application;

26 (19) the permittee is not a citizen of the United
27 States or has not been a citizen of Texas for a period of one year

1 immediately preceding the filing of the permittee's [~~his~~]
2 application, unless the permittee [~~he~~] was issued an original or
3 renewal permit on or before September 1, 1948, and has been a United
4 States citizen at some time;

5 (20) the permittee permitted a person to open a
6 container of alcoholic beverage or possess an open container of
7 alcoholic beverage on the licensed premises unless a mixed beverage
8 permit has been issued for the premises;

9 (21) the permittee failed to promptly report to the
10 commission a breach of the peace occurring on the permittee's
11 licensed premises;

12 (22) the permittee consumed an alcoholic beverage or
13 permitted one to be consumed on the licensed premises at a time when
14 the consumption of alcoholic beverages is prohibited by this code;
15 or

16 (23) the permittee sold, served, or delivered an
17 alcoholic beverage at a time when its sale is prohibited.

18 (b) Effective September 1, 2021, Section 11.61(b),
19 Alcoholic Beverage Code, is amended to read as follows:

20 (b) The commission or administrator may suspend for not more
21 than 60 days or cancel an original or renewal permit if it is found,
22 after notice and hearing, that any of the following is true:

23 (1) the permittee has been finally convicted of a
24 violation of this code;

25 (2) the permittee violated a provision of this code or
26 a rule of the commission;

27 (3) the permittee was finally convicted of a felony

1 while holding an original or renewal permit;

2 (4) the permittee made a false or misleading statement
3 in connection with the permittee's [~~his~~] original or renewal
4 application, either in the formal application itself or in any
5 other written instrument relating to the application submitted to
6 the commission, its officers, or employees;

7 (5) the permittee is indebted to the state for taxes,
8 fees, or payment of penalties imposed by this code, by a rule of the
9 commission, or by Chapter 183, Tax Code;

10 (6) the permittee is not of good moral character or the
11 permittee's [~~his~~] reputation for being a peaceable and law-abiding
12 citizen in the community where the permittee [~~he~~] resides is bad;

13 (7) the place or manner in which the permittee
14 conducts the permittee's [~~his~~] business warrants the cancellation
15 or suspension of the permit based on the general welfare, health,
16 peace, morals, and safety of the people and on the public sense of
17 decency;

18 (8) the permittee is not maintaining an acceptable
19 bond;

20 (9) the permittee maintains a noisy, lewd, disorderly,
21 or unsanitary establishment or has supplied impure or otherwise
22 deleterious beverages;

23 (10) the permittee is insolvent or has developed an
24 incapacity that prevents or could prevent the permittee from
25 carrying on the management of the permittee's establishment with
26 reasonable skill, competence, and safety to the public [~~mentally~~
27 ~~or physically unable to carry on the management of his~~

1 ~~establishment~~];

2 (11) the permittee is in the habit of using alcoholic
3 beverages to excess;

4 (12) the permittee knowingly misrepresented to a
5 customer or the public any liquor sold by the permittee [~~him~~];

6 (13) the permittee was intoxicated on the licensed
7 premises;

8 (14) the permittee sold or delivered an alcoholic
9 beverage to an intoxicated person;

10 (15) the permittee possessed on the licensed premises
11 an alcoholic beverage that the permittee [~~he~~] was not authorized
12 under the [~~by his~~] permit to purchase and sell;

13 (16) a package store or wine only package store
14 permittee transported or shipped liquor, or caused it to be
15 transported or shipped, into a dry state or a dry area within this
16 state;

17 (17) the permittee is residentially domiciled with a
18 person who has a financial interest in an establishment engaged in
19 the business of selling malt beverages [~~beer~~] at retail, other than
20 a mixed beverage establishment, except as authorized by Section
21 22.06, 24.05, or 102.05 [~~of this code~~];

22 (18) the permittee is residentially domiciled with a
23 person whose permit or license was cancelled for cause within the
24 12-month period preceding the permittee's [~~his~~] own application;

25 (19) the permittee is not a citizen of the United
26 States or has not been a citizen of Texas for a period of one year
27 immediately preceding the filing of the permittee's [~~his~~]

1 application, unless the permittee [~~he~~] was issued an original or
2 renewal permit on or before September 1, 1948, and has been a United
3 States citizen at some time;

4 (20) the permittee permitted a person to open a
5 container of alcoholic beverage or possess an open container of
6 alcoholic beverage on the licensed premises unless a mixed beverage
7 permit has been issued for the premises;

8 (21) the permittee failed to promptly report to the
9 commission a breach of the peace occurring on the permittee's
10 licensed premises;

11 (22) the permittee consumed an alcoholic beverage or
12 permitted one to be consumed on the licensed premises at a time when
13 the consumption of alcoholic beverages is prohibited by this code;
14 or

15 (23) the permittee sold, served, or delivered an
16 alcoholic beverage at a time when its sale is prohibited.

17 SECTION 45. Sections 11.61(b-1), (d), and (j), Alcoholic
18 Beverage Code, are amended to read as follows:

19 (b-1) Notwithstanding Section 204.01 and any other
20 provision of this code, a person applying for a license or permit
21 under Chapter 25 or 69 for the on-premises consumption of malt
22 beverages [~~beer~~] exclusively or malt beverages [~~beer~~] and wine
23 exclusively, other than a license or permit for an establishment
24 holding a food and beverage certificate whose primary business
25 being operated on the premises is food service, must file with the
26 commission a surety bond, in an amount to be determined by the
27 commission, conditioned on the licensee's or permittee's

1 conformance with the alcoholic beverage law. The bond is forfeited
2 to the commission on the suspension of the license or permit for the
3 first time under this section or Section 61.71. Before the
4 suspended license or permit may be reinstated, the licensee or
5 permittee must furnish a second surety bond, similarly conditioned,
6 in an amount greater than the initial surety bond, the amount to be
7 determined by the commission. If the same license or permit is
8 suspended under this section or Section 61.71 a second time, the
9 bond is again forfeited to the commission. Before the suspended
10 license or permit may be reinstated, the licensee or permittee
11 shall furnish a third surety bond, similarly conditioned, in an
12 amount greater than the second surety bond, the amount to be
13 determined by the commission. If the same license or permit is
14 suspended under this section or Section 61.71 a third time, the bond
15 is again forfeited to the commission and the license or permit shall
16 be canceled by the commission. This subsection applies only to a
17 license or permit held in connection with an establishment located
18 in a county with a population of 1.4 million or more.

19 (d) The commission or administrator without a hearing may
20 for investigative purposes summarily suspend a mixed beverage
21 permit or a wine and malt beverage [~~beer~~] retailer's permit for not
22 more than seven days if the commission or administrator finds that a
23 shooting, stabbing, or murder has occurred on the licensed premises
24 which is likely to result in a subsequent act of violence. Notice
25 of the order suspending the permit shall be given to the permittee
26 personally within 24 hours of the time the violent act occurs. If
27 the permittee cannot be located, notice shall be provided by

1 posting a copy of the order on the front door of the licensed
2 premises.

3 (j) A hearing under Subsection (b) must be concluded not
4 later than the 60th day after notice is provided under that
5 subsection. Neither the permittee nor the commission may waive the
6 provisions of this subsection. This subsection applies only to a
7 hearing in connection with a wine and malt beverage [~~beer~~]
8 retailer's permit, other than a permit held with a food and beverage
9 certificate, for premises located in a county with a population of
10 1.4 million or more.

11 SECTION 46. (a) Effective December 31, 2020, Section
12 11.612(a), Alcoholic Beverage Code, is amended to read as follows:

13 (a) The commission or administrator may cancel an original
14 or a renewal permit issued under Chapter 32 or 33 and the commission
15 may deny an application for [~~refuse to issue~~] any new alcoholic
16 beverage permit for the same premises for one year after the date of
17 cancellation if:

18 (1) the chief of police of the municipality, if the
19 premises are located in an incorporated area, or the sheriff of the
20 county in which the premises are located has submitted a sworn
21 statement to the commission stating specific allegations that the
22 place or manner in which the permittee conducts its business
23 endangers the general welfare, health, peace, morals, or safety of
24 the community; and

25 (2) the commission or administrator finds, after
26 notice and hearing within the county where the premises are
27 located, that the place or manner in which the permittee conducts

1 its business does in fact endanger the general welfare, health,
2 peace, morals, or safety of the community.

3 (b) Effective September 1, 2021, Section 11.612(a),
4 Alcoholic Beverage Code, is amended to read as follows:

5 (a) The commission or administrator may cancel an original
6 or a renewal certificate [~~permit~~] issued under Chapter 29 to the
7 holder of a private club registration permit or a permit issued
8 under Chapter 32 [~~or 33~~] and the commission may deny an application
9 for [~~refuse to issue~~] any new alcoholic beverage permit for the same
10 premises for one year after the date of cancellation if:

11 (1) the chief of police of the municipality, if the
12 premises are located in an incorporated area, or the sheriff of the
13 county in which the premises are located has submitted a sworn
14 statement to the commission stating specific allegations that the
15 place or manner in which the permittee conducts its business
16 endangers the general welfare, health, peace, morals, or safety of
17 the community; and

18 (2) the commission or administrator finds, after
19 notice and hearing within the county where the premises are
20 located, that the place or manner in which the permittee conducts
21 its business does in fact endanger the general welfare, health,
22 peace, morals, or safety of the community.

23 SECTION 47. Section 11.613, Alcoholic Beverage Code, is
24 amended to read as follows:

25 Sec. 11.613. SUMMARY SUSPENSION OF PRIVATE CLUB PERMIT.
26 The commission or administrator without a hearing may for
27 investigative purposes summarily suspend a certificate [~~permit~~]

1 issued under Chapter 29 to the holder of a private club registration
2 permit or a permit issued under Chapter 32 [~~or 33~~] for not more than
3 seven days if the commission or administrator finds that a
4 shooting, stabbing, or murder has occurred on the licensed premises
5 that is likely to result in a subsequent act of violence. Notice of
6 the order suspending the permit shall be given to the permittee
7 personally within 72 hours of the time the violent act occurs. If
8 the permittee cannot be located, notice shall be provided by
9 posting a copy of the order on the front door of the licensed
10 premises.

11 SECTION 48. Effective September 1, 2019, Subchapter C,
12 Chapter 11, Alcoholic Beverage Code, is amended by adding Sections
13 11.614 and 11.615 to read as follows:

14 Sec. 11.614. ORDER SUSPENDING PERMIT OR LICENSE. (a) If
15 the commission or administrator determines that the continued
16 operation of a permitted or licensed business would constitute a
17 continuing threat to the public welfare, the commission or
18 administrator may issue an emergency order, without a hearing,
19 suspending the permit or license for not more than 90 days.

20 (b) An order suspending a permit or license under this
21 section must state the length of the suspension in the order.

22 (c) If an emergency order is issued under this section
23 without a hearing, the commission or administrator shall set the
24 time and place for a hearing to be conducted not later than the 10th
25 day after the date the order was issued by the State Office of
26 Administrative Hearings to affirm, modify, or set aside the
27 emergency order. The order shall be affirmed to the extent that

1 reasonable cause existed to issue the order.

2 (d) The commission by rule may prescribe procedures for the
3 determination and appeal of an emergency order issued under this
4 section, including a rule allowing the commission to affirm,
5 modify, or set aside a decision made by the State Office of
6 Administrative Hearings under Subsection (c).

7 (e) A proceeding under this section is a contested case
8 under Chapter 2001, Government Code.

9 Sec. 11.615. DISCIPLINARY ACTION FOR VIOLATION OF ORDER.
10 The commission may deny an application for an original or renewal
11 permit or license or take other disciplinary action against a
12 permit or license holder who violates an order of the commission or
13 administrator.

14 SECTION 49. Effective December 31, 2020, Section 11.63,
15 Alcoholic Beverage Code, is amended to read as follows:

16 Sec. 11.63. NOTICE OF HEARING. At least 10 days' notice
17 shall be given when a hearing is provided by this code. A notice of
18 hearing for the denial [~~refusal~~], cancellation, or suspension of a
19 license or permit may be served personally by a representative of
20 the commission or sent by registered or certified mail addressed to
21 the licensee or permittee.

22 SECTION 50. Effective September 1, 2019, Sections 11.641(a)
23 and (b), Alcoholic Beverage Code, are amended to read as follows:

24 (a) The amount of the civil penalty under Section 11.64 must
25 be appropriate for the nature and seriousness of the violation. In
26 determining the amount of the civil penalty, the commission or
27 administrator shall consider:

- 1 (1) the type of license or permit held;
- 2 (2) the type of violation;
- 3 (3) any aggravating or ameliorating circumstances
4 concerning the violation, including those enumerated in Section
5 11.64(c); ~~and~~
- 6 (4) the permittee's or licensee's previous violations;
7 and
- 8 (5) if the commission or administrator determines the
9 permittee or licensee has previously violated this code, whether
10 the permittee or licensee profited from the violation, and if so the
11 amount of the permittee's or licensee's profit.

12 (b) Except as provided by Subsection (a), the ~~The~~ amount
13 of the civil penalty may not be based on:

- 14 (1) the volume of alcoholic beverages sold;
- 15 (2) the receipts of the business;
- 16 (3) the taxes paid; or
- 17 (4) the financial condition of the permittee or
18 licensee.

19 SECTION 51. Effective December 31, 2020, the heading to
20 Section 11.67, Alcoholic Beverage Code, is amended to read as
21 follows:

22 Sec. 11.67. APPEAL FROM CANCELLATION, SUSPENSION, OR DENIAL
23 ~~REFUSAL~~ OF LICENSE OR PERMIT.

24 SECTION 52. Effective December 31, 2020, Sections 11.67(a),
25 (c), and (d), Alcoholic Beverage Code, are amended to read as
26 follows:

27 (a) An appeal from an order of the commission or

1 administrator [~~refusing,~~] cancelling[~~,~~] or suspending a permit or
2 license may be taken to the district court of the county in which
3 the [~~applicant,~~] licensee[~~,~~] or permittee resides or in which the
4 owner of involved real or personal property resides.

5 (c) A local official[~~,~~] on record as protesting the issuance
6 or renewal of a permit or license [~~at a hearing provided by this~~
7 ~~code,~~] is entitled to notice of the appeal. If other persons are on
8 record as protesting the issuance or renewal of a permit or license
9 [~~at a hearing provided by this code~~], the first three persons to be
10 on record are entitled to notice of the appeal. The appellant is
11 responsible for causing the notice to be given. The notice shall be
12 given by sending, on or before the third day after the date on which
13 the appeal is filed, a copy of the petition by registered or
14 certified mail to the persons entitled to receive the notice.

15 (d) If the appeal is from an order denying an application
16 for an original [~~refusing the issuance~~] or renewal [~~of a~~] permit or
17 license for a business that is sexually oriented, any person may
18 appear on appeal against the issuance or renewal of the license or
19 permit. However, the court may grant a motion to strike the
20 person's appearance on a showing that the person does not have a
21 justiciable or administratively cognizable interest in the
22 proceeding.

23 SECTION 53. Effective September 1, 2019, Section 11.72,
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 11.72. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS
26 RETENTION. (a) The commission or administrator may suspend or
27 revoke the permit of a person who is represented by [~~the holder of~~]

1 an agent [~~agent's permit~~] under Section 15.01, 35.01, or 36.01 or
2 otherwise discipline the person based on an act or omission of the
3 person's agent [~~holder of the agent's permit~~] only if an individual
4 employed by the person in a supervisory position:

5 (1) was directly involved in the act or omission of the
6 agent [~~holder of the agent's permit~~];

7 (2) had notice or knowledge of the act or omission; or

8 (3) failed to take reasonable steps to prevent the act
9 or omission.

10 (b) The holder of a permit who is represented by an agent
11 shall maintain records relating to the agent's activities,
12 including any representation agreement, employment records, or
13 similar documents, for not less than four years from the date the
14 record is created.

15 SECTION 54. Effective September 1, 2019, Section 11.73,
16 Alcoholic Beverage Code, is amended to read as follows:

17 Sec. 11.73. AFFIRMATION OF COMPLIANCE. A person who holds a
18 permit under Chapter 19, 20, [~~21~~] or 23 may not be subject to an
19 administrative sanction for selling or delivering an alcoholic
20 beverage to a retailer not authorized to purchase and receive the
21 alcoholic beverage if the permit holder:

22 (1) reasonably believes that the retailer is
23 authorized to purchase and receive that type of alcoholic beverage;
24 and

25 (2) obtains from the retailer at the time of delivery a
26 written affirmation, which may be printed or stamped on a sales
27 invoice evidencing the sale or delivery of alcoholic beverages by

1 the permit holder, that the retailer is authorized to purchase and
2 receive the type of alcoholic beverage sold and delivered by the
3 permit holder.

4 SECTION 55. Effective September 1, 2019, Section 14.01(a),
5 Alcoholic Beverage Code, is amended to read as follows:

6 (a) The holder of a distiller's and rectifier's permit may:

7 (1) manufacture distilled spirits;

8 (2) rectify, purify, and refine distilled spirits and
9 wines;

10 (3) mix wines, distilled spirits, or other liquors;

11 (4) bottle, label, and package the permit holder's
12 finished products;

13 (5) sell the finished products in this state to
14 holders of wholesaler's permits and to qualified persons outside
15 the state;

16 (6) purchase distilled spirits, to be used only for
17 manufacturing or rectification purposes, from holders of
18 nonresident seller's permits or distiller's and rectifier's
19 permits;

20 (7) dispense free distilled spirits for consumption on
21 the permitted premises under Section 14.04;

22 (8) sell bulk alcohol produced by the permit holder
23 for purposes described by Section 38.01 [~~to holders of industrial~~
24 ~~permits in this state~~]; and

25 (9) sell distilled spirits to ultimate consumers under
26 Section 14.04 or 14.05.

27 SECTION 56. Effective September 1, 2019, Section 14.06,

1 Alcoholic Beverage Code, is amended to read as follows:

2 Sec. 14.06. REPORT OF CERTAIN SALES. A holder of a
3 distiller's and rectifier's permit who sells distilled spirits [~~to~~
4 ~~a holder of an industrial permit~~] under Section 14.01(a)(8) shall
5 keep records of those sales in a manner prescribed by the commission
6 or administrator.

7 SECTION 57. Chapter 14, Alcoholic Beverage Code, is amended
8 by adding Section 14.07 to read as follows:

9 Sec. 14.07. TRANSPORTING LIQUOR. (a) The holder of a
10 distiller's and rectifier's permit may transport liquor, if the
11 transportation is for a lawful purpose, from:

12 (1) the place of purchase to the holder's place of
13 business; and

14 (2) the place of sale or distribution to the
15 purchaser.

16 (b) The holder of a distiller's and rectifier's permit may
17 transport liquor from one wet area to another wet area across a dry
18 area if that course of transportation is necessary or convenient.

19 (c) The holder of a distiller's and rectifier's permit
20 transporting liquor under this section shall provide to the
21 commission:

22 (1) a full description of each motor vehicle used by
23 the permit holder for transporting liquor; and

24 (2) any other information the commission requires.

25 (d) The holder of a distiller's and rectifier's permit may
26 transport liquor only in a vehicle that is:

27 (1) described by Subsection (c)(1);

1 (2) owned or leased in good faith by the permit holder
2 or by the permit holder's agent; and

3 (3) printed or painted with the designation required
4 by the commission.

5 SECTION 58. Chapter 14, Alcoholic Beverage Code, is amended
6 by adding Section 14.08 to read as follows:

7 Sec. 14.08. STORAGE. (a) The holder of a distiller's and
8 rectifier's permit may store liquor:

9 (1) on the permit holder's premises; or

10 (2) inside the county in which the permit holder's
11 business is located in a:

12 (A) public bonded warehouse authorized to store
13 liquor under Chapter 46; or

14 (B) private warehouse that is:

15 (i) owned or leased by the permit holder;

16 and

17 (ii) operated by the permit holder.

18 (b) The holder of a distiller's and rectifier's permit may
19 not store liquor in a dry area.

20 SECTION 59. Effective September 1, 2019, the heading to
21 Chapter 15, Alcoholic Beverage Code, is amended to read as follows:

22 CHAPTER 15. DISTILLER'S AGENT [~~AGENT'S PERMIT~~]

23 SECTION 60. Effective September 1, 2019, Section 15.01,
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 15.01. AUTHORIZED ACTIVITIES. (a) A [~~The holder of a~~]
26 distiller's agent [~~agent's permit~~] may:

27 (1) represent the holder of a distiller's and

1 rectifier's permit;

2 (2) solicit and take orders from a holder of a
3 wholesaler's permit for the sale of distilled spirits manufactured
4 by the permit holder represented by the agent; and

5 (3) conduct free distilled spirits tastings for
6 consumers on the premises of the holder of a package store permit.

7 (b) A person acting as an agent may only represent one
8 permitted or licensed business at a time while soliciting or taking
9 orders.

10 SECTION 61. Effective September 1, 2019, Section 15.04,
11 Alcoholic Beverage Code, is amended to read as follows:

12 Sec. 15.04. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR
13 PRIVATE CLUB PERMIT. A [~~holder of a~~] distiller's agent [~~agent's~~
14 ~~permit~~] may not solicit business directly or indirectly from a
15 holder of a mixed beverage permit or a private club registration
16 permit unless the distiller's agent is accompanied by the holder of
17 a wholesaler's permit or the wholesaler's agent.

18 SECTION 62. Effective September 1, 2019, Section 15.05,
19 Alcoholic Beverage Code, is amended to read as follows:

20 Sec. 15.05. UNAUTHORIZED REPRESENTATION. A [~~holder of a~~]
21 distiller's agent [~~agent's permit~~] in soliciting or taking orders
22 for the sale of liquor may not represent that the agent [~~permit~~
23 ~~holder~~] is an agent of any person other than the person who employs
24 the agent or who has authorized the agent to represent the person
25 [~~designated in the permit holder's application~~].

26 SECTION 63. Effective September 1, 2019, Section 16.01(a),
27 Alcoholic Beverage Code, is amended to read as follows:

1 (a) Except as provided by Section 16.011, the holder of a
2 winery permit may:

3 (1) manufacture, bottle, label, and package wine
4 containing not more than 24 percent alcohol by volume;

5 (2) manufacture fruit brandy and:

6 (A) use that brandy on the winery permit holder's
7 permitted premises for fortifying purposes only; or

8 (B) sell that brandy to other winery permit
9 holders;

10 (3) import or buy fruit brandy from a permit holder
11 authorized to manufacture fruit brandy and use that brandy on the
12 winery permit holder's permitted premises for fortifying purposes
13 only;

14 (4) sell wine in this state to or buy wine from permit
15 holders authorized to purchase and sell wine, including holders of
16 wholesaler's permits and[7] winery permits[~~7 and wine bottler's~~
17 ~~permits~~];

18 (5) sell wine to ultimate consumers:

19 (A) for consumption on the winery premises; or

20 (B) in unbroken packages for off-premises
21 consumption in an amount not to exceed 35,000 gallons annually;

22 (6) sell the wine outside this state to qualified
23 persons;

24 (7) blend wines;

25 (8) dispense free wine for consumption on the winery
26 premises; and

27 (9) purchase and import wine from the holder of a

1 nonresident seller's permit.

2 SECTION 64. Section 16.08(b), Alcoholic Beverage Code, is
3 amended to read as follows:

4 (b) The holder of a winery permit may sell wine to the holder
5 of a wine and malt beverage retailer's permit, mixed beverage
6 permit, private club permit, or nonprofit entity temporary event
7 permit [~~issued under Chapter 27, 30, or 33~~] for an event that is
8 approved by the commission and organized to celebrate and promote
9 the wine industry in this state.

10 SECTION 65. Chapter 16, Alcoholic Beverage Code, is amended
11 by adding Section 16.10 to read as follows:

12 Sec. 16.10. TRANSPORTING WINE. (a) The holder of a winery
13 permit may transport wine, if the transportation is for a lawful
14 purpose, from:

15 (1) the place of purchase to the holder's place of
16 business; and

17 (2) the place of sale or distribution to the
18 purchaser.

19 (b) The holder of a winery permit may transport wine from
20 one wet area to another wet area across a dry area if that course of
21 transportation is necessary or convenient.

22 (c) The holder of a winery permit may transport wine only in
23 a vehicle that is owned or leased in good faith by the permit holder
24 or by the permit holder's agent.

25 SECTION 66. Chapter 16, Alcoholic Beverage Code, is amended
26 by adding Section 16.11 to read as follows:

27 Sec. 16.11. STORAGE. (a) The holder of a winery permit may

1 store wine:

2 (1) on the permit holder's premises; or

3 (2) inside or outside the county in which the permit
4 holder's business is located in a:

5 (A) public bonded warehouse that is authorized to
6 store liquor under Chapter 46; or

7 (B) private warehouse that is:

8 (i) owned or leased by the permit holder;

9 and

10 (ii) operated by the permit holder.

11 (b) The holder of a winery permit whose winery is located in
12 a county all or part of which is in a dry area may store the winery's
13 product in a dry area of that county if the product to be stored is
14 owned by the permit holder and remains in the permit holder's
15 possession.

16 SECTION 67. Chapter 16, Alcoholic Beverage Code, is amended
17 by adding Section 16.12 to read as follows:

18 Sec. 16.12. SALES AT TEMPORARY LOCATION. (a) The holder of
19 a winery permit may sell wine at a civic or wine festival, farmers'
20 market, celebration, or similar event.

21 (b) The holder of a winery permit may not offer wine for sale
22 under this section on more than four consecutive days at the same
23 location.

24 (c) The commission shall adopt rules to implement this
25 section, including rules that:

26 (1) require the permit holder to notify the commission
27 of the dates on which and location where the permit holder will

1 temporarily offer wine for sale under this section;

2 (2) establish a procedure to verify the wet or dry
3 status of the location where the permit holder intends to
4 temporarily sell wine under this section;

5 (3) detail the circumstances when a permit holder may
6 temporarily sell wine under this section with just a notification
7 to the commission and the circumstances that require the
8 commission's preapproval before a permit holder may temporarily
9 sell wine under this section; and

10 (4) require the permit holder to provide any other
11 information the commission determines necessary.

12 (d) The provisions of this code applicable to the sale of
13 wine on the permitted premises of the holder of a winery permit
14 apply to the sale of wine under this section.

15 SECTION 68. (a) Effective September 1, 2019, Section
16 19.01, Alcoholic Beverage Code, is amended to read as follows:

17 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a
18 wholesaler's permit may:

19 (1) purchase and import liquor from distillers,
20 brewers, wineries, ~~[wine bottlers,~~ rectifiers, and manufacturers
21 who are holders of nonresident seller's permits or from their
22 agents ~~[who hold manufacturer's agents permits];~~

23 (2) purchase liquor from other wholesalers in the
24 state;

25 (3) sell liquor in the original containers in which it
26 is received to retailers and wholesalers in this state authorized
27 to sell the liquor;

1 (4) sell liquor to qualified persons outside the
2 state; and

3 (5) sell ale and malt liquor to a holder of a private
4 club registration permit.

5 (b) Effective September 1, 2021, Section 19.01, Alcoholic
6 Beverage Code, is amended to read as follows:

7 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a
8 wholesaler's permit may:

9 (1) purchase and import liquor from distillers,
10 [~~brewers,~~] wineries, and [~~wine bottlers,~~] rectifiers[~~, and~~
11 ~~manufacturers~~] who are holders of nonresident seller's permits or
12 from their agents [~~who hold manufacturer's agents permits~~];

13 (2) purchase liquor from other wholesalers in the
14 state;

15 (3) sell liquor in the original containers in which it
16 is received to retailers and wholesalers in this state authorized
17 to sell the liquor; and

18 (4) sell liquor to qualified persons outside the
19 state[~~, and~~

20 [~~(5) sell ale and malt liquor to a holder of a private~~
21 ~~club registration permit~~].

22 SECTION 69. Section 19.03, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 19.03. PROMOTIONAL ACTIVITIES. The holder of a
25 wholesaler's permit or the permittee's [~~his~~] agent may enter the
26 licensed premises of a mixed beverage permittee or private club
27 registration permittee to determine the brands offered for sale and

1 suggest or promote the sale of other brands, to the extent
2 authorized by Section 102.07 [~~of this code~~]. The holder of a
3 wholesaler's permit or the permittee's [~~his~~] agent may not accept a
4 direct order from a mixed beverage permittee except for wine [~~or~~
5 ~~malt liquor~~].

6 SECTION 70. Section 19.04, Alcoholic Beverage Code, is
7 amended to read as follows:

8 Sec. 19.04. MINIATURE CONTAINERS. In addition to other
9 authorized containers, a wholesaler's permittee may import, sell,
10 offer for sale, and possess for the purpose of resale distilled
11 spirits, wine, and vinous liquors in containers of not less than one
12 ounce nor more than two ounces. Liquor in containers of that size
13 may be sold to:

14 (1) package store permittees for resale to certain
15 passenger transportation [~~airline beverage~~] permittees, as
16 provided in Section 48.04 [~~34.05 of this code~~]; and

17 (2) local distributor's permittees.

18 SECTION 71. Chapter 19, Alcoholic Beverage Code, is amended
19 by adding Section 19.06 to read as follows:

20 Sec. 19.06. TRANSPORTING LIQUOR. (a) The holder of a
21 wholesaler's permit may transport liquor, if the transportation is
22 for a lawful purpose, from:

23 (1) the place of purchase to the holder's place of
24 business; and

25 (2) the place of sale or distribution to the
26 purchaser.

27 (b) The holder of a wholesaler's permit may transport liquor

1 from one wet area to another wet area across a dry area if that
2 course of transportation is necessary or convenient.

3 (c) The holder of a wholesaler's permit transporting liquor
4 under this section shall provide to the commission:

5 (1) a full description of each motor vehicle used by
6 the permit holder for transporting liquor; and

7 (2) any other information the commission requires.

8 (d) The holder of a wholesaler's permit may transport liquor
9 only in a vehicle that is:

10 (1) described by Subsection (c)(1);

11 (2) owned or leased in good faith by the permit holder
12 or by the permit holder's agent; and

13 (3) printed or painted with the designation required
14 by the commission.

15 SECTION 72. Chapter 19, Alcoholic Beverage Code, is amended
16 by adding Section 19.07 to read as follows:

17 Sec. 19.07. STORAGE. (a) The holder of a wholesaler's
18 permit may store liquor:

19 (1) on the permit holder's premises; or

20 (2) inside the county in which the permit holder's
21 business is located in a:

22 (A) public bonded warehouse authorized to store
23 liquor under Chapter 46; or

24 (B) private warehouse that is:

25 (i) owned or leased by the permit holder;

26 and

27 (ii) operated by the permit holder.

1 (b) The holder of a wholesaler's permit may not store liquor
2 in a dry area.

3 SECTION 73. (a) Effective September 1, 2019, Section
4 20.01, Alcoholic Beverage Code, is amended to read as follows:

5 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general
6 class B wholesaler's permit may:

7 (1) purchase and import malt and vinous liquors from
8 brewers, wineries, rectifiers, and wine manufacturers [~~and wine~~
9 ~~bottlers~~] who are the holders of nonresident seller's permits or
10 their agents [~~who are holders of manufacturer's agent permits~~];

11 (2) purchase malt and vinous liquors from holders of
12 brewer's permits, holders of brewpub licenses, or other wholesalers
13 in the state;

14 (3) sell the malt and vinous liquors in the original
15 containers in which they are received to retailers and wholesalers
16 authorized to sell them in this state, including holders of local
17 distributor's permits, mixed beverage permits, and daily temporary
18 mixed beverage permits;

19 (4) sell the malt and vinous liquors to qualified
20 persons outside the state; and

21 (5) sell ale and malt liquor to a holder of a private
22 club registration permit.

23 (b) Effective September 1, 2021, Section 20.01, Alcoholic
24 Beverage Code, is amended to read as follows:

25 Sec. 20.01. AUTHORIZED ACTIVITIES. The holder of a general
26 class B wholesaler's permit may:

27 (1) purchase and import [~~malt and~~] vinous liquors from

1 ~~[brewers,]~~ wineries, rectifiers, and wine manufacturers ~~[and wine~~
2 ~~bottlers]~~ who are the holders of nonresident seller's permits or
3 their agents ~~[who are holders of manufacturer's agent permits];~~

4 (2) purchase ~~[malt and]~~ vinous liquors from ~~[holders~~
5 ~~of brewer's permits, holders of brewpub licenses, or other]~~
6 wholesalers in the state;

7 (3) sell the ~~[malt and]~~ vinous liquors in the original
8 containers in which they are received to retailers and wholesalers
9 authorized to sell them in this state, including holders of local
10 distributor's permits, mixed beverage permits, and certain
11 nonprofit entity ~~[daily]~~ temporary event ~~[mixed beverage]~~ permits;
12 and

13 (4) sell the ~~[malt and]~~ vinous liquors to qualified
14 persons outside the state~~[, and~~

15 ~~[(5) sell ale and malt liquor to a holder of a private~~
16 ~~club registration permit].~~

17 SECTION 74. Chapter 20, Alcoholic Beverage Code, is amended
18 by adding Section 20.04 to read as follows:

19 Sec. 20.04. TRANSPORTING LIQUOR. (a) The holder of a
20 general class B wholesaler's permit may transport liquor, if the
21 transportation is for a lawful purpose, from:

22 (1) the place of purchase to the holder's place of
23 business; and

24 (2) the place of sale or distribution to the
25 purchaser.

26 (b) The holder of a general class B wholesaler's permit may
27 transport liquor from one wet area to another wet area across a dry

1 area if that course of transportation is necessary or convenient.

2 (c) The holder of a general class B wholesaler's permit
3 transporting liquor under this section shall provide to the
4 commission:

5 (1) a full description of each motor vehicle used by
6 the permit holder for transporting liquor; and

7 (2) any other information the commission requires.

8 (d) The holder of a general class B wholesaler's permit may
9 transport liquor only in a vehicle that is:

10 (1) described by Subsection (c)(1);

11 (2) owned or leased in good faith by the permit holder
12 or by the permit holder's agent; and

13 (3) printed or painted with the designation required
14 by the commission.

15 SECTION 75. Chapter 20, Alcoholic Beverage Code, is amended
16 by adding Section 20.05 to read as follows:

17 Sec. 20.05. STORAGE. (a) The holder of a general class B
18 wholesaler's permit may store liquor:

19 (1) on the permitted premises; or

20 (2) inside the county in which the permittee's
21 business is located in a:

22 (A) public bonded warehouse authorized to store
23 liquor under Chapter 46; or

24 (B) private warehouse that is:

25 (i) owned or leased by the permit holder;

26 and

27 (ii) operated by the permit holder.

1 (b) The holder of a general class B wholesaler's permit may
2 not store liquor in a dry area.

3 SECTION 76. Section 22.01, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 22.01. AUTHORIZED ACTIVITIES. The holder of a package
6 store permit may:

7 (1) purchase liquor in this state from the holder of a
8 winery, wholesaler's, or class B wholesaler's [~~, or wine bottler's~~]
9 permit;

10 (2) purchase malt beverages in this state from the
11 holder of a general or branch distributor's license;

12 (3) sell liquor and malt beverages in unbroken
13 original containers on or from the holder's [~~his~~] licensed premises
14 at retail to consumers for off-premises consumption only and not
15 for the purpose of resale, except that if the permittee is a hotel,
16 the permittee may deliver unbroken packages of liquor and malt
17 beverages to bona fide guests of the hotel in their rooms for
18 consumption in their rooms;

19 (4) [~~(3)~~] sell [~~malt and~~] vinous liquors in original
20 containers of not less than six ounces; and

21 (5) [~~(4)~~] sell liquor to holders of passenger
22 transportation [~~airline beverage~~] permits as provided in Section
23 48.04 [~~34.05 of this code~~].

24 SECTION 77. Section 22.03, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 22.03. DELIVERIES TO CUSTOMERS. (a) The holder of a
27 package store permit or wine only package store permit issued for a

1 location within a city or town or within two miles of the corporate
2 limits of a city or town[~~, who also holds a local cartage permit,~~]
3 may make deliveries of and collections for alcoholic beverages off
4 the premises in areas where the sale of the beverages is legal. The
5 permittee must travel by the most direct route and may make
6 deliveries and collections only within the county or the city or
7 town or within two miles of its corporate limits, and only in
8 response to bona fide orders placed by the customer, either in
9 person at the premises, in writing, by mail, or by telegraph or
10 telephone. This section shall not be construed as preventing a
11 holder of a package store permit or wine only package store permit
12 from delivering alcoholic beverages to the holder of a carrier's
13 permit for transportation to persons who have placed bona fide
14 orders and who are located in an area that the holder of a package
15 store permit or wine only package store permit[~~, who also holds a
16 local cartage permit,~~] is authorized to directly deliver to under
17 this section. The holder of a package store permit or wine only
18 package store permit may also deliver alcoholic beverages to the
19 holder of a carrier's permit for transportation outside of this
20 state in response to bona fide orders placed by persons authorized
21 to purchase the beverages.

22 (b) The holder of a package store permit [~~who also holds a
23 local cartage permit~~] may transport alcoholic beverages to a
24 commercial airline in a regional airport located all or partly in an
25 adjoining county if the airport is governed by a board, commission,
26 or authority, some of whose members reside in the county where the
27 package store is located.

1 SECTION 78. Section 22.06(a), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (a) Except as otherwise provided in Section 102.05 [~~of this~~
4 ~~code and in Subsection (b) of this section~~], no person who holds a
5 package store permit or owns an interest in a package store may have
6 a direct or indirect interest in any of the following:

7 (1) a brewer's [~~manufacturer's~~], retail dealer's
8 on-premise, or general or[~~r~~] branch[~~, or local~~] distributor's
9 license;

10 (2) a wine and malt beverage [~~beer~~] retailer's, wine
11 and malt beverage [~~beer~~] retailer's off-premise, or mixed beverage
12 permit; or

13 (3) the business of any of the permits or licenses
14 listed in Subdivisions (1) and (2) of this subsection.

15 SECTION 79. Section 22.08, Alcoholic Beverage Code, is
16 amended to read as follows:

17 Sec. 22.08. TRANSFER OF BEVERAGES. (a) The owner of more
18 than one package store [~~who is also the holder of a local cartage~~
19 ~~permit~~] may transfer alcoholic beverages between any of the owner's
20 [~~his~~] licensed premises in the same county between the hours of 7
21 a.m. and 9 p.m. on any day when the sale of those beverages is legal,
22 subject to rules prescribed by the commission.

23 (b) The holder of a package store permit may not transport
24 alcoholic beverages under Subsection (a) unless:

25 (1) the permit holder provides the commission with a
26 description, as required by the commission, of each motor vehicle
27 used by the permit holder to transport alcoholic beverages; and

1 (2) each motor vehicle is plainly marked or lettered
2 to indicate that it is being used by the permit holder to transport
3 alcoholic beverages.

4 (c) When transporting alcoholic beverages under this
5 section, the holder of a package store permit may not violate the
6 motor carrier laws of this state.

7 SECTION 80. Section 22.10, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 22.10. OPENING CONTAINERS PROHIBITED. Except as
10 authorized under Section 22.18 [~~52.01 of this code~~], a [~~no~~] person
11 may not break or open a container containing liquor or a malt
12 beverage [~~beer~~] or possess an opened container of liquor or a malt
13 beverage [~~beer~~] on the premises of a package store.

14 SECTION 81. Section 22.11, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 22.11. CONSUMPTION ON PREMISES PROHIBITED. Except as
17 authorized under Section 22.18 [~~52.01~~], a [~~no~~] person may not sell,
18 barter, exchange, deliver, or give away any drink or drinks of
19 alcoholic beverages from a container that has been opened or broken
20 on the premises of a package store.

21 SECTION 82. Chapter 22, Alcoholic Beverage Code, is amended
22 by adding Section 22.18 to read as follows:

23 Sec. 22.18. TASTINGS. (a) The holder of a package store
24 permit may conduct product tastings of distilled spirits, wine,
25 malt beverages, or spirit-based coolers on the permitted premises
26 during regular business hours as provided by this section.

27 (b) Written notification of a product tasting must be posted

1 on the premises of the package store permit holder not later than 48
2 hours before the tasting event. The notification shall clearly
3 state:

4 (1) the type and brand of alcoholic beverage to be
5 tasted;

6 (2) the date and hours the tasting is to take place;
7 and

8 (3) the address of the premises where the tasting is to
9 occur.

10 (c) A copy of the notification shall be kept on file and
11 available for inspection on the premises during all tasting hours.

12 (d) Sample portions at a product tasting shall be limited to
13 not more than:

14 (1) one-half ounce for distilled spirits;

15 (2) one ounce for wine; and

16 (3) one ounce for malt beverages and coolers.

17 (e) Not more than 20 different products may be made
18 available for tasting at any one time.

19 (f) No charge of any sort may be made for a sample serving.

20 (g) A person may be served more than one sample. Samples may
21 not be served to a minor or to an obviously intoxicated person. A
22 sample may not be removed from the permitted premises.

23 (h) During the tasting, not more than two containers of each
24 brand or type of product being tasted may be open on the premises at
25 one time.

26 (i) At the conclusion of the tasting, all empty or open
27 containers of alcoholic beverages used in the tasting shall be

1 removed from the premises or stored in a locked, secure area on the
2 permitted premises.

3 (j) A tasting event authorized by this section may not be
4 advertised except by on-site communications, by direct mail, by
5 electronic mail, or on the permit holder's Internet website.

6 (k) Except as provided by Subsection (l) or elsewhere in
7 this code, a person other than the package store permittee or the
8 permittee's agent or employee may not dispense or participate in
9 the dispensing of alcoholic beverages under this section.

10 (l) The holder of a distiller's or rectifier's permit or
11 nonresident seller's permit or that permit holder's agent or
12 employee may participate in and conduct product tastings of
13 alcoholic beverages at a retailer's premises and may open, touch,
14 or pour alcoholic beverages, make a presentation, or answer
15 questions at the tasting. Any alcoholic beverage tasted under this
16 subsection must be purchased from the package store permit holder
17 on whose premises the tasting is held. The permit holder may not
18 require the purchase of more alcoholic beverages than are necessary
19 for the tasting. This section does not authorize the holder of a
20 distiller's or rectifier's permit or nonresident seller's permit or
21 that permit holder's agent or employee to withdraw or purchase an
22 alcoholic beverage from the holder of a wholesaler's permit or
23 provide an alcoholic beverage for tasting on a retailer's premises
24 that is not purchased from the retailer.

25 (m) For the purposes of this code and any other law or
26 ordinance:

27 (1) a package store permit does not authorize the sale

1 of alcoholic beverages for on-premise consumption; and

2 (2) none of the permit holder's income may be
3 considered to be income from the sale of alcoholic beverages for
4 on-premise consumption.

5 SECTION 83. Section 23.01, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 23.01. AUTHORIZED ACTIVITIES. (a) The holder of a
8 local distributor's permit may:

9 (1) purchase alcoholic beverages, including malt
10 beverages, from wholesalers and distributors authorized to sell
11 them for resale, but may purchase only those brands available for
12 general distribution to all local distributor's permittees;

13 (2) sell and distribute the alcoholic beverages, including malt beverages,
14 including malt beverages, to mixed beverage and private club
15 registration permittees; and

16 (3) rent or sell to mixed beverage and private club
17 registration permittees any equipment, fixtures, or supplies used
18 in the selling or dispensing of distilled spirits.

19 (b) A local distributor's permittee may purchase liquor
20 only from a wholesaler's[7] or general class B wholesaler's[7-~~or~~
21 ~~local class B wholesaler's~~] permittee and may purchase only the
22 types of liquor the particular wholesaler is authorized by the
23 wholesaler's [his] permit to sell.

24 SECTION 84. Section 23.04, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 23.04. MAY TRANSFER BEVERAGES. (a) The [~~if the~~]
27 holder of a local distributor's permit [~~also holds a local cartage~~

1 ~~permit, he]~~ may transfer alcoholic beverages:

2 (1) to any place where the sale of alcoholic beverages
3 is legal in the city or county where the permit holder's ~~[his]~~
4 premises are located; and

5 (2) to a regional airport located all or partly in an
6 adjoining county if the airport is governed by a board, commission,
7 or authority, some of whose members reside in the county where the
8 local distributor's premises are located.

9 (b) The holder of a local distributor's permit may not
10 transport alcoholic beverages under Subsection (a) unless:

11 (1) the permit holder provides the commission with a
12 description, as required by the commission, of each motor vehicle
13 used by the permit holder to transport alcoholic beverages; and

14 (2) each motor vehicle is plainly marked or lettered
15 to indicate that it is being used by the permit holder to transport
16 alcoholic beverages.

17 (c) When transporting alcoholic beverages under this
18 section, the holder of a local distributor's permit may not violate
19 the motor carrier laws of this state.

20 SECTION 85. Section 24.01(a), Alcoholic Beverage Code, is
21 amended to read as follows:

22 (a) The holder of a wine only package store permit may:

23 (1) purchase ~~[ale,]~~ wine~~[,]~~ and vinous liquors in this
24 state from the holder of a winery, ~~[wine bottler's,]~~ wholesaler's,
25 or class B wholesaler's permit; ~~[and]~~

26 (2) purchase malt beverages from the holder of a
27 general or branch distributor's license; and

1 (3) sell those beverages to consumers at retail on or
2 from the licensed premises in unbroken original containers of not
3 less than six ounces for off-premises consumption only and not for
4 the purpose of resale.

5 SECTION 86. Section 24.04, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 24.04. DESIGNATION OF PLACE OF STORAGE; TRANSPORT OF
8 BEVERAGES. (a) The owner of more than one wine only package store
9 [~~who is also the holder of a local cartage permit~~] may designate one
10 of the permit holder's [~~his~~] places of business as a place of
11 storage. The permit holder [~~He~~] may transfer alcoholic beverages
12 to and from the [~~his~~] place of storage and the permit holder's [~~his~~]
13 other stores in the same county, subject to rules prescribed by the
14 commission.

15 (b) A wine only package store permit holder may not
16 transport alcoholic beverages under Subsection (a) unless:

17 (1) the permit holder provides the commission with a
18 description, as required by the commission, of each motor vehicle
19 used by the permit holder to transport alcoholic beverages; and

20 (2) each motor vehicle is plainly marked or lettered
21 to indicate that it is being used by the permit holder to transport
22 alcoholic beverages.

23 (c) When transporting alcoholic beverages under this
24 section, the holder of a wine only package store permit may not
25 violate the motor carrier laws of this state.

26 SECTION 87. Section 24.05(c), Alcoholic Beverage Code, is
27 amended to read as follows:

1 (c) A person may not hold a wine and malt beverage [~~beer~~]
2 retailer's or wine and malt beverage [~~beer~~] retailer's off-premise
3 permit at the same location where the person holds a wine only
4 package store permit.

5 SECTION 88. Section 24.07, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 24.07. [~~WHEN LICENSE ALSO HELD+~~] HOURS OF SALE [~~, ETC~~].
8 A holder of a wine only package store permit [~~who also holds a~~
9 ~~retail dealer's off-premise license for the same location~~] may
10 remain open and sell malt beverages [~~ale~~], wine, and vinous
11 liquors, [~~and beer,~~] for off-premises consumption only, on any day
12 and during the same hours that the holder of a wine and malt
13 beverage [~~beer~~] retailer's permit may sell malt beverages [~~ale,~~
14 ~~beer,~~] and wine, except that the permittee [~~he~~] may not sell wine or
15 vinous liquor containing more than 17 percent alcohol by volume on a
16 Sunday or after 10 p.m. on any day.

17 SECTION 89. Section 24.09, Alcoholic Beverage Code, is
18 amended to read as follows:

19 Sec. 24.09. OPENING CONTAINERS PROHIBITED. Except as
20 provided by Section 24.12 [~~52.01~~], a person may not break or open a
21 container of liquor or malt beverages [~~beer~~] or possess an opened
22 container of liquor or malt beverages [~~beer~~] on the premises of a
23 wine only package store.

24 SECTION 90. Section 24.10, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 24.10. BEVERAGE FROM OPENED CONTAINER. Except as
27 provided by Section 24.12 [~~52.01~~], a person may not sell, barter,

1 exchange, deliver, or give away a drink of alcoholic beverage from a
2 container that has been opened or broken on the premises of a wine
3 only package store.

4 SECTION 91. Section 24.12, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 24.12. WINE AND MALT BEVERAGES [~~ALE~~] SAMPLING. (a)
7 The holder of a wine only package store permit may conduct free
8 product samplings of wine or malt beverages [~~ale~~] on the permit
9 holder's premises during regular business hours as provided by this
10 section.

11 (b) An agent or employee of the holder of a wine only package
12 store permit may open, touch, or pour wine or malt beverages [~~ale~~],
13 make a presentation, or answer questions at a sampling event.

14 (c) For the purposes of this code and any other law or
15 ordinance:

16 (1) a wine only package store permit does not
17 authorize the sale of alcoholic beverages for on-premise
18 consumption; and

19 (2) none of the permit holder's income may be
20 considered to be income from the sale of alcoholic beverages for
21 on-premise consumption.

22 (d) Any wine or malt beverages [~~ale~~] used in a sampling
23 event under this section must be purchased from or provided by the
24 retailer on whose premises the sampling event is held. The retailer
25 may not require the purchase of more alcoholic beverages than are
26 necessary for the tasting. This section does not authorize the
27 holder of a nonresident seller's permit or that permit holder's

1 agent or employee to withdraw or purchase an alcoholic beverage
2 from the holder of a wholesaler's permit or provide an alcoholic
3 beverage for tasting on a retailer's premises that is not purchased
4 from the retailer.

5 (e) When a sampling event under this section is held on the
6 premises of a wine only package store permit located in an area
7 which is wet for the sale of wine but which is not wet for the sale
8 of higher alcohol content wines that may be sold under an
9 unrestricted wine only package store permit, the only wines that
10 may be sampled are wines which may be legally sold by the wine only
11 package store permittee as restricted under Section 251.81.

12 (f) Written notification of a product tasting must be posted
13 on the premises of the wine only package store permit holder not
14 later than 48 hours before the tasting event. The notification
15 shall clearly state:

16 (1) the type and brand of alcoholic beverage to be
17 tasted;

18 (2) the date and hours the tasting is to take place;
19 and

20 (3) the address of the premises where the tasting is to
21 occur.

22 (g) A copy of the notification shall be kept on file and
23 available for inspection on the premises during all tasting hours.

24 (h) Sample portions at a product tasting shall be limited to
25 no more than:

26 (1) one ounce for wine; and

27 (2) one ounce for malt beverages and coolers.

1 (i) Not more than 20 different products may be made
2 available for tasting at any one time.

3 (j) No charge of any sort may be made for a sample serving.

4 (k) A person may be served more than one sample. Samples may
5 not be served to a minor or to an obviously intoxicated person. A
6 sample may not be removed from the permitted premises.

7 (l) During the tasting, not more than two containers of each
8 brand or type of product being tasted may be open on the premises at
9 one time.

10 (m) At the conclusion of the tasting, all empty or open
11 containers of alcoholic beverages used in the tasting shall be
12 removed from the premises or stored in a locked, secure area on the
13 permitted premises.

14 (n) A tasting event authorized by this section may not be
15 advertised except by on-site communications, by direct mail, by
16 electronic mail, or on the permit holder's Internet website.

17 (o) Except as provided by Subsection (p) or elsewhere in
18 this code, a person other than the wine only package store permittee
19 or the permittee's agent or employee may not dispense or
20 participate in the dispensing of alcoholic beverages under this
21 section.

22 (p) The holder of a nonresident seller's permit or that
23 permit holder's agent or employee may participate in and conduct
24 product tastings of alcoholic beverages at a retailer's premises
25 and may open, touch, or pour alcoholic beverages, make a
26 presentation, or answer questions at the tasting.

27 SECTION 92. The heading to Chapter 25, Alcoholic Beverage

1 Code, is amended to read as follows:

2 CHAPTER 25. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S PERMIT

3 SECTION 93. Section 25.01, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 25.01. AUTHORIZED ACTIVITIES. The holder of a wine and
6 malt beverage [~~beer~~] retailer's permit may sell:

7 (1) for consumption on or off the premises where sold,
8 but not for resale, wine[~~, beer,~~] and malt beverages [~~liquors~~]
9 containing alcohol in excess of one-half of one percent by volume
10 and not more than 17 percent by volume; and

11 (2) for consumption on the premises traditional port
12 or sherry containing alcohol in excess of one-half of one percent by
13 volume and not more than 24 percent by volume.

14 SECTION 94. (a) Effective December 31, 2020, Section
15 25.04(a), Alcoholic Beverage Code, is amended to read as follows:

16 (a) A wine and beer retailer's permit is issued by the
17 commission [~~or administrator~~]. The qualification of applicants and
18 the application for and issuance of the permit are governed by the
19 same provisions which apply to the application for and issuance of a
20 retail dealer's on-premise license.

21 (b) Effective September 1, 2021, Section 25.04, Alcoholic
22 Beverage Code, is amended to read as follows:

23 Sec. 25.04. ISSUANCE, CANCELLATION, AND SUSPENSION OF
24 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's permit is
25 issued by the commission [~~or administrator~~]. The qualification of
26 applicants and the application for and issuance of the permit are
27 governed by the same provisions which apply to the application for

1 and issuance of a retail dealer's on-premise license.

2 (b) The provisions of this code applicable to the
3 cancellation and suspension of a retail dealer's on-premise license
4 also apply to the cancellation and suspension of a wine and malt
5 beverage [~~beer~~] retailer's permit.

6 SECTION 95. (a) Effective December 31, 2020, Section
7 25.05(a), Alcoholic Beverage Code, is amended to read as follows:

8 (a) On receipt of an original application for a wine and
9 beer retailer's permit, the commission [~~county judge~~] shall give
10 notice of all hearings before the commission [~~him~~] concerning the
11 application to [~~the commission,~~] the sheriff[~~7~~] and the chief of
12 police of the incorporated city in which, or nearest which, the
13 premises for which the permit is sought are located.

14 (b) Effective September 1, 2021, Section 25.05(a),
15 Alcoholic Beverage Code, is amended to read as follows:

16 (a) On receipt of an original application for a wine and
17 malt beverage [~~beer~~] retailer's permit, the commission [~~county~~
18 ~~judge~~] shall give notice of all hearings before the commission
19 [~~him~~] concerning the application to [~~the commission,~~] the
20 sheriff[~~7~~] and the chief of police of the incorporated city in
21 which, or nearest which, the premises for which the permit is sought
22 are located.

23 SECTION 96. (a) Effective December 31, 2020, Sections
24 25.06(a), (b), and (c), Alcoholic Beverage Code, are amended to
25 read as follows:

26 (a) The commission [~~county judge~~] shall deny an original
27 application for a wine and beer retailer's permit if the commission

1 ~~[he]~~ finds that the applicant, or the applicant's spouse, during
2 the five years immediately preceding the application, was finally
3 convicted of a felony or one of the following offenses:

4 (1) prostitution;

5 (2) a vagrancy offense involving moral turpitude;

6 (3) bookmaking;

7 (4) gambling or gaming;

8 (5) an offense involving controlled substances as
9 defined in Chapter 481, Health and Safety Code, or other dangerous
10 drugs;

11 (6) a violation of this code resulting in the
12 cancellation of a license or permit, or a fine of not less than
13 \$500;

14 (7) more than three violations of this code relating
15 to minors;

16 (8) bootlegging; or

17 (9) an offense involving firearms or a deadly weapon.

18 (b) The commission [~~county judge~~] shall also deny an
19 original application for a permit if the commission ~~[he]~~ finds that
20 five years have not elapsed since the termination of a sentence,
21 parole, or probation served by the applicant or the applicant's
22 spouse because of a felony conviction or conviction of any of the
23 offenses described in Subsection (a) [~~of this section~~].

24 (c) The commission may not [~~shall refuse to~~] issue a renewal
25 of a wine and [~~or~~] beer retailer's permit if the commission [~~it~~]
26 finds:

27 (1) that the applicant, or the applicant's spouse, has

1 been convicted of a felony or one of the offenses listed in
2 Subsection (a) [~~of this section~~] at any time during the five years
3 immediately preceding the filing of the application for renewal; or

4 (2) that five years have not elapsed since the
5 termination of a sentence, parole, or probation served by the
6 applicant, or the applicant's spouse, of a felony conviction or
7 conviction of any of the offenses described in Subsection (a) [~~of~~
8 ~~this section~~].

9 (b) Effective September 1, 2021, Sections 25.06(a) and (c),
10 Alcoholic Beverage Code, are amended to read as follows:

11 (a) The commission [~~county judge~~] shall deny an original
12 application for a wine and malt beverage [~~beer~~] retailer's permit
13 if the commission [~~he~~] finds that the applicant, or the applicant's
14 spouse, during the five years immediately preceding the
15 application, was finally convicted of a felony or one of the
16 following offenses:

17 (1) prostitution;

18 (2) a vagrancy offense involving moral turpitude;

19 (3) bookmaking;

20 (4) gambling or gaming;

21 (5) an offense involving controlled substances as
22 defined in Chapter 481, Health and Safety Code, or other dangerous
23 drugs;

24 (6) a violation of this code resulting in the
25 cancellation of a license or permit, or a fine of not less than
26 \$500;

27 (7) more than three violations of this code relating

1 to minors;

2 (8) bootlegging; or

3 (9) an offense involving firearms or a deadly weapon.

4 (c) The commission may not [~~shall refuse to~~] issue a renewal
5 of a wine and malt beverage [~~or beer~~] retailer's permit if the
6 commission [~~it~~] finds:

7 (1) that the applicant, or the applicant's spouse, has
8 been convicted of a felony or one of the offenses listed in
9 Subsection (a) [~~of this section~~] at any time during the five years
10 immediately preceding the filing of the application for renewal; or

11 (2) that five years have not elapsed since the
12 termination of a sentence, parole, or probation served by the
13 applicant, or the applicant's spouse, of a felony conviction or
14 conviction of any of the offenses described in Subsection (a) [~~of~~
15 ~~this section~~].

16 SECTION 97. Section 25.09, Alcoholic Beverage Code, is
17 amended to read as follows:

18 Sec. 25.09. POSSESSION OF CERTAIN BEVERAGES PROHIBITED.

19 (a) Except as provided by this section, a wine and malt beverage
20 [~~beer~~] retailer's permittee or an officer of the permittee may not
21 possess distilled spirits or liquor containing alcohol in excess of
22 17 percent by volume on the licensed premises.

23 (b) The commission by rule may allow a wine and malt
24 beverage [~~beer~~] retailer's permittee or the permittee's officer to
25 possess and use alcoholic beverages in excess of 17 percent by
26 volume on the licensed premises for cooking purposes.

27 SECTION 98. Section 25.10, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 25.10. APPLICATION OF OTHER CODE PROVISIONS. Sections
3 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine
4 and malt beverage [~~beer~~] retailer's permit. The restrictions in
5 this code relating to malt beverages [~~beer~~] as to the application of
6 local restrictions, sales to minors and intoxicated persons, age of
7 employees, and the use of blinds or barriers apply to the sale of
8 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's
9 permittee.

10 SECTION 99. Section 25.11, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 25.11. SEATING AREA REQUIRED. A wine and malt beverage
13 [~~beer~~] retailer's permittee must have an area designated on the
14 premises for the permittee's customers to sit if they wish to
15 consume beverages sold by the permittee on the premises.

16 SECTION 100. Section 25.12(a), Alcoholic Beverage Code, is
17 amended to read as follows:

18 (a) Notwithstanding any provision of this code to the
19 contrary, the premises of a wine and malt beverage [~~beer~~]
20 retailer's permittee who leases space in a food court includes the
21 seating area that the permittee shares with the other lessees that
22 occupy the food court.

23 SECTION 101. Sections 25.13(a), (a-1), and (d), Alcoholic
24 Beverage Code, are amended to read as follows:

25 (a) In this section, "location" means the designated
26 physical address of the wine and malt beverage [~~beer~~] retailer's
27 permit and includes all areas at the address where the permit holder

1 may sell or deliver alcoholic beverages for immediate consumption
2 regardless of whether some of those areas are occupied by other
3 businesses.

4 (a-1) A holder of a wine and malt beverage [~~beer~~] retailer's
5 permit may be issued a food and beverage certificate by the
6 commission if the commission finds that the receipts from the sale
7 of alcoholic beverages by the permit holder at the location are 60
8 percent or less of the total receipts from the location.

9 (d) A certificate issued under this section expires on the
10 expiration of the primary wine and malt beverage [~~beer~~] retailer's
11 permit. A certificate may be canceled at any time, and the renewal
12 of a certificate may be denied, if the commission finds that the
13 holder of the certificate is in violation of Subsection (a-1) or (b)
14 or a rule adopted under Subsection (b-1). On finding that the
15 permittee knowingly operated under a food and beverage certificate
16 while not complying with this section or a rule adopted under
17 Subsection (b-1), the commission may cancel or deny the renewal of
18 the permittee's wine and malt beverage [~~beer~~] retailer's
19 permit. The holder of a wine and malt beverage [~~beer~~] retailer's
20 permit whose certificate has been canceled or who is denied renewal
21 of a certificate under this subsection may not apply for a new
22 certificate until the day after the first anniversary of the date
23 the certificate was canceled or the renewal of the certificate was
24 denied.

25 SECTION 102. Section 25.14(a), Alcoholic Beverage Code, is
26 amended to read as follows:

27 (a) Notwithstanding any other provision of this code, a

1 permit under this chapter may be issued for a premises in an area in
2 which the voters have approved the following alcoholic beverage
3 ballot issues in a local option election:

4 (1) "The legal sale of malt beverages [~~beer~~] and wine
5 for off-premise consumption only."; and

6 (2) either:

7 (A) "The legal sale of mixed beverages."; or

8 (B) "The legal sale of mixed beverages in
9 restaurants by food and beverage certificate holders only."

10 SECTION 103. Chapter 25, Alcoholic Beverage Code, is
11 amended by adding Section 25.15 to read as follows:

12 Sec. 25.15. SALES AT TEMPORARY LOCATION. (a) The holder of
13 a wine and malt beverage retailer's permit may temporarily at a
14 location other than the permit holder's premises sell for
15 consumption on or off the premises where sold, but not for resale,
16 wine and malt beverages containing alcohol in excess of one-half of
17 one percent by volume but not more than 17 percent by volume at a
18 picnic, celebration, or similar event.

19 (b) The holder of a wine and malt beverage retailer's permit
20 may temporarily sell wine and malt beverages for not more than four
21 consecutive days at the same location under Subsection (a) and not
22 more than five consecutive days at an event under Subsection (d) or
23 six days if necessary to accommodate the postponement of scheduled
24 racing events due to an act of nature.

25 (c) The commission shall adopt rules to implement this
26 section, including rules that:

27 (1) require the permit holder to notify the commission

1 of the dates on which and location where the permit holder will
2 temporarily offer wine and malt beverages for sale under this
3 section;

4 (2) establish a procedure to verify the wet or dry
5 status of the location where the permit holder intends to
6 temporarily sell wine and malt beverages under this section;

7 (3) detail the circumstances when a permit holder may
8 temporarily sell wine and malt beverages under this section with
9 only a notification to the commission and the circumstances that
10 require the commission's preapproval before a permit holder may
11 temporarily sell wine and malt beverages under this section;

12 (4) establish the length of time a permit holder may
13 sell wine and malt beverages under this section at the same
14 location; and

15 (5) require the permit holder to provide any other
16 information the commission determines necessary.

17 (d) The holder of a wine and malt beverage retailer's permit
18 may temporarily sell wine and malt beverages in an area of a
19 facility with a seating capacity of more than 150,000 that is open
20 to the public and not otherwise covered by a license or permit
21 during a motor vehicle racing event sponsored by a professional
22 motor racing association.

23 (e) The holder of a wine and malt beverage retailer's permit
24 who temporarily sells wine and malt beverages under Subsection (d)
25 may not:

26 (1) sell under this section at the facility more than
27 four times in a calendar year;

1 (2) sell alcoholic beverages in factory-sealed
2 containers;

3 (3) sell more than two drinks to a single consumer at
4 one time;

5 (4) sell alcoholic beverages at more than 50 percent
6 of the food and beverage concession stands that are open for
7 business at any one time; and

8 (5) sell alcoholic beverages after:

9 (A) 75 percent of the feature race is complete on
10 the day that race is held; and

11 (B) one hour before the scheduled completion of
12 the last spectator event on a day other than the feature race day.

13 (f) A holder of a wine and malt beverage retailer's permit
14 that sells wine or malt beverages under that permit in a county
15 other than the county in which the premises covered by the permit is
16 located must:

17 (1) purchase the beverages from a distributor or
18 wholesaler authorized under this code to sell the beverages in the
19 county in which the permit holder sells the beverages under this
20 section; and

21 (2) report to the commission, in the manner prescribed
22 by the commission by rule, the amount of beverages purchased and
23 sold under this section, by type.

24 SECTION 104. The heading to Chapter 26, Alcoholic Beverage
25 Code, is amended to read as follows:

1 CHAPTER 26. WINE AND MALT BEVERAGE [~~BEER~~] RETAILER'S OFF-PREMISE

2 PERMIT

3 SECTION 105. Section 26.01, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 26.01. AUTHORIZED ACTIVITIES. (a) The holder of a
6 wine and malt beverage [~~beer~~] retailer's off-premise permit may
7 sell for off-premises consumption only, in unbroken original
8 containers, but not for resale, wine[~~, beer,~~] and malt beverages
9 [~~liquors~~] containing alcohol in excess of one-half of one percent
10 by volume but not more than 17 percent by volume.

11 (b) The holder of a wine and malt beverage [~~beer~~] retailer's
12 off-premise permit may conduct free product samplings of wine[~~, beer,~~
13 ~~beer,~~] and malt beverages [~~liquor~~] containing alcohol in excess of
14 one-half of one percent by volume but not more than 17 percent by
15 volume on the permit holder's premises during regular business
16 hours as provided by Section 26.08.

17 SECTION 106. (a) Effective December 31, 2020, Section
18 26.03(a), Alcoholic Beverage Code, is amended to read as follows:

19 (a) A wine and beer retailer's off-premise permit is issued
20 by the commission [~~or administrator~~]. The qualifications of
21 applicants and the application for and issuance of the permit are
22 governed by the same provisions which apply to the application for
23 and issuance of a retail dealer's off-premise license.

24 (b) Effective September 1, 2021, Section 26.03, Alcoholic
25 Beverage Code, is amended to read as follows:

26 Sec. 26.03. ISSUANCE, CANCELLATION, AND SUSPENSION OF
27 PERMIT. (a) A wine and malt beverage [~~beer~~] retailer's off-premise

1 permit is issued by the commission [~~or administrator~~]. The
2 qualifications of applicants and the application for and issuance
3 of the permit are governed by the same provisions which apply to the
4 application for and issuance of a retail dealer's off-premise
5 license.

6 (b) The provisions of this code applicable to the
7 cancellation and suspension of a retail dealer's off-premise
8 license also apply to the cancellation and suspension of a wine and
9 malt beverage [~~beer~~] retailer's off-premise permit.

10 SECTION 107. Section 26.04, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 26.04. APPLICATION OF OTHER CODE PROVISIONS. Sections
13 61.78, 61.81, 61.82, and 61.84 [~~of this code~~] also apply to a wine
14 and malt beverage [~~beer~~] retailer's off-premise permit. The
15 restrictions in this code relating to malt beverages [~~beer~~] as to
16 the application of local restrictions, sales to minors and
17 intoxicated persons, and age of employees apply to the sale of
18 alcoholic beverages by a wine and malt beverage [~~beer~~] retailer's
19 off-premise permittee.

20 SECTION 108. Section 26.05(a), Alcoholic Beverage Code, is
21 amended to read as follows:

22 (a) Each holder of a wine and malt beverage [~~beer~~]
23 retailer's off-premise permit shall display in a prominent place on
24 the permittee's [~~his~~] premises a sign stating in letters at least
25 two inches high: IT IS A CRIME (MISDEMEANOR) TO CONSUME LIQUOR OR
26 MALT BEVERAGES [~~BEER~~] ON THESE PREMISES. The commission or
27 administrator may require the holder of the permit to also display

1 the sign in a language other than English if it can be observed or
2 determined that a substantial portion of the expected customers
3 speak the other language as their familiar language.

4 SECTION 109. Section 26.08, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 26.08. SAMPLING EVENT. (a) An employee of the holder
7 of a wine and malt beverage [~~beer~~] retailer's off-premise permit
8 may open, touch, or pour wine[~~, beer,~~] or malt beverages [~~liquor~~],
9 make a presentation, or answer questions at a sampling event.

10 (b) For purposes of this code and any other law or
11 ordinance:

12 (1) a wine and malt beverage [~~beer~~] retailer's
13 off-premise permit does not authorize the sale of alcoholic
14 beverages for on-premises consumption; and

15 (2) none of the permit holder's income may be
16 considered to be income from the sale of alcoholic beverages for
17 on-premises consumption.

18 (c) Any wine[~~, beer,~~] or malt beverages [~~liquor~~] used in a
19 sampling event under this section must be purchased from or
20 provided by the retailer on whose premises the sampling event is
21 held. This section does not authorize the holder of a wine and malt
22 beverage [~~beer~~] retailer's off-premise permit to withdraw or
23 purchase alcoholic beverages from the holder of a wholesaler's
24 permit or a distributor's license or provide alcoholic beverages
25 for a sampling on a retailer's premises that is not purchased from
26 the retailer. The amount of alcoholic beverages purchased from the
27 retailer may not exceed the amount of alcoholic beverages used in

1 the sampling event.

2 SECTION 110. Sections 28.01(b) and (c), Alcoholic Beverage
3 Code, are amended to read as follows:

4 (b) The holder of a mixed beverage permit for an
5 establishment in a hotel may deliver mixed beverages, including
6 wine and malt beverages [~~beer~~], to individual rooms of the hotel or
7 to any other location in the hotel building or grounds, except a
8 parking area or the licensed premises of another alcoholic beverage
9 establishment, without regard to whether the place of delivery is
10 part of the licensed premises. A permittee in a hotel may allow a
11 patron or visitor to enter or leave the licensed premises, even
12 though the patron or visitor possesses an alcoholic beverage, if
13 the beverage is in an open container and appears to be possessed for
14 present consumption.

15 (c) The holder of a mixed beverage permit may also:

16 (1) purchase wine [~~, beer, ale,~~] and malt beverages
17 [~~liquor~~] containing alcohol of not more than 21 percent by volume in
18 containers of any legal size from any permittee or licensee
19 authorized to sell those beverages for resale; and

20 (2) sell the wine [~~, beer, ale,~~] and malt beverages
21 [~~liquor~~] for consumption on the licensed premises.

22 SECTION 111. Section 28.07, Alcoholic Beverage Code, is
23 amended by amending Subsections (b) and (c) and adding Subsection
24 (d) to read as follows:

25 (b) If a holder of a mixed beverage permit is in a county
26 where there are no local distributors, the permit holder [~~he~~] may
27 purchase alcoholic beverages in the nearest county where local

1 distributors are located and may transport them to the permit
2 holder's [his] premises [~~provided that he is also a holder of a~~
3 ~~beverage cartage permit~~]. The transporter may acquire the
4 alcoholic beverages only on the written order of the holder of the
5 mixed beverage permit. The alcoholic beverages must be accompanied
6 by a written statement furnished and signed by the local
7 distributor showing the name and address of the consignee and
8 consignor, the origin and destination of the shipment, and any
9 other information required by the commission or administrator. The
10 person in charge of the alcoholic beverages while they are being
11 transported shall exhibit the written statement to any
12 representative of the commission or any peace officer on demand,
13 and the statement shall be accepted by the representative or
14 officer as prima facie evidence of the lawful right to transport the
15 alcoholic beverages.

16 (c) If a mixed beverage permittee's [~~permittee holds a~~
17 ~~beverage cartage permit and his~~] premises are located in a regional
18 airport governed by a board, commission, or authority composed of
19 members from two or more counties, and there is no local distributor
20 at the airport, the mixed beverage permittee may purchase alcoholic
21 beverages from any local distributor in a trade area served by the
22 airport and transport the alcoholic beverages [~~them~~] to the permit
23 holder's [~~his~~] licensed premises. The transportation of the
24 beverages must be in accordance with Subsection (b) [~~of this~~
25 ~~section~~].

26 (d) The holder of a mixed beverage permit may transfer
27 alcoholic beverages from the place of purchase to the permitted

1 premises as provided in this code.

2 SECTION 112. Section 28.10(b), Alcoholic Beverage Code, is
3 amended to read as follows:

4 (b) A mixed beverage permittee may not permit any person to
5 take any alcoholic beverage purchased on the licensed premises from
6 the premises where sold, except that:

7 (1) a person who orders wine with food and has a
8 portion of the open container remaining may remove the open
9 container of wine from the premises; and

10 (2) a mixed beverage permittee who also holds a
11 brewpub license may sell or offer without charge on the premises of
12 the brewpub, to an ultimate consumer for consumption on or off the
13 premises, malt beverages [~~liquor, ale, or beer~~] produced by the
14 permittee, in or from a lawful container in an amount that does not
15 exceed one-half barrel, provided that the aggregate amount of malt
16 beverages [~~liquor, ale, and beer~~] removed from the premises under
17 this subdivision does not exceed 1,000 barrels annually.

18 SECTION 113. Chapter 28, Alcoholic Beverage Code, is
19 amended by adding Section 28.19 to read as follows:

20 Sec. 28.19. SALES AT TEMPORARY LOCATION. (a) The holder of
21 a mixed beverage permit may temporarily sell authorized alcoholic
22 beverages at:

23 (1) a picnic, celebration, or similar event not more
24 than 10 times in a calendar year; or

25 (2) a place other than the premises for which the
26 holder's mixed beverage permit is issued only in:

27 (A) an area where the sale of mixed beverages has

1 been authorized by a local option election; or

2 (B) an area that:

3 (i) is adjacent to a county with a home-rule
4 municipality with a population of more than 350,000:

5 (a) that has in its charter a
6 provision allowing for limited purpose annexation for zoning;

7 (b) that has previously disannexed
8 territory annexed for limited purposes; and

9 (c) that allows the sale of mixed
10 beverages;

11 (ii) does not comprise an entire county;
12 and

13 (iii) is not within the corporate limits of
14 a municipality.

15 (b) Distilled spirits sold at a temporary location under
16 this section must be purchased from the holder of a local
17 distributor's permit.

18 (c) The commission shall adopt rules to implement this
19 section, including rules that:

20 (1) require the permit holder to notify the commission
21 of the dates on which and location where the permit holder will
22 temporarily offer alcoholic beverages for sale under this section;

23 (2) establish a procedure to verify the wet or dry
24 status of the location where the permit holder intends to
25 temporarily sell alcoholic beverages under this section;

26 (3) detail the circumstances when a permit holder may
27 temporarily sell alcoholic beverages under this section with only a

1 notification to the commission and the circumstances that require
2 the commission's preapproval before a permit holder may temporarily
3 sell alcoholic beverages under this section;

4 (4) establish the length of time a permit holder may
5 sell alcoholic beverages under this section at the same location;
6 and

7 (5) require the permit holder to provide any other
8 information the commission determines necessary.

9 (d) Notwithstanding any other law, the temporary sale of
10 alcoholic beverages by a mixed beverage permit holder under this
11 section in an area located on property owned by a municipality that
12 contains a municipally owned conference center and that borders a
13 lake may permit a patron to leave the area, even though the patron
14 possesses an alcoholic beverage, if:

15 (1) the beverage is in an open container and appears to
16 be possessed for present consumption; and

17 (2) the public consumption of alcoholic beverages or
18 possession of an open container of an alcoholic beverage is not
19 prohibited on the municipally owned property where the area is
20 located.

21 (e) Subsection (d) applies only to a mixed beverage permit
22 holder operating under this section in an area in a municipality
23 that:

24 (1) has a population of less than 15,000;

25 (2) is located in a county with a population of less
26 than 65,000; and

27 (3) contains a historic preservation district that

1 borders a lake.

2 (f) Subsection (d) does not affect the prohibition against
3 possessing an open container in a passenger area of a motor vehicle
4 under Section 49.031, Penal Code.

5 SECTION 114. Chapter 29, Alcoholic Beverage Code, is
6 amended to read as follows:

7 CHAPTER 29. RETAILER [~~MIXED BEVERAGE~~] LATE HOURS CERTIFICATE
8 [~~PERMIT~~]

9 Sec. 29.01. ELIGIBLE PERMIT AND LICENSE HOLDERS. A
10 retailer late hours certificate may be issued to the holder of a
11 mixed beverage permit, private club registration permit, or retail
12 dealer's on-premise license.

13 Sec. 29.02. AUTHORIZED ACTIVITIES. The holder of a
14 retailer late hours certificate [~~mixed beverage late hours permit~~]
15 may sell the alcoholic beverages the holder is authorized to sell
16 under its primary permit or license [~~mixed beverages~~] on Sunday
17 between the hours of 1:00 a.m. and 2 a.m. and on any other day
18 between the hours of 12 midnight and 2 a.m. if the premises covered
19 by the license or permit are in an area where the sale of those
20 alcoholic [~~mixed~~] beverages during those hours is authorized by
21 this code.

22 [~~Sec. 29.02. FEE. The annual state fee for a mixed beverage~~
23 ~~late hours permit is \$150.~~]

24 Sec. 29.03. ISSUANCE OF CERTIFICATE AUTHORIZED FOR CERTAIN
25 AREAS. (a) Notwithstanding any other provision of this code, a
26 retailer late hours certificate may be issued to the holder of a
27 retail dealer's on-premise license in an area in which the voters

1 have approved the following alcoholic beverage ballot issues in a
2 local option election:

3 (1) either:

4 (A) "The legal sale of beer and wine for
5 off-premise consumption only."; or

6 (B) "The legal sale of malt beverages and wine
7 for off-premise consumption only."; and

8 (2) either:

9 (A) "The legal sale of mixed beverages."; or

10 (B) "The legal sale of mixed beverages in
11 restaurants by food and beverage certificate holders only."

12 (b) A premises that qualifies for a certificate under this
13 chapter because it is located in an area that approved the ballot
14 issue described by Subsection (a)(2)(B) may be issued a certificate
15 under this chapter only if the premises is issued a food and
16 beverage certificate [~~APPLICATION OF PROVISIONS REGULATING MIXED~~
17 ~~BEVERAGE PERMITS. All provisions of this code which apply to a~~
18 ~~mixed beverage permit also apply to a mixed beverage late hours~~
19 ~~permit~~].

20 SECTION 115. Chapter 30, Alcoholic Beverage Code, is
21 amended to read as follows:

22 CHAPTER 30. NONPROFIT ENTITY [~~DAILY~~] TEMPORARY EVENT [~~MIXED~~
23 ~~BEVERAGE~~] PERMIT

24 Sec. 30.01. DEFINITION. In this chapter, "nonprofit
25 entity" means:

26 (1) a nonprofit corporation;

27 (2) a nonprofit charitable, civic, or religious

1 organization;

2 (3) a political party or political association
3 supporting a candidate for public office or a proposed amendment to
4 the Texas Constitution or other ballot measure; or

5 (4) a fraternal organization with a regular membership
6 that has been in continuous existence for more than five years.

7 Sec. 30.02. AUTHORIZED ACTIVITIES. The holder of a
8 nonprofit entity [daily] temporary event [mixed beverage] permit
9 may sell [~~mixed beverages~~] for consumption on the premises for
10 which the permit is issued any alcoholic beverage that is
11 authorized to be sold where the event is held.

12 Sec. 30.03. [~~Sec. 30.02. FEE. The state fee for a daily~~
13 ~~temporary mixed beverage permit is \$50 per day.~~

14 [~~Sec. 30.03.~~] ISSUANCE OF PERMIT. [~~(a)~~] The commission may[~~,~~

15 ~~in its discretion,~~] issue [~~on~~] a nonprofit entity temporary event
16 [~~basis a daily temporary mixed beverage~~] permit to a nonprofit
17 entity for the sale of alcoholic beverages at an event sponsored by
18 the permit holder including [~~. A daily temporary mixed beverage~~
19 ~~permit may be issued only to a holder of a mixed beverage permit for~~
20 ~~the temporary sale of authorized alcoholic beverages at~~] picnics,
21 celebrations, or similar events [~~,~~ ~~or to a political party or~~
22 ~~political association supporting a candidate for public office or a~~
23 ~~proposed amendment to the Texas Constitution or other ballot~~
24 ~~measure, to an organization formed for a specific charitable or~~
25 ~~civic purpose, to a fraternal organization in existence for over~~
26 ~~five years with a regular membership, or to a religious~~
27 ~~organization. The commission shall not issue more than 10~~

1 ~~temporary mixed beverage permits in each calendar year to a person~~
2 ~~who does not also hold a mixed beverage permit].~~

3 ~~[(b) The provisions of this code which apply to the~~
4 ~~application for and issuance of other permits do not apply to the~~
5 ~~application and issuance of a daily temporary mixed beverage~~
6 ~~permit.]~~

7 Sec. 30.04. NOTATION OF DATES PERMIT IS VALID. When issuing
8 a nonprofit entity temporary event permit under this chapter, the
9 commission shall, on the face of the permit, indicate the dates on
10 which the permit is valid [~~PURCHASE OF DISTILLED SPIRITS.~~
11 ~~Distilled spirits sold under a daily temporary mixed beverage~~
12 ~~permit must be purchased from the holder of a local distributor's~~
13 ~~permit)].~~

14 Sec. 30.05. AUCTION OF ALCOHOLIC BEVERAGES. (a) The holder
15 of a nonprofit entity temporary event permit may auction alcoholic
16 beverages, for consumption off premises, to raise money to support
17 the stated purpose of the permit holder.

18 (b) The proceeds from an auction authorized by this section
19 shall be deposited to the account of the holder of a nonprofit
20 entity temporary event permit.

21 (c) The holder of a nonprofit entity temporary event permit
22 may not:

23 (1) auction distilled spirits or wine that has not
24 been donated to the organization;

25 (2) auction alcoholic beverages if any taxes are owed
26 on the beverages; or

27 (3) pay a commission or promotional allowance to a

1 person to:

2 (A) arrange or conduct an auction under this
3 section; or

4 (B) arrange the donation of alcoholic beverages
5 to be auctioned by the organization [~~APPLICATION OF PROVISIONS~~
6 ~~REGULATING MIXED BEVERAGE PERMITS. All provisions of this code~~
7 ~~applicable to a mixed beverage permit also apply to a daily~~
8 ~~temporary mixed beverage permit unless there is a special provision~~
9 ~~to the contrary~~].

10 Sec. 30.06. APPLICATION OF OTHER LAW. Section 11.39 does
11 not apply to an applicant for a nonprofit entity temporary event
12 permit.

13 Sec. 30.07. ADOPTION OF RULES. The commission shall [~~may~~]
14 adopt rules which it determines to be necessary to implement and
15 administer the provisions of this chapter, including:

16 (1) limitations on the number of times during any
17 calendar year a nonprofit entity [~~qualified organization~~]
18 issued a permit under this chapter, which may vary based on the type
19 of entity and other factors the commission determines relevant;

20 (2) the duration for a permit issued under this
21 chapter which may vary depending on the length of the event for
22 which the permit is being issued; and

23 (3) penalties for a violation of this code or a rule
24 adopted under this code.

25 Sec. 30.08. EVENTS IN DRY AREA. (a) The commission may
26 issue a nonprofit entity temporary event permit to a nonprofit
27 corporation for a fund-raising event for the nonprofit corporation

1 that is located in a dry area.

2 (b) A nonprofit entity temporary event permit under this
3 section may only be issued for an event:

4 (1) in the county where the nonprofit corporation is
5 located; and

6 (2) that lasts not longer than eight hours.

7 (c) A nonprofit corporation may be issued only one nonprofit
8 entity temporary event permit under this section in each calendar
9 year.

10 (d) The commission by rule shall establish the procedure for
11 obtaining and operating under a nonprofit entity temporary event
12 permit issued under this section.

13 SECTION 116. Section 32.01(b), Alcoholic Beverage Code, is
14 amended to read as follows:

15 (b) An applicant for or the holder of a private club
16 registration permit may apply to the commission to have the
17 activities authorized under the permit restricted to the storage
18 and service of wine[~~, beer,~~] and malt beverages [~~liquor~~] for
19 members of the club. Except as otherwise provided by this chapter,
20 an applicant for or the holder of a permit that is restricted under
21 this subsection is subject to all the requirements of this chapter.
22 The commission may adopt rules as necessary to implement this
23 subsection.

24 SECTION 117. Section 32.08, Alcoholic Beverage Code, is
25 amended by amending Subsections (b) and (c) and adding Subsection
26 (d) to read as follows:

27 (b) If the club holding the permit is in an area where there

1 are no local distributors, alcoholic beverages may be purchased in
2 any area where local distributors are located and may be
3 transported to the club premises [~~if the club also holds a beverage~~
4 ~~cartage permit~~]. The transporter may acquire the alcoholic
5 beverages only on the written order of an officer or manager of the
6 club holding the permit. The alcoholic beverages must be
7 accompanied by a written statement furnished and signed by the
8 local distributor showing the name and address of the consignee and
9 consignor, the origin and destination of the shipment, and any
10 other information required by the commission or administrator. The
11 person in charge of the alcoholic beverages while they are being
12 transported shall exhibit the written statement to any
13 representative of the commission or any peace officer on demand,
14 and the statement shall be accepted by the representative or
15 officer as prima facie evidence of the lawful right to transport the
16 alcoholic beverages.

17 (c) If a private club registration permittee's [~~permittee~~
18 ~~holds a beverage cartage permit and his~~] premises are located in a
19 regional airport governed by a board, commission, or authority
20 composed of members from two or more counties, and there is no local
21 distributor at the airport, the private club registration permittee
22 may purchase alcoholic beverages from any local distributor in a
23 trade area served by the airport and transport the alcoholic
24 beverages [~~them~~] to the permit holder's [~~his~~] licensed premises.
25 The transportation of the beverages must be in accordance with
26 Subsection (b) [~~of this section~~].

27 (d) The holder of a private club registration permit may

1 transfer alcoholic beverages from the place of purchase to the
2 permitted premises as provided in this code.

3 SECTION 118. Sections 32.17(a) and (c), Alcoholic Beverage
4 Code, are amended to read as follows:

5 (a) The commission or administrator may cancel or suspend
6 for a period of time not exceeding 60 days, after notice and
7 hearing, an original or renewal private club registration permit on
8 finding that the permittee club has:

9 (1) sold, offered for sale, purchased, or held title
10 to any alcoholic beverage so as to constitute an open saloon;

11 (2) refused to allow an authorized agent or
12 representative of the commission or a peace officer to come on the
13 club premises for the purposes of inspecting alcoholic beverages
14 stored on the premises or investigating compliance with the
15 provisions of this code;

16 (3) refused to furnish the commission or its agent or
17 representative when requested any information pertaining to the
18 storage, possession, serving, or consumption of alcoholic
19 beverages on club premises;

20 (4) permitted or allowed any alcoholic beverages
21 stored on club premises to be served or consumed at any place other
22 than on the club premises;

23 (5) failed to maintain an adequate building at the
24 address for which the private club registration permit was issued;

25 (6) caused, permitted, or allowed any member of a club
26 in a dry area to store any liquor on club premises except under the
27 locker system;

1 (7) caused, permitted, or allowed any person to
2 consume or be served any alcoholic beverage on the club premises:

3 (A) at any time on Sunday between the hours of
4 1:15 a.m. and 10 a.m. or on any other day at any time between the
5 hours of 12:15 a.m. and 7 a.m., if the club does not have a retailer
6 [~~private club~~] late hours certificate [~~permit~~], except that an
7 alcoholic beverage served to a customer between 10 a.m. and 12 noon
8 on Sunday must be provided during the service of food to the
9 customer; or

10 (B) at any time on Sunday between the hours of 2
11 a.m. and 10 a.m. or on any other day at any time between the hours of
12 2 a.m. and 7 a.m., if the club has a retailer [~~private club~~] late
13 hours certificate [~~permit~~], except that an alcoholic beverage
14 served to a customer between 10 a.m. and 12 noon on Sunday must be
15 provided during the service of food to the customer; or

16 (8) violated or assisted, aided or abetted the
17 violation of any provision of this code.

18 (c) After notice and an opportunity for a hearing, the
19 commission or administrator may cancel or suspend the private club
20 registration permit of a permit holder who has restricted the
21 holder's authorized activities under the permit as provided by
22 Section 32.01(b) [~~of this code~~] on a determination that the permit
23 holder is storing or serving alcoholic beverages to club members
24 other than, or in addition to, wine[~~, beer,~~] and malt beverages
25 [~~liquor~~].

26 SECTION 119. Chapter 32, Alcoholic Beverage Code, is
27 amended by adding Section 32.25 to read as follows:

1 Sec. 32.25. SALES AT TEMPORARY LOCATION. (a) The holder of
2 a private club registration permit may temporarily serve authorized
3 alcoholic beverages at:

4 (1) a picnic, celebration, or similar event sponsored
5 by:

6 (A) a political party or political association
7 supporting a candidate for public office or a proposed amendment to
8 the Texas Constitution or other ballot measure;

9 (B) a charitable or civic organization;

10 (C) a fraternal organization with a regular
11 membership that has been in continuous existence for more than five
12 years; or

13 (D) a religious organization; and

14 (2) that is located in the county where the private
15 club registration permit is issued.

16 (b) The holder of a private club registration permit may
17 temporarily serve alcoholic beverages under this section not more
18 than two times in each calendar year.

19 (c) Distilled spirits served under this section must be
20 purchased from the holder of a local distributor's permit.

21 (d) The commission shall adopt rules to implement this
22 section, including rules that:

23 (1) require the permit holder to notify the commission
24 of the dates on which and location where the permit holder will
25 temporarily offer alcoholic beverages for sale under this section;

26 (2) establish a procedure to verify the wet or dry
27 status of the location where the permit holder intends to

1 temporarily sell alcoholic beverages under this section;

2 (3) detail the circumstances when a permit holder may
3 temporarily sell alcoholic beverages under this section with only a
4 notification to the commission and the circumstances that require
5 the commission's preapproval before a permit holder may temporarily
6 sell alcoholic beverages under this section; and

7 (4) require the permit holder to provide any other
8 information the commission determines necessary.

9 SECTION 120. Effective September 1, 2019, the heading to
10 Chapter 35, Alcoholic Beverage Code, is amended to read as follows:

11 CHAPTER 35. AGENTS [~~AGENT'S PERMIT~~]

12 SECTION 121. Effective September 1, 2019, Section 35.01,
13 Alcoholic Beverage Code, is amended to read as follows:

14 Sec. 35.01. AUTHORIZED ACTIVITIES. (a) An agent [~~The~~
15 ~~holder of an agent's permit~~] may:

16 (1) represent permittees other than retailers within
17 this state who are authorized to sell liquor to retail dealers in
18 the state; and

19 (2) solicit and take orders for the sale of liquor from
20 authorized permittees.

21 (b) A person acting as an agent may only represent one
22 permitted or licensed business at a time while soliciting or taking
23 orders.

24 SECTION 122. Effective September 1, 2019, Section 35.05,
25 Alcoholic Beverage Code, is amended to read as follows:

26 Sec. 35.05. SAMPLES. An agent [~~The holder of an agent's~~
27 ~~permit~~] may not transport or carry liquor as samples, but may carry

1 or display empty sample containers.

2 SECTION 123. Effective September 1, 2019, Section 35.06,
3 Alcoholic Beverage Code, is amended to read as follows:

4 Sec. 35.06. INELIGIBILITY TO SERVE AS NONRESIDENT SELLER'S
5 AGENT [~~FOR MANUFACTURER'S AGENT'S PERMIT~~]. A person acting as an
6 agent under this chapter [~~holding an agent's permit~~] may not act as
7 [~~be issued~~] a nonresident seller's agent under Chapter 36
8 [~~manufacturer's agent's permit~~].

9 SECTION 124. Effective September 1, 2019, Section 35.07,
10 Alcoholic Beverage Code, is amended to read as follows:

11 Sec. 35.07. UNAUTHORIZED REPRESENTATION. An agent [~~A~~
12 ~~holder of an agent's permit~~] in soliciting or taking orders for the
13 sale of liquor may not represent that the agent is [~~himself to be~~]
14 an agent of any person other than the person who employs the agent
15 or who has authorized the agent to represent the person [~~designated~~
16 ~~in his permit application~~].

17 SECTION 125. Effective September 1, 2019, the heading to
18 Chapter 36, Alcoholic Beverage Code, is amended to read as follows:

19 CHAPTER 36. NONRESIDENT SELLER'S AGENTS [~~MANUFACTURER'S AGENT'S~~
20 ~~PERMIT~~]

21 SECTION 126. Effective September 1, 2019, Section 36.01,
22 Alcoholic Beverage Code, is amended to read as follows:

23 Sec. 36.01. AUTHORIZED ACTIVITIES. (a) A nonresident
24 seller's agent [~~The holder of a manufacturer's agent's permit~~] may:

25 (1) represent only the holders of nonresident seller's
26 permits; and

27 (2) solicit and take orders for the sale of liquor from

1 permittees authorized to import liquor for the purpose of resale.

2 (b) A person acting as a nonresident seller's agent may only
3 represent one permitted or licensed business at a time while
4 soliciting or taking orders.

5 SECTION 127. Effective September 1, 2019, Section 36.04,
6 Alcoholic Beverage Code, is amended to read as follows:

7 Sec. 36.04. INELIGIBILITY TO SERVE AS AN AGENT [~~FOR AGENT'S~~
8 ~~PERMIT~~]. A person acting as [~~holder of~~] a nonresident seller's
9 agent [~~manufacturer's agent's permit~~] may not act as an agent under
10 Chapter 35 [~~be issued an agent's permit~~].

11 SECTION 128. Effective September 1, 2019, Section 36.05,
12 Alcoholic Beverage Code, is amended to read as follows:

13 Sec. 36.05. SAMPLES. A nonresident seller's agent [~~The~~
14 ~~holder of a manufacturer's agent's permit~~] may not transport or
15 carry liquor as samples, but may carry or display empty sample
16 containers.

17 SECTION 129. Effective September 1, 2019, Section 36.06,
18 Alcoholic Beverage Code, is amended to read as follows:

19 Sec. 36.06. SOLICITATION FROM HOLDER OF MIXED BEVERAGE OR
20 PRIVATE CLUB PERMIT. A nonresident seller's agent [~~holder of a~~
21 ~~manufacturer's agent's permit~~] may not solicit business directly or
22 indirectly from a holder of a mixed beverage permit or a private
23 club registration permit unless the agent [~~he~~] is accompanied by
24 the holder of a wholesaler's permit or the wholesaler's agent.

25 SECTION 130. Effective September 1, 2019, Section 36.07,
26 Alcoholic Beverage Code, is amended to read as follows:

27 Sec. 36.07. UNAUTHORIZED REPRESENTATION. A nonresident

1 seller's agent [~~holder of a manufacturer's agent's permit~~] in
2 soliciting or taking orders for the sale of liquor may not represent
3 that the agent is [~~himself as~~] an agent of a person other than the
4 person who employs the agent or who has authorized the agent to
5 represent the person [~~designated in his permit application~~].

6 SECTION 131. Effective September 1, 2019, Section 36.08,
7 Alcoholic Beverage Code, is amended to read as follows:

8 Sec. 36.08. RESTRICTION AS TO SOURCE OF SUPPLY. A
9 nonresident seller's agent [~~manufacturer's agent's permittee~~] may
10 not represent a person with respect to an alcoholic beverage unless
11 the person represented is the primary American source of supply of
12 the beverage as defined in Section 37.10 [~~of this code~~].

13 SECTION 132. Section 37.01(b), Alcoholic Beverage Code, is
14 amended to read as follows:

15 (b) The holder of a nonresident seller's permit who owns a
16 winery [~~or brewery~~] outside of the state may conduct samplings of
17 the kinds of alcoholic beverages the permit holder is authorized to
18 produce, including tastings, at a retailer's premises. An
19 employee of the winery [~~or brewery~~] may open, touch, or pour the
20 alcoholic beverages, make a presentation, or answer questions at a
21 sampling event.

22 SECTION 133. Effective September 1, 2019, Section 37.01(c),
23 Alcoholic Beverage Code, is amended to read as follows:

24 (c) Any alcoholic beverages used in a sampling event under
25 this section must be purchased from the retailer on whose premises
26 the sampling event is held. This section does not authorize the
27 holder of a nonresident seller's permit or the [~~manufacturer's~~

1 ~~agent's]~~ permit holder's agent to withdraw or purchase alcoholic
2 beverages from the holder of a wholesaler's permit or provide
3 alcoholic beverages for a sampling event on a retailer's premises
4 that is not purchased from the retailer. The amount of alcoholic
5 beverages purchased from the retailer may not exceed the amount of
6 alcoholic beverages used in the sampling event.

7 SECTION 134. Effective September 1, 2019, the heading to
8 Chapter 38, Alcoholic Beverage Code, is amended to read as follows:

9 CHAPTER 38. INDUSTRIAL USE OF ALCOHOL [~~PERMIT~~]

10 SECTION 135. Effective September 1, 2019, Section 38.01,
11 Alcoholic Beverage Code, is amended to read as follows:

12 Sec. 38.01. AUTHORIZED ACTIVITIES. (a) In this section,
13 "industrial alcohol" means an alcohol that is produced for
14 industrial purposes only and is not fit for human consumption.

15 (b) A person may:

16 (1) manufacture, rectify, refine, transport, and
17 store industrial alcohol;

18 (2) denature industrial alcohol;

19 (3) sell denatured or industrial alcohol to qualified
20 persons inside or outside the state; and

21 (4) blend industrial alcohol with petroleum
22 distillates and sell or use the resulting product as a motor fuel.

23 (c) A person [~~The holder of an industrial permit~~] may
24 import, transport, and use alcohol or denatured alcohol for the
25 manufacture and sale of any of the following products:

26 (1) denatured alcohol;

27 (2) patent, proprietary, medicinal, pharmaceutical,

1 antiseptic, and toilet preparations;

2 (3) flavoring extracts, syrups, condiments, and food
3 products; and

4 (4) scientific, chemical, mechanical, and industrial
5 products, or products used for scientific, chemical, mechanical,
6 industrial, or medicinal purposes.

7 SECTION 136. Effective September 1, 2019, Section 38.05,
8 Alcoholic Beverage Code, is amended to read as follows:

9 Sec. 38.05. OTHER CODE PROVISIONS INAPPLICABLE. The [~~No~~]
10 provisions of this code do not [~~other than this chapter~~] apply to
11 alcohol intended for industrial, medicinal, mechanical, or
12 scientific purposes.

13 SECTION 137. Effective September 1, 2019, Section 38.06,
14 Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 38.06. ACTIVITIES TAX FREE. The taxes imposed by this
16 code do not apply to activities authorized in Section 38.01 [~~of this~~
17 ~~code~~].

18 SECTION 138. Section 43.01, Alcoholic Beverage Code, is
19 amended to read as follows:

20 Sec. 43.01. AUTHORIZED ACTIVITIES. [~~(a)~~] A warehouse or
21 transfer company that holds a local cartage permit may transport
22 liquor for hire inside the corporate limits of any city or town in
23 the state.

24 [~~(b) A package store, wine only package store, or local~~
25 ~~distributor's permittee who also holds a local cartage permit may~~
26 ~~transfer alcoholic beverages in accordance with Sections 22.08,~~
27 ~~23.04, and 24.04 of this code.~~]

1 SECTION 139. Section 43.04, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 43.04. ELIGIBILITY FOR PERMIT. The commission may
4 issue a local cartage permit to a warehouse or transfer company [~~or~~
5 ~~to a holder of a package store, wine only package store, or local~~
6 ~~distributor's permit~~].

7 SECTION 140. Chapter 48, Alcoholic Beverage Code, is
8 amended to read as follows:

9 CHAPTER 48. PASSENGER TRANSPORTATION [~~TRAIN BEVERAGE~~] PERMIT

10 Sec. 48.01. AUTHORIZED ACTIVITIES. A [~~The holder of a~~
11 ~~passenger transportation permit authorizes the~~ [~~train beverage~~]
12 ~~permit holder to sell or serve the types~~ [~~has the same rights with~~
13 ~~respect to the sale~~] of alcoholic beverages specifically authorized
14 by this chapter [~~on a passenger train to which this chapter applies~~
15 ~~as the holder of an airline beverage permit has with respect to the~~
16 ~~sale of alcoholic beverages on a commercial passenger airplane~~
17 ~~under Section 34.01 of this code~~].

18 Sec. 48.02. PERMIT FOR EXCURSION BOAT. (a) A passenger
19 transportation permit may be issued for:

20 (1) a regularly scheduled excursion boat which is
21 licensed by the United States Coast Guard to carry passengers on the
22 navigable waters of the state if the boat:

- 23 (A) carries at least 45 passengers;
24 (B) weighs at least 35 gross tons; and
25 (C) is at least 55 feet long; or

26 (2) a boat that:

- 27 (A) carries at least 350 passengers;

1 (B) weighs at least 90 gross tons; and

2 (C) is at least 80 feet long.

3 (b) The holder of a passenger transportation permit issued
4 under Subsection (a)(1) may sell the same alcoholic beverages as
5 the holder of a mixed beverage permit if:

6 (1) the home port of the boat is in an area where the
7 sale of mixed beverages is legal or the boat is regularly used for
8 voyages in international waters as provided by Subsection (h); and

9 (2) the owner or operator of the boat is the sole
10 permit holder for the boat.

11 (c) The holder of a passenger transportation permit issued
12 under Subsection (a)(1) may sell the same alcoholic beverages as
13 the holder of a wine and malt beverage retailer's permit if the home
14 port of the boat is in an area where the sale of malt beverages and
15 wine is legal.

16 (d) The holder of a passenger transportation permit issued
17 under Subsection (a)(2) may sell the same alcoholic beverages as
18 the holder of a mixed beverage permit if:

19 (1) the home port of the boat is in an area where the
20 sale of mixed beverages is legal; or

21 (2) the boat is regularly used for voyages in
22 international waters as provided by Subsection (h).

23 (e) A passenger transportation permit issued under this
24 section is inoperative in a dry area.

25 (f) For purposes of Section 11.38, the home port of the boat
26 is treated as the location of the permitted premises.

27 (g) The provisions of Section 109.53 that relate to

1 residency requirements and compliance with Texas laws of
2 incorporation do not apply to the holder of a passenger
3 transportation permit under this section.

4 (h) A passenger transportation permit may be issued under
5 this section to a boat regularly used for voyages in international
6 waters regardless of whether the sale of mixed beverages is lawful
7 in the area of the home port. A person having authority to deliver
8 alcoholic beverages to a passenger transportation permit holder in
9 the county where the permitted premises is located may deliver
10 alcoholic beverages purchased by the permit holder [~~FEE.—The~~
11 ~~annual fee for a passenger train beverage permit is \$500~~].

12 Sec. 48.03. [~~ELIGIBILITY FOR~~] PERMIT FOR AIRLINE. (a) A
13 [~~The commission or administrator may issue a~~] passenger
14 transportation [~~train beverage~~] permit may be issued to any
15 corporation operating a commercial airline in or through the state.

16 (b) The holder of a passenger transportation permit issued
17 under this section may:

18 (1) sell or serve alcoholic beverages in or from any
19 size container on a commercial passenger airplane operated in
20 compliance with a valid license, permit, or certificate issued
21 under the authority of the United States or of this state, even
22 though the plane, in the course of its flight, may cross an area in
23 which the sale of alcoholic beverages is prohibited; and

24 (2) store alcoholic beverages in sealed containers of
25 any size at any airport regularly served by the permittee, in
26 accordance with rules and regulations promulgated by the
27 commission.

1 (c) Only the holder of a package store permit may sell
2 liquor to the holder of a passenger transportation permit issued
3 under this section. For the purposes of this code, a sale of liquor
4 to a holder of a passenger transportation permit shall be
5 considered as a sale at retail to a consumer.

6 (d) The holder of a package store permit may sell liquor in
7 any size container authorized by Section 101.46 to holders of a
8 passenger transportation permit issued under this section, and may
9 purchase liquor in any size container for resale from the holders of
10 a wholesaler's permit. A holder of a wholesaler's permit may
11 import, sell, offer for sale, or possess for resale to package store
12 permittees to resell to holders of a passenger transportation
13 permit liquor in any authorized size containers.

14 (e) The preparation and service of alcoholic beverages by
15 the holder of a passenger transportation permit issued under this
16 section is exempt from a tax imposed by this code and from the tax
17 imposed by Chapter 151, Tax Code.

18 (f) Section 109.53 does not apply to a passenger
19 transportation permit issued under this section.

20 Sec. 48.04. PERMIT FOR PASSENGER TRAIN. (a) A passenger
21 transportation permit may be issued to any corporation organized
22 under the Business Organizations Code or former Title 112, Revised
23 Statutes, or under the Rail Passenger Service Act of 1970, as
24 amended (45 U.S.C.A. Section 501 et seq.), operating a commercial
25 passenger train service in or through the state.

26 (b) The holder of a passenger transportation permit issued
27 under this section may sell or serve alcoholic beverages in or from

1 any size container on a passenger train even though the train, in
2 the course of its travel, may cross an area in which the sale of
3 alcoholic beverages is prohibited [~~Application and payment of the~~
4 ~~fee shall be made directly to the commission~~].

5 (c) [~~Sec. 48.04. EXEMPTION FROM TAXES.~~] The preparation
6 and service of alcoholic beverages by the holder of a passenger
7 transportation [~~train beverage~~] permit issued under this section is
8 exempt from a tax imposed by this code [~~chapter~~] and from the tax
9 imposed by Chapter 151, Tax Code.

10 (d) Section 109.53 does not apply to a passenger
11 transportation permit issued under this section.

12 Sec. 48.05. PERMIT FOR PASSENGER BUS. (a) A [~~INAPPLICABLE~~
13 ~~PROVISION. Section 109.53 of this code does not apply to a~~]
14 passenger transportation [~~train beverage~~] permit may be issued to
15 any corporation operating a commercial passenger bus service in or
16 through the state using a passenger bus that:

17 (1) is designed and used for the regularly scheduled
18 intercity transportation of passengers for compensation;

19 (2) is characterized by integral construction with:

20 (A) an elevated passenger deck over a baggage
21 compartment;

22 (B) a passenger seating capacity of at least 16
23 and not more than 36; and

24 (C) a separate galley area;

25 (3) is at least 35 feet in length; and

26 (4) while transporting passengers for compensation,
27 also transports an attendant who:

1 (A) is not the operator of the bus; and
2 (B) has attended a commission-approved seller
3 training program.

4 (b) The holder of a passenger transportation permit issued
5 under this section may:

6 (1) sell or serve alcoholic beverages in or from any
7 size container on a passenger bus even though the bus, in the course
8 of its drive, may cross an area in which the sale of alcoholic
9 beverages is prohibited; and

10 (2) store alcoholic beverages at the permitted
11 location.

12 (c) The preparation and service of alcoholic beverages by
13 the holder of a passenger transportation permit issued under this
14 section is exempt from a tax imposed by this code and from the tax
15 imposed by Chapter 151, Tax Code.

16 (d) Section 109.53 does not apply to a passenger
17 transportation permit issued under this section.

18 (e) Only a holder of a wholesale permit may sell liquor to
19 the holder of a passenger transportation permit issued under this
20 section. A sale of liquor to the holder of a passenger
21 transportation permit issued under this section shall be considered
22 as a sale at retail to a consumer.

23 Sec. 48.06. NOTATION OF AUTHORITY ON PERMIT. When issuing a
24 passenger transportation permit under this chapter, the commission
25 shall, on the face of the permit, indicate the section of this
26 chapter under which the permit is issued.

27 SECTION 141. Section 50.001, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 50.001. AUTHORIZED ACTIVITIES. The holder of a
3 promotional permit may, on behalf of a distiller, brewer,
4 rectifier, or [~~manufacturer,~~] winery[~~, or wine bottler~~] with whom
5 the promotional permit holder has entered into a contract for the
6 purposes of this chapter, engage in activities to promote and
7 enhance the sale of an alcoholic beverage in this state, including
8 activities that take place on the premises of the holder of a permit
9 or license under this code.

10 SECTION 142. The heading to Chapter 51, Alcoholic Beverage
11 Code, is amended to read as follows:

12 CHAPTER 51. OPERATION OF MINIBARS [~~MINIBAR PERMIT~~]

13 SECTION 143. Section 51.02, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 51.02. AUTHORIZED ACTIVITIES. The holder of a mixed
16 beverage [~~minibar~~] permit issued for operation in a hotel may sell
17 the following alcoholic beverages out of a minibar:

18 (1) distilled spirits in containers of not less than
19 one ounce nor more than two ounces;

20 (2) wine and vinous liquors in containers of not more
21 than 13 fluid ounces; and

22 (3) [~~beer, ale, and~~] malt beverages [~~liquor~~] in
23 containers of not more than 12 fluid ounces.

24 SECTION 144. Section 51.03, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 51.03. LIMITED ACCESS TO MINIBAR. (a) Minibars shall
27 be of such design as to prevent access to alcoholic beverages to all

1 persons who do not have a minibar key. The minibar key shall be
2 different from the hotel guestroom key, and the mixed beverage
3 permittee may [~~shall~~] not provide the minibar key to any person who
4 is not of legal drinking age.

5 (b) A mixed beverage permittee may not provide a minibar key
6 to any person other than an employee of the permittee or a
7 registered guest of the hotel.

8 SECTION 145. Sections 51.04(a), (c), and (d), Alcoholic
9 Beverage Code, are amended to read as follows:

10 (a) All employees handling distilled spirits, wine, [~~beer,~~
11 ~~ale,~~] and malt beverages [~~liquor~~] being stocked in the minibar must
12 be at least 18 years of age.

13 (c) A minibar may only be maintained, serviced, or stocked
14 with alcoholic beverages by a person who is an employee of the
15 holder of a mixed beverage [~~minibar~~] permit, and no other person
16 shall be authorized to add alcoholic beverages to a minibar or, with
17 the exception of a registered hotel guest consumer, to remove
18 alcoholic beverages from a minibar.

19 (d) A mixed beverage permit [~~The~~] holder who operates [~~of~~] a
20 minibar [~~permit~~] shall adhere to standards of quality and purity of
21 alcoholic beverages prescribed by the commission and shall destroy
22 any alcoholic beverages contained in a minibar on the date which is
23 considered by the manufacturer of the alcoholic beverage to be the
24 date the product becomes inappropriate for sale to a consumer.

25 SECTION 146. Section 51.06, Alcoholic Beverage Code, is
26 amended to read as follows:

27 Sec. 51.06. PROHIBITED INTERESTS. The holder of a mixed

1 beverage permit who operates a minibar [~~permit~~] may not have a
2 direct or indirect interest in a package store permit, and a [~~no~~]
3 package store may not be located on the premises of a hotel in which
4 a mixed beverage permittee operates [~~holds~~] a minibar [~~permit~~].

5 SECTION 147. Section 51.07, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 51.07. MIXED BEVERAGE PERMIT IS PRIMARY. All
8 purchases made by a holder of a mixed beverage permit who operates a
9 minibar [~~permittee~~] shall be made under the authority of and
10 subject to the limitations imposed on the mixed beverage permit
11 held by the permittee. All sales [~~made by a minibar permittee~~]
12 shall, for tax purposes, be considered sales under the mixed
13 beverage permit held by the permittee and shall be taxed
14 accordingly. To ensure that the marketing of alcoholic beverages
15 for stocking minibars is not used by suppliers for purposes of
16 inducement or unauthorized or illegal advertising, it is further
17 provided that:

18 (1) No person who holds a permit or license
19 authorizing sale of any alcoholic beverage to mixed beverage
20 permittees may sell or offer to sell alcoholic beverages to the
21 mixed beverage [~~a minibar~~] permittee at a cost less than the
22 seller's laid-in cost plus the customary and normal profit margin
23 applicable to other container sizes. The laid-in cost shall be
24 defined as the manufacturer's or supplier's invoice price, plus all
25 applicable freight, taxes, and duties.

26 (2) Proof of laid-in cost shall become a part of the
27 permanent records of each permittee or licensee supplying alcoholic

1 beverages to a mixed beverage permittee who operates a minibar
2 [~~permittees~~] and be available for a period of two years for
3 inspection by the commission.

4 (3) No alcoholic beverages offered for use in a
5 minibar may be sold in connection with or conveyed as part of any
6 promotional program providing a discount on the purchase of any
7 other type, size, or brand of alcoholic beverage.

8 (4) Distilled spirits in containers with a capacity of
9 more than one but less than two fluid ounces must be invoiced
10 separately from any other alcoholic beverage, and the price must be
11 shown on the invoice.

12 (5) Distilled spirits in containers with a capacity of
13 more than one but less than two fluid ounces may not be returned by
14 the mixed beverage permit holder [~~of a minibar permit~~]. Neither may
15 the beverages be exchanged by the mixed beverage permit holder [~~of a~~
16 ~~minibar permit~~] or redeemed for any reason other than damage noted
17 at the time of delivery and approved by the commission. Claims for
18 breakage or shortage after delivery to a mixed beverage permit
19 holder who operates a minibar [~~permittee~~] shall not be allowed.

20 (6) No person holding a wholesaler's, local
21 distributor's, or package store permit may participate in the cost
22 of producing any room menu, beverage list, table tent, or any other
23 device or novelty, written or printed, relating to the sale of
24 distilled spirits in containers with a capacity of more than one but
25 less than two fluid ounces. No permittee or licensee authorized to
26 sell alcoholic beverages to a mixed beverage [~~minibar~~] permittee
27 who operates a minibar may pay for or contribute to the cost of

1 providing in-house television or radio announcements to be used by
2 any holder of a mixed beverage permit who operates a minibar
3 [~~permit~~] to promote the sale of alcoholic beverages.

4 SECTION 148. Sections 55.01(a), (b), and (c), Alcoholic
5 Beverage Code, are amended to read as follows:

6 (a) The holder of a manufacturer's agent's warehousing
7 permit may:

8 (1) receive [~~beer, ale, or~~] malt beverages [~~liquor~~]
9 from the holder of a nonresident brewer's [~~permit or nonresident~~
10 ~~manufacturer's~~] license and store the alcoholic beverages on the
11 permitted premises;

12 (2) ship, cause to be shipped, sell, and otherwise
13 transfer the [~~beer, ale, or~~] malt beverages [~~liquor~~] to licensed
14 [~~or permitted~~] distributors [~~and wholesalers~~] in this state and to
15 persons outside this state who are qualified to receive the [~~beer,~~
16 ~~ale, or~~] malt beverages [~~liquor~~] under the regulatory laws of the
17 state or other jurisdiction in which the [~~beer, ale, or~~] malt
18 beverages are [~~liquor is~~] received; and

19 (3) return [~~beer, ale, or~~] malt beverages [~~liquor~~] to
20 the [~~manufacturer or~~] brewer from which they were [~~it was~~]
21 originally received.

22 (b) The holder of a manufacturer's agent's warehousing
23 permit may ship only to [~~wholesalers and~~] distributors in this
24 state who have been issued a territorial designation by the actual
25 [~~manufacturer or~~] brewer of the brand or brands to be
26 shipped. This territorial designation for the sale of malt
27 beverages [~~beer~~] must be under and a part of the agreement entered

1 into between the actual brewer [~~manufacturer~~] of the brand and the
2 distributor under Subchapters C and D, Chapter 102. This chapter
3 does not affect the requirement that the actual brewer
4 [~~manufacturer~~], and the agreement between the actual brewer
5 [~~manufacturer~~] and the distributor, comply with Subchapters C and
6 D, Chapter 102.

7 (c) Malt beverages [~~Beer, ale, or malt liquor~~] received at
8 premises permitted under this chapter that are [~~is~~] not labeled and
9 approved for sale in this state may be held and stored at the
10 premises and may be shipped from the premises if the malt beverages
11 are [~~it is~~] consigned and transported to qualified persons in other
12 states or jurisdictions where their [~~its~~] sale is legal.

13 SECTION 149. Section 55.03, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 55.03. ELIGIBILITY FOR PERMIT. A manufacturer's
16 agent's warehousing permit may be issued to an entity:

17 (1) that receives [~~beer, ale, or~~] malt beverages
18 [~~liquor~~] from another entity, or that other entity's immediate
19 successor in interest, that:

20 (A) is located and chartered in the United
21 Mexican States;

22 (B) has held, for the two years preceding the
23 date of the application:

24 (i) a nonresident manufacturer's license,
25 nonresident brewer's permit, and a nonresident seller's permit;

26 (ii) a nonresident brewer's license and a
27 nonresident seller's permit; or

1 (iii) a combination of Subparagraph (i) and
2 Subparagraph (ii) [~~for the two years preceding the date of the~~
3 ~~application~~]; and

4 (C) during each of those two years has shipped or
5 caused to be shipped into this state for ultimate sale to qualified
6 distributors and wholesalers in this state at least one-half
7 million barrels of [~~beer, ale, or~~] malt beverages [~~liquor~~] of the
8 various brands manufactured or brewed by the entity; and

9 (2) whose employees, located in this state or
10 elsewhere, [~~hold permits and licenses issued under Chapters 36 and~~
11 ~~73 to~~] perform the activities authorized under Chapters 36 and 73
12 [~~those chapters~~] on behalf of the entity.

13 SECTION 150. Section 55.04, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 55.04. LOCATION OF PREMISES. The premises of a permit
16 holder under this chapter must be located in an area that is wet for
17 the sale of [~~beer, ale, and~~] malt beverages [~~liquor~~].

18 SECTION 151. Section 55.05, Alcoholic Beverage Code, is
19 amended to read as follows:

20 Sec. 55.05. REPORTING REQUIREMENTS. The commission shall
21 require monthly reports from a permit holder under this chapter
22 showing the brands, types, sizes of containers, and quantities of
23 [~~beer, ale, or~~] malt beverages [~~liquor~~] received at and shipped
24 from the premises to persons authorized to receive them. The
25 reports must conform in all respects to the requirements and forms
26 prescribed by the commission and contain any other information
27 required by the commission.

1 SECTION 152. Section 56.02, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 56.02. QUALIFICATIONS FOR PERMIT; ELIGIBLE PREMISES.

4 (a) A water park permit may be issued only to a person who:

5 (1) holds a wine and malt beverage [~~beer~~] retailer's
6 permit under Chapter 25; and

7 (2) operates a public venue that:

8 (A) involves waterslides, food service, music,
9 and amusement activities; and

10 (B) is located primarily along the banks of the
11 Comal River.

12 (b) A person described by Subsection (a) may be issued water
13 park permits for not more than five premises:

14 (1) for which wine and malt beverage [~~beer~~] retailer's
15 permits have been issued under Chapter 25; and

16 (2) that are located:

17 (A) in the public venue described in Subsection
18 (a)(2); or

19 (B) not more than one mile from the boundary of
20 that venue.

21 SECTION 153. Section 56.04, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 56.04. APPLICABILITY OF OTHER LAW. Except as
24 otherwise provided in this chapter, the provisions of this code
25 applicable to a wine and malt beverage [~~beer~~] retailer's permit
26 apply to a water park permit.

27 SECTION 154. Section 61.01, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 61.01. LICENSE REQUIRED. A ~~[No]~~ person may not
3 ~~[manufacture or]~~ brew malt beverages ~~[beer]~~ for the purpose of
4 sale, import malt beverages ~~[it]~~ into this state, distribute or
5 sell malt beverages ~~[it]~~, or possess malt beverages ~~[it]~~ for the
6 purpose of sale without having first obtained an appropriate
7 license or permit as provided in this code. Each licensee shall
8 display the ~~[his]~~ license at all times in a conspicuous place at the
9 licensed place of business.

10 SECTION 155. Sections 61.03(a) and (b), Alcoholic Beverage
11 Code, are amended to read as follows:

12 (a) Except as provided by Subsections (d) and (e) or another
13 provision of this code, any license except a branch~~[, importer's,~~
14 ~~importer's carrier's, or temporary]~~ license expires on the second
15 anniversary of the date on which it is issued. ~~[Notwithstanding~~
16 ~~Section 5.50(b), the commission shall require double the amount of~~
17 ~~fees and surcharges otherwise applicable under this code for a~~
18 ~~license with a two-year term.]~~

19 (b) A secondary license or certificate which requires the
20 holder of the license or certificate to first obtain another
21 license, including a retailer late hours certificate ~~[license or~~
22 ~~temporary license]~~, expires on the same date the basic or primary
23 license expires. The commission may not prorate or refund any part
24 of the fee for the secondary license or certificate if the
25 application of this section results in the expiration of the
26 license in less than two years.

27 SECTION 156. Section 61.05, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 61.05. NAME OF BUSINESS. A ~~[No]~~ person may not conduct
3 a business engaged in the brewing ~~[manufacture]~~, distribution,
4 importation, or sale of malt beverages ~~[beer]~~ as owner or part owner
5 except under the name to which the license covering the person's
6 ~~[his]~~ place of business is issued.

7 SECTION 157. Section 61.06, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 61.06. PRIVILEGES LIMITED TO LICENSED PREMISES;
10 DELIVERIES. A ~~[No]~~ person licensed to sell malt beverages ~~[beer]~~,
11 other than ~~[except]~~ a brewer ~~[manufacturer]~~ or distributor, may not
12 use or display a license or exercise a privilege granted by the
13 license except at the licensed premises. Deliveries of malt
14 beverages ~~[beer]~~ and collections may be made off the licensed
15 premises in areas where the sale of malt beverages ~~[beer]~~ is legal
16 inside the county where the license is issued, but only in response
17 to orders placed by the customer in person at the licensed premises
18 or by mail or telephone to the licensed premises.

19 SECTION 158. Section 61.07, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 61.07. AGENT FOR SERVICE. Each brewer ~~[manufacturer]~~,
22 distributor, or person shipping or delivering malt beverages ~~[beer]~~
23 into this state shall file a certificate with the secretary of state
24 designating the name, street address, and business of the person's
25 ~~[his]~~ agent on whom process may be served. If a certificate is not
26 filed, service may be had on the secretary of state in any cause of
27 action arising out of a violation of this code, and the secretary of

1 state shall send any citation served on the secretary [~~him~~] by
2 registered mail, return receipt requested, to the person for whom
3 the citation is intended. The receipt is prima facie evidence of
4 service on the person.

5 SECTION 159. Effective December 31, 2020, Section 61.09,
6 Alcoholic Beverage Code, is amended to read as follows:

7 Sec. 61.09. CHANGE OF LOCATION. If a licensee desires to
8 change the licensee's place of business, the licensee may do so by
9 applying to the commission on a form prescribed by the commission
10 and obtaining the commission's consent. The application may be
11 subject to protest and hearing in the same way as an application for
12 an original license. [~~In the case of a required protest hearing,~~
13 ~~the county judge may deny the application for any cause for which an~~
14 ~~original license application may be denied.~~] No additional license
15 fee for the unexpired term of the license shall be required in the
16 case of an application for a change of location.

17 SECTION 160. Section 61.111(a), Alcoholic Beverage Code, is
18 amended to read as follows:

19 (a) The commission by rule shall require the holder of a
20 license authorizing the sale of malt beverages [~~beer~~] for
21 on-premises consumption to display a warning sign on the door to
22 each restroom on the licensed premises that informs the public of
23 the risks of drinking alcohol during pregnancy.

24 SECTION 161. Section 61.12, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 61.12. RESTRICTION ON CONSUMPTION. A [~~No~~] licensee
27 other than [~~except~~] a holder of a license authorizing on-premises

1 consumption of malt beverages [~~beer~~] may not permit malt beverages
2 [~~beer~~] to be consumed on the premises where they are [~~it is~~] sold.

3 SECTION 162. (a) Effective December 31, 2020, Section
4 61.31, Alcoholic Beverage Code, is amended to read as follows:

5 Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file
6 an application for a license to manufacture, distribute, store, or
7 sell beer with the commission on forms prescribed by the
8 commission.

9 (b) On receipt of an application for a license under this
10 code, the commission [~~or administrator~~] shall follow the procedure
11 under Section 11.43 [~~determine whether a protest has been filed~~
12 ~~against the application. If a protest against the application has~~
13 ~~been filed, the commission or administrator shall investigate the~~
14 ~~protest. If the commission or administrator finds that no~~
15 ~~reasonable grounds exist for the protest, or if no protest has been~~
16 ~~filed, the commission or administrator shall issue a license if the~~
17 ~~commission or administrator finds that all facts stated in the~~
18 ~~application are true and no legal ground to refuse a license exists.~~
19 ~~If the commission or administrator finds that reasonable grounds~~
20 ~~exist for the protest, the commission or administrator shall reject~~
21 ~~the protested application and require the applicant to file the~~
22 ~~application with the county judge of the county in which the~~
23 ~~applicant desires to conduct business and submit to a hearing].~~

24 [~~(b) The county judge shall set a protested application for~~
25 ~~a hearing to be held not less than 5 nor more than 10 days after the~~
26 ~~date the county judge receives the protested application.]~~

27 (c) Each applicant for an original license[~~, other than a~~

1 ~~branch or temporary license,~~] shall pay ~~[a hearing fee of \$25 to the~~
2 ~~county clerk at the time of the hearing. The county clerk shall~~
3 ~~deposit the fee in the county treasury. The applicant is liable for~~
4 ~~no other fee except]~~ the annual license fee prescribed by this code.

5 (d) A A ~~[No]~~ person may not sell beer during the pendency of
6 the person's ~~[his]~~ original license application. An ~~[No]~~ official
7 may not advise a person to the contrary.

8 (b) Effective September 1, 2021, Section 61.31, Alcoholic
9 Beverage Code, is amended to read as follows:

10 Sec. 61.31. APPLICATION FOR LICENSE. (a) A person may file
11 an application for a license to manufacture, distribute, store, or
12 sell malt beverages ~~[beer]~~ with the commission on forms prescribed
13 by the commission.

14 (b) On receipt of an application for a license under this
15 code, the commission ~~[or administrator]~~ shall follow the procedure
16 under Section 11.43 ~~[determine whether a protest has been filed~~
17 ~~against the application. If a protest against the application has~~
18 ~~been filed, the commission or administrator shall investigate the~~
19 ~~protest. If the commission or administrator finds that no~~
20 ~~reasonable grounds exist for the protest, or if no protest has been~~
21 ~~filed, the commission or administrator shall issue a license if the~~
22 ~~commission or administrator finds that all facts stated in the~~
23 ~~application are true and no legal ground to refuse a license exists.~~
24 ~~If the commission or administrator finds that reasonable grounds~~
25 ~~exist for the protest, the commission or administrator shall reject~~
26 ~~the protested application and require the applicant to file the~~
27 ~~application with the county judge of the county in which the~~

1 ~~applicant desires to conduct business and submit to a hearing].~~

2 ~~[(b) The county judge shall set a protested application for~~
3 ~~a hearing to be held not less than 5 nor more than 10 days after the~~
4 ~~date the county judge receives the protested application.]~~

5 (c) Each applicant for an original license~~[, other than a~~
6 ~~branch or temporary license,]~~ shall pay ~~[a hearing fee of \$25 to the~~
7 ~~county clerk at the time of the hearing. The county clerk shall~~
8 ~~deposit the fee in the county treasury. The applicant is liable for~~
9 ~~no other fee except]~~ the ~~[annual]~~ license fee authorized by
10 commission rule ~~[prescribed by this code].~~

11 (d) A ~~[No]~~ person may not sell malt beverages ~~[beer]~~ during
12 the pendency of the person's ~~[his]~~ original license application.
13 An ~~[No]~~ official may not advise a person to the contrary.

14 SECTION 163. Effective December 31, 2020, Subchapter B,
15 Chapter 61, Alcoholic Beverage Code, is amended by adding Sections
16 61.313 and 61.314 to read as follows:

17 Sec. 61.313. PROTEST BY MEMBER OF THE PUBLIC. (a) A member
18 of the public may protest an application for:

19 (1) an original retail dealer's on-premise license if
20 a sexually oriented business is to be operated on the premises to be
21 covered by the license;

22 (2) any renewal of a retail dealer's on-premise
23 license if a sexually oriented business is to be operated on the
24 premises to be covered by the license and a petition is presented to
25 the commission that is signed by 50 percent of the residents who
26 reside within 300 feet of any property line of the affected
27 premises; or

1 (3) a license authorizing the retail sale of malt
2 beverages for on-premises consumption if the person resides within
3 300 feet of any property line of the premises for which the license
4 is sought.

5 (b) In addition to the situations described by Subsection
6 (a), the commission by rule may authorize a member of the public to
7 protest other license applications the commission considers
8 appropriate.

9 (c) A protest made under this section must include an
10 allegation of grounds on which the original or renewal application,
11 as applicable, should be denied.

12 Sec. 61.314. PROTEST BY GOVERNMENT OFFICIAL. (a) The
13 following persons may protest an application for an alcoholic
14 beverage license:

15 (1) the state senator, state representative, county
16 commissioner, and city council member who represent the area in
17 which the premises sought to be licensed are located;

18 (2) the commissioners court of the county in which the
19 premises sought to be licensed are located;

20 (3) the county judge of the county in which the
21 premises sought to be licensed are located;

22 (4) the sheriff or county or district attorney of the
23 county in which the premises sought to be licensed are located;

24 (5) the mayor of the city or town in which the premises
25 sought to be licensed are located; and

26 (6) the chief of police, city marshal, or city
27 attorney of the city or town in which the premises sought to be

1 permitted are located.

2 (b) The commission may give due consideration to the
3 recommendations of a person listed under Subsection (a) when
4 evaluating an application for a license under this code.

5 SECTION 164. Effective December 31, 2020, Section 61.34(d),
6 Alcoholic Beverage Code, is amended to read as follows:

7 (d) A person appealing from an order denying a license
8 ~~[under this section]~~ shall give bond for all costs incident to the
9 appeal and shall be required to pay those costs if the judgment on
10 appeal is unfavorable to the applicant, but not otherwise. A ~~[No]~~
11 bond is not required on appeals filed on behalf of the state.

12 SECTION 165. Sections 61.35(a) and (b), Alcoholic Beverage
13 Code, are amended to read as follows:

14 (a) A separate license fee is required for each place of
15 business that brews ~~[manufactures]~~, imports, or sells malt
16 beverages ~~[beer]~~.

17 (b) All license fees~~[, except those for temporary~~
18 ~~licenses]~~ shall be deposited as provided in Section 205.02. Each
19 license application must be accompanied by a cashier's check, a
20 teller's check, a check drawn on the account of a corporation
21 applying for a license or on the account of a corporation that is an
22 agent for the person applying for a license, a money order, or
23 payment by credit card, charge card, or other electronic form of
24 payment approved by commission rule for the amount of the state fee,
25 payable to the order of the comptroller.

26 SECTION 166. Section 61.36(a), Alcoholic Beverage Code, is
27 amended to read as follows:

1 (a) The governing body of an incorporated city or town may
2 levy and collect a fee not to exceed one-half of the state fee for
3 each license[~~, except a temporary or agent's beer license,~~] issued
4 for premises located within the city or town. The commissioners
5 court of a county may levy and collect a fee equal to one-half the
6 state fee for each license[~~, except a temporary or agent's beer
7 license,~~] issued for premises located within the county. Those
8 authorities may not levy or collect any other fee or tax from the
9 licensee except general ad valorem taxes, the hotel occupancy tax
10 levied under Chapter 351, Tax Code, and the local sales and use tax
11 levied under Chapter 321, Tax Code.

12 SECTION 167. Effective December 31, 2020, Section 61.36(d),
13 Alcoholic Beverage Code, is amended to read as follows:

14 (d) The commission or administrator may cancel or the
15 commission may deny an application for a license for the retail sale
16 of alcoholic beverages, including a license held by the holder of a
17 food and beverage certificate, if it finds that the license holder
18 or applicant has not paid delinquent ad valorem taxes due on that
19 licensed premises or due from a business operated on that premises
20 to any taxing authority in the county of the premises. For purposes
21 of this subsection, a license holder or applicant is presumed
22 delinquent in the payment of taxes due if the license holder or
23 applicant:

24 (1) is placed on a delinquent tax roll prepared under
25 Section 33.03, Tax Code;

26 (2) has received a notice of delinquency under Section
27 33.04, Tax Code; and

1 (3) has not made a payment required under Section
2 42.08, Tax Code.

3 SECTION 168. Effective September 1, 2019, Sections 61.37(a)
4 and (b), Alcoholic Beverage Code, are amended to read as follows:

5 (a) The county clerk of the county in which an application
6 for a license is made shall certify whether the location or address
7 given in the application is in a wet area and whether the sale of
8 alcoholic beverages for which the license is sought is prohibited
9 by any valid order of the commissioners court. The county clerk
10 shall issue the certification not later than the 30th day after the
11 date the county clerk receives the application for certification.

12 (b) The city secretary or clerk of the city in which an
13 application for a license is made shall certify whether the
14 location or address given in the application is in a wet area and
15 whether the sale of alcoholic beverages for which the license is
16 sought is prohibited by charter or ordinance. The city secretary or
17 clerk of the city shall issue the certification not later than the
18 30th day after the date the city secretary or clerk of the city
19 receives the application for certification.

20 SECTION 169. Section 61.38(a), Alcoholic Beverage Code, is
21 amended to read as follows:

22 (a) Every original applicant for a license to brew
23 [manufacture], distribute, or sell malt beverages ~~[beer]~~ at retail
24 shall give notice of the application by electronic or nonelectronic
25 publication at the applicant's own expense in two consecutive
26 issues of a newspaper of general circulation published in the city
27 or town in which the applicant's place of business is located. If

1 no newspaper is published in that city or town, the notice must be
2 published in a newspaper of general circulation published in the
3 county where the applicant's business is located. If no newspaper
4 is published in that county, the notice must be published in a
5 qualified newspaper published in the closest neighboring county and
6 circulated in the county where the applicant's business is located.

7 SECTION 170. Effective September 1, 2019, Section
8 61.381(c), Alcoholic Beverage Code, is amended to read as follows:

9 (c) This section does not apply to an applicant for a
10 license issued under Chapter 64, [~~65~~] 66, or 71.

11 SECTION 171. Section 61.382(a), Alcoholic Beverage Code, is
12 amended to read as follows:

13 (a) Except as provided by Subsection (b), a person who
14 submits an original application for a license authorizing the
15 retail sale of malt beverages [~~beer~~] for on-premises consumption
16 shall give written notice of the application to each residential
17 address and established neighborhood association located within
18 300 feet of any property line of the premises for which the license
19 is sought.

20 SECTION 172. (a) Effective December 31, 2020, Section
21 61.41(c), Alcoholic Beverage Code, is amended to read as follows:

22 (c) If the holder of the existing license has made a
23 declaration required by the commission that the license holder will
24 no longer use the license, the license holder may not manufacture or
25 sell beer or possess it for the purpose of sale until the license
26 has been reinstated. The holder may apply to the commission for the
27 reinstatement of the license in the same manner and according to the

1 same procedure as in the case of an original license application.
2 The [~~county judge or the~~] commission [~~or administrator~~] may deny
3 reinstatement of the license for any cause for which an original
4 license application may be denied.

5 (b) Effective September 1, 2021, Sections 61.41(c) and (d),
6 Alcoholic Beverage Code, are amended to read as follows:

7 (c) If the holder of the existing license has made a
8 declaration required by the commission that the license holder will
9 no longer use the license, the license holder may not brew
10 [~~manufacture~~] or sell malt beverages [~~beer~~] or possess malt
11 beverages [~~it~~] for the purpose of sale until the license has been
12 reinstated. The holder may apply to the commission for the
13 reinstatement of the license in the same manner and according to the
14 same procedure as in the case of an original license application.
15 The [~~county judge or the~~] commission [~~or administrator~~] may deny
16 reinstatement of the license for any cause for which an original
17 license application may be denied.

18 (d) Notwithstanding Subsection (a) and Sections 11.49 and
19 109.53, more than one brewer's [~~manufacturer's~~] or nonresident
20 brewer's [~~manufacturer's~~] license may be issued for a single
21 premises if the license holder for the premises has contracted with
22 an entity under an alternating brewery proprietorship or contract
23 brewing arrangement.

24 SECTION 173. (a) Effective September 1, 2019, Section
25 61.42(a), Alcoholic Beverage Code, is amended to read as follows:

26 (a) The county judge shall refuse to approve an application
27 for a license as a distributor or retailer if the county judge [~~he~~]

1 has reasonable grounds to believe and finds that:

2 (1) the applicant is a minor;

3 (2) the applicant is indebted to the state for any
4 taxes, fees, or penalties imposed by this code or by rule of the
5 commission;

6 (3) the place or manner in which the applicant for a
7 retail dealer's license may conduct the applicant's [~~his~~] business
8 warrants a refusal of the application for a license based on the
9 general welfare, health, peace, morals, safety, and sense of
10 decency of the people;

11 (4) the applicant has developed an incapacity that
12 prevents or could prevent the applicant from conducting the
13 applicant's business with reasonable skill, competence, and safety
14 to the public [~~is in the habit of using alcoholic beverages to~~
15 ~~excess or is mentally or physically incompetent~~];

16 (5) the applicant is not a United States citizen or has
17 not been a citizen of Texas for a period of one year immediately
18 preceding the filing of the applicant's [~~his~~] application, unless
19 the applicant [~~he~~] was issued an original or renewal license on or
20 before September 1, 1948;

21 (6) the applicant was finally convicted of a felony
22 during the five years immediately preceding the filing of the
23 applicant's [~~his~~] application;

24 (7) the applicant is not of good moral character or the
25 applicant's [~~his~~] reputation for being a peaceable, law-abiding
26 citizen in the community where the applicant [~~he~~] resides is bad; or

27 (8) as to a corporation, it is not incorporated under

1 the laws of this state, or at least 51 percent of the corporate
2 stock is not owned at all times by persons who individually are
3 qualified to obtain a license, except that this subdivision does
4 not apply to a holder of any renewal of a distributor's license
5 which was in effect on January 1, 1953[~~, or to an applicant for a~~
6 ~~beer retailer's on-premise license for a railway car~~].

7 (b) Effective December 31, 2020, Section 61.42, Alcoholic
8 Beverage Code, is amended to read as follows:

9 Sec. 61.42. MANDATORY GROUNDS FOR DENIAL [~~REFUSAL~~]:
10 DISTRIBUTOR OR RETAILER. (a) The commission [~~county judge~~] shall
11 deny [~~refuse to approve~~] an application for a license as a
12 distributor or retailer if the commission [~~he~~] has reasonable
13 grounds to believe and finds that:

14 (1) the applicant is a minor;

15 (2) the applicant is indebted to the state for any
16 taxes, fees, or penalties imposed by this code or by rule of the
17 commission;

18 (3) the place or manner in which the applicant for a
19 retail dealer's license may conduct the applicant's [~~his~~] business
20 warrants a denial [~~refusal~~] of the application for a license based
21 on the general welfare, health, peace, morals, safety, and sense of
22 decency of the people;

23 (4) the applicant has developed an incapacity that
24 prevents or could prevent the applicant from conducting the
25 applicant's business with reasonable skill, competence, and safety
26 to the public [~~is in the habit of using alcoholic beverages to~~
27 ~~excess or is mentally or physically incompetent~~];

1 (5) the applicant is not a United States citizen or has
2 not been a citizen of Texas for a period of one year immediately
3 preceding the filing of the applicant's [~~his~~] application, unless
4 the applicant [~~he~~] was issued an original or renewal license on or
5 before September 1, 1948;

6 (6) the applicant was finally convicted of a felony
7 during the five years immediately preceding the filing of the
8 applicant's [~~his~~] application;

9 (7) the applicant is not of good moral character or the
10 applicant's [~~his~~] reputation for being a peaceable, law-abiding
11 citizen in the community where the applicant [~~he~~] resides is bad; or

12 (8) as to a corporation, it is not incorporated under
13 the laws of this state, or at least 51 percent of the corporate
14 stock is not owned at all times by persons who individually are
15 qualified to obtain a license, except that this subdivision does
16 not apply to a holder of any renewal of a distributor's license
17 which was in effect on January 1, 1953[~~, or to an applicant for a~~
18 ~~beer retailer's on-premise license for a railway car~~].

19 (b) The [~~county judge,~~] commission[~~, or administrator~~]
20 shall deny an application for [~~refuse to approve or issue~~] an
21 original retail dealer's or retail dealer's on-premise license
22 unless the applicant for the license files with the application a
23 certificate issued by the comptroller of public accounts stating
24 that the applicant holds, or has applied for and satisfies all legal
25 requirements for the issuance of, a sales tax permit for the place
26 of business for which the license is sought.

27 (c) The [~~county judge,~~] commission[~~, or administrator~~]

1 shall deny [~~refuse to approve or issue~~] for a period of one year an
2 application for a retail dealer's on-premise license or a wine and
3 beer retailer's permit for a premises where a license or permit has
4 been canceled during the preceding 12 months as a result of a
5 shooting, stabbing, or other violent act, or as a result of an
6 offense involving drugs, prostitution, or trafficking of persons.

7 (d) The [~~county judge,~~] commission[~~, or administrator~~]
8 shall deny [~~refuse to approve or issue~~] a license to a person
9 convicted of an offense under Section 101.76 for a period of five
10 years from the date of the conviction.

11 (c) Effective September 1, 2021, Section 61.42(c),
12 Alcoholic Beverage Code, is amended to read as follows:

13 (c) The [~~county judge,~~] commission[~~, or administrator~~]
14 shall deny [~~refuse to approve or issue~~] for a period of one year an
15 application for a retail dealer's on-premise license or a wine and
16 malt beverage [~~beer~~] retailer's permit for a premises where a
17 license or permit has been canceled during the preceding 12 months
18 as a result of a shooting, stabbing, or other violent act, or as a
19 result of an offense involving drugs, prostitution, or trafficking
20 of persons.

21 SECTION 174. Effective December 31, 2020, the heading to
22 Section 61.421, Alcoholic Beverage Code, is amended to read as
23 follows:

24 Sec. 61.421. DENIAL [~~REFUSAL~~] OF LICENSE AUTHORIZING
25 ON-PREMISES CONSUMPTION.

26 SECTION 175. Effective December 31, 2020, Section
27 61.421(b), Alcoholic Beverage Code, is amended to read as follows:

1 (b) The commission [~~or administrator, with or without a~~
2 ~~hearing, or the county judge,~~] shall deny an application for
3 [~~refuse to issue or approve~~] an original or renewal license
4 authorizing on-premises consumption of alcoholic beverages if the
5 commission[~~, administrator, or county judge~~] has reasonable
6 grounds to believe and finds that, during the three years preceding
7 the date the license application was filed, a license or permit
8 previously held under this code by the applicant, a person who owns
9 the premises for which the license is sought, or an officer of a
10 person who owns the premises for which the license is sought was
11 canceled or not renewed as a result of a shooting, stabbing, or
12 other violent act.

13 SECTION 176. Section 61.421(c), Alcoholic Beverage Code, is
14 amended to read as follows:

15 (c) This section does not apply to the issuance of an
16 original or renewal license authorizing on-premises consumption
17 for a location that holds a food and beverage certificate but does
18 not hold a retailer late hours certificate [~~license~~].

19 SECTION 177. Effective December 31, 2020, Section 61.43,
20 Alcoholic Beverage Code, is amended to read as follows:

21 Sec. 61.43. DISCRETIONARY GROUNDS FOR DENIAL
22 [~~REFUSAL~~]: DISTRIBUTOR OR RETAILER. The commission [~~county~~
23 ~~judge~~] may deny [~~refuse to approve~~] an application for a license as
24 a distributor or retailer if the commission [~~county judge~~] has
25 reasonable grounds to believe and finds that:

26 (1) the applicant has been finally convicted in a
27 court of competent jurisdiction for the violation of a provision of

1 this code during the two years immediately preceding the filing of
2 an application;

3 (2) five years has not elapsed since the termination,
4 by pardon or otherwise, of a sentence imposed for conviction of a
5 felony;

6 (3) the applicant has violated or caused to be
7 violated a provision of this code or a rule or regulation of the
8 commission, for which a suspension was not imposed, during the
9 12-month period immediately preceding the filing of an application;

10 (4) the applicant failed to answer or falsely or
11 incorrectly answered a question in an original or renewal
12 application;

13 (5) the applicant for a retail dealer's license does
14 not have an adequate building available at the address for which the
15 license is sought before conducting any activity authorized by the
16 license;

17 (6) the applicant or a person with whom the applicant
18 is residentially domiciled had an interest in a license or permit
19 which was cancelled or revoked within the 12-month period
20 immediately preceding the filing of an application;

21 (7) the applicant failed or refused to furnish a true
22 copy of the application to the commission's district office in the
23 district in which the premises sought to be licensed are located;

24 (8) the applicant for a retail dealer's license will
25 conduct business in a manner contrary to law or in a place or manner
26 conducive to a violation of the law; or

27 (9) the place, building, or premises for which the

1 license is sought was used for selling alcoholic beverages in
2 violation of the law at any time during the six months immediately
3 preceding the filing of the application or was used, operated, or
4 frequented during that time for a purpose or in a manner which was
5 lewd, immoral, offensive to public decency, or contrary to this
6 code.

7 SECTION 178. (a) Effective December 31, 2020, Section
8 61.44, Alcoholic Beverage Code, is amended to read as follows:

9 Sec. 61.44. DENIAL [~~REFUSAL~~] OF DISTRIBUTOR'S OR RETAILER'S
10 LICENSE: PROHIBITED INTERESTS. (a) The commission [~~county judge~~]
11 may deny [~~refuse to approve~~] an application for a license as a
12 distributor or retailer if the commission [~~he~~] has reasonable
13 grounds to believe and finds that:

14 (1) the applicant has a financial interest in an
15 establishment authorized to sell distilled spirits, except as
16 authorized in Section 22.06, 24.05, or 102.05 [~~of this code~~];

17 (2) a person engaged in the business of selling
18 distilled spirits has a financial interest in the business to be
19 conducted under the license sought by the applicant, except as
20 authorized in Section 22.06, 24.05, or 102.05 [~~of this code~~]; or

21 (3) the applicant is residentially domiciled with a
22 person who has a financial interest in an establishment engaged in
23 the business of selling distilled spirits, except as authorized in
24 Section 22.06, 24.05, or 102.05 [~~of this code~~].

25 (b) The commission [~~county judge~~] may deny [~~refuse to~~
26 ~~approve~~] an application for a retail dealer's license if the
27 commission [~~he~~] has reasonable grounds to believe and finds that:

1 (1) the applicant has a real interest in the business
2 or premises of the holder of a manufacturer's or distributor's
3 license; or

4 (2) the premises sought to be licensed are owned in
5 whole or part by the holder of a manufacturer's or distributor's
6 license.

7 (b) Effective September 1, 2021, Section 61.44(b),
8 Alcoholic Beverage Code, is amended to read as follows:

9 (b) The commission [~~county judge~~] may deny [~~refuse to~~
10 ~~approve~~] an application for a retail dealer's license if the
11 commission [~~he~~] has reasonable grounds to believe and finds that:

12 (1) the applicant has a real interest in the business
13 or premises of the holder of a brewer's [~~manufacturer's~~] or
14 distributor's license; or

15 (2) the premises sought to be licensed are owned in
16 whole or part by the holder of a brewer's [~~manufacturer's~~] or
17 distributor's license.

18 SECTION 179. (a) Effective December 31, 2020, Section
19 61.45, Alcoholic Beverage Code, is amended to read as follows:

20 Sec. 61.45. DENIAL [~~REFUSAL~~] OF RETAILER'S OR DISTRIBUTOR'S
21 LICENSE: PROHIBITED INTEREST IN PREMISES. (a) The commission
22 [~~county judge~~] may deny [~~refuse to approve~~] an application for a
23 retail dealer's license if the commission [~~he~~] has reasonable
24 grounds to believe and finds that:

25 (1) the applicant owns or has an interest in the
26 premises covered by a manufacturer's or distributor's license; or

27 (2) the holder of a manufacturer's or distributor's

1 license owns or has an interest in the premises sought to be
2 licensed.

3 (b) The commission [~~county judge~~] may deny [~~refuse to~~
4 ~~approve~~] an application for a distributor's license if the
5 commission [~~he~~] has reasonable grounds to believe and finds that:

6 (1) the applicant owns or has an interest in the
7 premises covered by a retail dealer's license; or

8 (2) a holder of a retail dealer's license owns or has
9 an interest in the premises sought to be licensed.

10 (b) Effective September 1, 2021, Section 61.45(a),
11 Alcoholic Beverage Code, is amended to read as follows:

12 (a) The commission [~~county judge~~] may deny [~~refuse to~~
13 ~~approve~~] an application for a retail dealer's license if the
14 commission [~~he~~] has reasonable grounds to believe and finds that:

15 (1) the applicant owns or has an interest in the
16 premises covered by a brewer's [~~manufacturer's~~] or distributor's
17 license; or

18 (2) the holder of a brewer's [~~manufacturer's~~] or
19 distributor's license owns or has an interest in the premises
20 sought to be licensed.

21 SECTION 180. The heading to Section 61.46, Alcoholic
22 Beverage Code, is amended to read as follows:

23 Sec. 61.46. BREWER'S [~~MANUFACTURER'S~~] LICENSE: GROUNDS FOR
24 DENIAL [~~REFUSAL~~].

25 SECTION 181. Section 61.46(a), Alcoholic Beverage Code, is
26 amended to read as follows:

27 (a) This section applies to any applicant for a brewer's

1 ~~[manufacturer's]~~ license, including a domestic corporation or
2 foreign corporation qualified to do business in Texas,
3 administrator or executor, or other person. This section does not
4 apply to a holder of a subsequent renewal of a ~~[manufacturer's]~~
5 license which was in effect on January 1, 1953, that authorized the
6 license holder to manufacture a type of malt beverage.

7 SECTION 182. (a) Effective December 31, 2020, Section
8 61.46(b), Alcoholic Beverage Code, is amended to read as follows:

9 (b) The commission ~~[county judge]~~ shall deny ~~[refuse to~~
10 ~~approve]~~ an application for a manufacturer's license if the
11 commission ~~[he]~~ has reasonable grounds to believe and finds that
12 the applicant has failed to state under oath that it will engage in
13 the business of brewing and packaging beer in this state within
14 three years after the issuance of its original license in
15 sufficient quantities as to make its operation that of a bona fide
16 brewing manufacturer.

17 (b) Effective September 1, 2021, Section 61.46(b),
18 Alcoholic Beverage Code, is amended to read as follows:

19 (b) The commission ~~[county judge]~~ shall deny ~~[refuse to~~
20 ~~approve]~~ an application for a brewer's ~~[manufacturer's]~~ license if
21 the commission ~~[he]~~ has reasonable grounds to believe and finds
22 that the applicant has failed to state under oath that it will
23 engage in the business of brewing and packaging malt beverages
24 ~~[beer]~~ in this state within three years after the issuance of its
25 original license in sufficient quantities as to make its operation
26 that of a bona fide brewer ~~[brewing manufacturer]~~.

27 SECTION 183. Effective December 31, 2020, Section 61.48,

1 Alcoholic Beverage Code, is amended to read as follows:

2 Sec. 61.48. RENEWAL APPLICATION. An application to renew a
3 license shall be filed with the commission not [~~no~~] earlier than the
4 30th day [~~30 days~~] before the date the license expires but not after
5 it expires. The application shall be signed by the applicant and
6 shall contain complete information required by the commission
7 showing that the applicant is not disqualified from holding a
8 license. The application shall be accompanied by the appropriate
9 license fee. An [~~No~~] applicant for a renewal may not be required to
10 pay any fee other than license fees and the filing fee [~~unless the~~
11 ~~applicant is required by the commission or administrator to submit~~
12 ~~to a renewal hearing before the county judge~~].

13 SECTION 184. Effective December 31, 2020, Section 61.49,
14 Alcoholic Beverage Code, is amended to read as follows:

15 Sec. 61.49. ACTION ON RENEWAL APPLICATION BY COMMISSION;
16 REFUND OF FEE. When the renewal application has been filed in
17 accordance with Section 61.48, the commission shall follow the
18 procedure under [~~or administrator may in its discretion issue a~~
19 ~~renewal license or if an application for a renewal is protested~~
20 ~~reject the application and require the applicant to file an~~
21 ~~application with the county judge and submit to a hearing as is~~
22 ~~required by~~] Section 11.43 [~~61.31~~].

23 SECTION 185. Effective December 31, 2020, Section 61.50,
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 61.50. RENEWAL OF RETAIL DEALER'S LICENSE: GROUNDS FOR
26 DENIAL [~~REFUSAL~~]. The commission [~~or administrator, without a~~
27 ~~hearing,~~] may deny an application for [~~refuse to issue~~] a renewal of

1 a retail dealer's license and require the applicant to make an
2 original application if it is found that circumstances exist which
3 would warrant the denial [~~refusal~~] of an original application under
4 any pertinent provision of this code.

5 SECTION 186. (a) Effective September 1, 2019, Section
6 61.71(a), Alcoholic Beverage Code, is amended to read as follows:

7 (a) The commission or administrator may suspend for not more
8 than 60 days or cancel an original or renewal retail dealer's on- or
9 off-premise license if it is found, after notice and hearing, that
10 the licensee:

11 (1) violated a provision of this code or a rule of the
12 commission during the existence of the license sought to be
13 cancelled or suspended or during the immediately preceding license
14 period;

15 (2) was finally convicted for violating a penal
16 provision of this code;

17 (3) was finally convicted of a felony while holding an
18 original or renewal license;

19 (4) made a false statement or a misrepresentation in
20 the licensee's original application or a renewal application;

21 (5) with criminal negligence sold, served, or
22 delivered an alcoholic beverage to a minor;

23 (6) sold, served, or delivered an alcoholic beverage
24 to an intoxicated person;

25 (7) sold, served, or delivered an alcoholic beverage
26 at a time when its sale is prohibited;

27 (8) entered or offered to enter an agreement,

1 condition, or system which would constitute the sale or possession
2 of alcoholic beverages on consignment;

3 (9) possessed on the licensed premises, or on adjacent
4 premises directly or indirectly under the licensee's control, an
5 alcoholic beverage not authorized to be sold on the licensed
6 premises, or permitted an agent, servant, or employee to do so,
7 except as permitted by Section 22.06, 24.05, or 102.05;

8 (10) permitted a person on the licensed premises to
9 engage in conduct which is lewd, immoral, or offensive to public
10 decency;

11 (11) employed a person under 18 years of age to sell,
12 handle, or dispense beer, or to assist in doing so, in an
13 establishment where beer is sold for on-premises consumption;

14 (12) conspired with a person to violate Section
15 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or
16 108.04-108.06, or a rule promulgated under Section 5.40, or
17 accepted a benefit from an act prohibited by any of these sections
18 or rules;

19 (13) refused to permit or interfered with an
20 inspection of the licensed premises by an authorized representative
21 of the commission or a peace officer;

22 (14) permitted the use or display of the licensee's
23 license in the conduct of a business for the benefit of a person not
24 authorized by law to have an interest in the license;

25 (15) maintained blinds or barriers at the licensee's
26 place of business in violation of this code;

27 (16) conducted the licensee's business in a place or

1 manner which warrants the cancellation or suspension of the license
2 based on the general welfare, health, peace, morals, safety, and
3 sense of decency of the people;

4 (17) consumed an alcoholic beverage or permitted one
5 to be consumed on the licensed premises at a time when the
6 consumption of alcoholic beverages is prohibited by this code;

7 (18) purchased beer for the purpose of resale from a
8 person other than the holder of a manufacturer's or distributor's
9 license;

10 (19) acquired an alcoholic beverage for the purpose of
11 resale from another retail dealer of alcoholic beverages;

12 (20) owned an interest of any kind in the business or
13 premises of the holder of a distributor's license;

14 (21) purchased, sold, offered for sale, distributed,
15 or delivered an alcoholic beverage, or consumed an alcoholic
16 beverage or permitted one to be consumed on the licensed premises
17 while the licensee's license was under suspension;

18 (22) purchased, possessed, stored, sold, or offered
19 for sale beer in or from an original package bearing a brand or
20 trade name of a manufacturer other than the brand or trade name
21 shown on the container;

22 (23) has developed an incapacity that prevents or
23 could prevent the license holder from managing the license holder's
24 establishment with reasonable skill, competence, and safety to the
25 public [~~habitually uses alcoholic beverages to excess, is mentally~~
26 ~~incompetent, or is physically unable to manage the licensee's~~
27 ~~establishment~~];

1 (24) imported beer into this state except as
2 authorized by Section 107.07;

3 (25) occupied premises in which the holder of a
4 manufacturer's or distributor's license had an interest of any
5 kind;

6 (26) knowingly permitted a person who had an interest
7 in a permit or license which was cancelled for cause to sell,
8 handle, or assist in selling or handling alcoholic beverages on the
9 licensed premises within one year after the cancellation;

10 (27) was financially interested in a place of business
11 engaged in the selling of distilled spirits or permitted a person
12 having an interest in that type of business to have a financial
13 interest in the business authorized by the licensee's license,
14 except as permitted by Section 22.06, 24.05, or 102.05;

15 (28) is residentially domiciled with or related to a
16 person engaged in selling distilled spirits, except as permitted by
17 Section 22.06, 24.05, or 102.05, so that there is a community of
18 interests which the commission or administrator finds contrary to
19 the purposes of this code;

20 (29) is residentially domiciled with or related to a
21 person whose license has been cancelled within the preceding 12
22 months so that there is a community of interests which the
23 commission or administrator finds contrary to the purposes of this
24 code; or

25 (30) failed to promptly report to the commission a
26 breach of the peace occurring on the licensee's licensed premises.

27 (b) Effective September 1, 2021, Section 61.71(a),

1 Alcoholic Beverage Code, is amended to read as follows:

2 (a) The commission or administrator may suspend for not more
3 than 60 days or cancel an original or renewal retail dealer's on- or
4 off-premise license if it is found, after notice and hearing, that
5 the licensee:

6 (1) violated a provision of this code or a rule of the
7 commission during the existence of the license sought to be
8 cancelled or suspended or during the immediately preceding license
9 period;

10 (2) was finally convicted for violating a penal
11 provision of this code;

12 (3) was finally convicted of a felony while holding an
13 original or renewal license;

14 (4) made a false statement or a misrepresentation in
15 the licensee's original application or a renewal application;

16 (5) with criminal negligence sold, served, or
17 delivered an alcoholic beverage to a minor;

18 (6) sold, served, or delivered an alcoholic beverage
19 to an intoxicated person;

20 (7) sold, served, or delivered an alcoholic beverage
21 at a time when its sale is prohibited;

22 (8) entered or offered to enter an agreement,
23 condition, or system which would constitute the sale or possession
24 of alcoholic beverages on consignment;

25 (9) possessed on the licensed premises, or on adjacent
26 premises directly or indirectly under the licensee's control, an
27 alcoholic beverage not authorized to be sold on the licensed

1 premises, or permitted an agent, servant, or employee to do so,
2 except as permitted by Section 22.06, 24.05, or 102.05;

3 (10) permitted a person on the licensed premises to
4 engage in conduct which is lewd, immoral, or offensive to public
5 decency;

6 (11) employed a person under 18 years of age to sell,
7 handle, or dispense malt beverages [~~beer~~], or to assist in doing so,
8 in an establishment where malt beverages are [~~beer is~~] sold for
9 on-premises consumption;

10 (12) conspired with a person to violate Section
11 101.41-101.43, 101.68, 102.11-102.15, 104.04, 108.01, or
12 108.04-108.06, or a rule promulgated under Section 5.40, or
13 accepted a benefit from an act prohibited by any of these sections
14 or rules;

15 (13) refused to permit or interfered with an
16 inspection of the licensed premises by an authorized representative
17 of the commission or a peace officer;

18 (14) permitted the use or display of the licensee's
19 license in the conduct of a business for the benefit of a person not
20 authorized by law to have an interest in the license;

21 (15) maintained blinds or barriers at the licensee's
22 place of business in violation of this code;

23 (16) conducted the licensee's business in a place or
24 manner which warrants the cancellation or suspension of the license
25 based on the general welfare, health, peace, morals, safety, and
26 sense of decency of the people;

27 (17) consumed an alcoholic beverage or permitted one

1 to be consumed on the licensed premises at a time when the
2 consumption of alcoholic beverages is prohibited by this code;

3 (18) purchased malt beverages [~~beer~~] for the purpose
4 of resale from a person other than the holder of a brewer's
5 [~~manufacturer's~~] or distributor's license;

6 (19) acquired an alcoholic beverage for the purpose of
7 resale from another retail dealer of alcoholic beverages;

8 (20) owned an interest of any kind in the business or
9 premises of the holder of a distributor's license;

10 (21) purchased, sold, offered for sale, distributed,
11 or delivered an alcoholic beverage, or consumed an alcoholic
12 beverage or permitted one to be consumed on the licensed premises
13 while the licensee's license was under suspension;

14 (22) purchased, possessed, stored, sold, or offered
15 for sale malt beverages [~~beer~~] in or from an original package
16 bearing a brand or trade name of a manufacturer other than the brand
17 or trade name shown on the container;

18 (23) has developed an incapacity that prevents or
19 could prevent the license holder from managing the license holder's
20 establishment with reasonable skill, competence, and safety to the
21 public [~~habitually uses alcoholic beverages to excess, is mentally~~
22 ~~incompetent, or is physically unable to manage the licensee's~~
23 ~~establishment~~];

24 (24) imported malt beverages [~~beer~~] into this state
25 except as authorized by Section 107.07;

26 (25) occupied premises in which the holder of a
27 brewer's [~~manufacturer's~~] or distributor's license had an interest

1 of any kind;

2 (26) knowingly permitted a person who had an interest
3 in a permit or license which was cancelled for cause to sell,
4 handle, or assist in selling or handling alcoholic beverages on the
5 licensed premises within one year after the cancellation;

6 (27) was financially interested in a place of business
7 engaged in the selling of distilled spirits or permitted a person
8 having an interest in that type of business to have a financial
9 interest in the business authorized by the licensee's license,
10 except as permitted by Section 22.06, 24.05, or 102.05;

11 (28) is residentially domiciled with or related to a
12 person engaged in selling distilled spirits, except as permitted by
13 Section 22.06, 24.05, or 102.05, so that there is a community of
14 interests which the commission or administrator finds contrary to
15 the purposes of this code;

16 (29) is residentially domiciled with or related to a
17 person whose license has been cancelled within the preceding 12
18 months so that there is a community of interests which the
19 commission or administrator finds contrary to the purposes of this
20 code; or

21 (30) failed to promptly report to the commission a
22 breach of the peace occurring on the licensee's licensed premises.

23 SECTION 187. Effective December 31, 2020, Section 61.712,
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 61.712. GROUNDS FOR CANCELLATION OR SUSPENSION: SALES
26 TAX. The commission [~~or administrator~~] may deny an application for
27 a renewal license [~~refuse to renew~~] or, after notice and hearing,

1 the commission or administrator may suspend for not more than 60
2 days or cancel a license if the commission or administrator finds
3 that the licensee:

4 (1) no longer holds a sales tax permit, if required,
5 for the place of business covered by the license; or

6 (2) is shown on the records of the comptroller of
7 public accounts as being subject to a final determination of taxes
8 due and payable under the Limited Sales, Excise and Use Tax Act
9 (Chapter 151, Tax Code), or is shown on the records of the
10 comptroller of public accounts as being subject to a final
11 determination of taxes due and payable under Chapter 321, Tax Code.

12 SECTION 188. (a) Effective December 31, 2020, Section
13 61.721, Alcoholic Beverage Code, is amended to read as follows:

14 Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN
15 MUNICIPALITIES. The commission or administrator may cancel an
16 original or a renewal wine and beer retailer's permit or retail
17 dealer's on-premise license and the commission may deny an
18 application for ~~[refuse to issue]~~ any new alcoholic beverage permit
19 or license for the same premises for one year after the date of
20 cancellation if:

21 (1) the chief of police of the city or the sheriff of
22 the county in which the premises are located has submitted a sworn
23 statement to the commission stating specific allegations that the
24 place or manner in which the permittee or licensee conducts its
25 business endangers the general welfare, health, peace, morals, or
26 safety of the community and further stating that there is a
27 reasonable likelihood that such conduct would continue at the same

1 location under another licensee or permittee; and

2 (2) the commission [~~or administrator~~] finds, after
3 notice and hearing within the county where the premises are
4 located, that the place or manner in which the permittee or licensee
5 conducts its business does in fact endanger the general welfare,
6 health, peace, morals, or safety of the community and that there is
7 a reasonable likelihood that such conduct would continue at the
8 same location under another licensee or permittee.

9 (b) Effective September 1, 2021, Section 61.721, Alcoholic
10 Beverage Code, is amended to read as follows:

11 Sec. 61.721. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN
12 MUNICIPALITIES. The commission or administrator may cancel an
13 original or a renewal wine and malt beverage [~~beer~~] retailer's
14 permit or retail dealer's on-premise license and the commission may
15 deny an application for [~~refuse to issue~~] any new alcoholic
16 beverage permit or license for the same premises for one year after
17 the date of cancellation if:

18 (1) the chief of police of the city or the sheriff of
19 the county in which the premises are located has submitted a sworn
20 statement to the commission stating specific allegations that the
21 place or manner in which the permittee or licensee conducts its
22 business endangers the general welfare, health, peace, morals, or
23 safety of the community and further stating that there is a
24 reasonable likelihood that such conduct would continue at the same
25 location under another licensee or permittee; and

26 (2) the commission [~~or administrator~~] finds, after
27 notice and hearing within the county where the premises are

1 located, that the place or manner in which the permittee or licensee
2 conducts its business does in fact endanger the general welfare,
3 health, peace, morals, or safety of the community and that there is
4 a reasonable likelihood that such conduct would continue at the
5 same location under another licensee or permittee.

6 SECTION 189. Section 61.73, Alcoholic Beverage Code, is
7 amended to read as follows:

8 Sec. 61.73. RETAIL DEALER: CREDIT PURCHASE OR DISHONORED
9 CHECK. (a) The commission or administrator may suspend for not
10 more than 60 days or cancel an original or renewal retail dealer's
11 on- or off-premise license if it is found, after notice and hearing,
12 that the licensee purchased malt beverages [~~beer~~] or the containers
13 or original packages in which they are [~~it is~~] contained or packaged
14 except by cash payment to the seller on or before delivery. No
15 holder of either type of license may use a maneuver, device,
16 subterfuge, or shift by which credit is accepted, including payment
17 or attempted payment by a postdated check or draft. Credit for the
18 return of unbroken or undamaged containers or original packages
19 previously paid for by the purchaser may be accepted as cash by the
20 seller in an amount not more than the amount originally paid for
21 them by the purchaser.

22 (b) The commission or administrator may suspend for not more
23 than 60 days or cancel an original or renewal retail dealer's on- or
24 off-premise license if it is found, after notice and hearing, that
25 the licensee gave a check, as maker or endorser, or a draft, as
26 drawer or endorser, as full or partial payment for malt beverages
27 [~~beer~~] or the containers or packages in which they are [~~it is~~]

1 contained or packaged, which is dishonored when presented for
2 payment.

3 SECTION 190. (a) Effective September 1, 2019, Section
4 61.74(a), Alcoholic Beverage Code, is amended to read as follows:

5 (a) The commission or administrator may suspend for not more
6 than 60 days or cancel an original or renewal general~~[, local]~~ or
7 branch distributor's license if it is found, after notice and
8 hearing, that the licensee:

9 (1) violated a provision of this code or a rule of the
10 commission during the existence of the license sought to be
11 cancelled or suspended or during the immediately preceding license
12 period;

13 (2) was finally convicted for violating a penal
14 provision of this code;

15 (3) was finally convicted of a felony while holding an
16 original or renewal license;

17 (4) violated Section 101.41-101.43, 101.68,
18 102.11-102.15, 104.04, 108.01, or 108.04-108.06 ~~[of this code]~~, or
19 a rule or regulation promulgated under Section 5.40 ~~[of this code]~~;

20 (5) failed to comply with a requirement of the
21 commission relating to the keeping of records or making of reports;

22 (6) failed to pay any tax due the state on any beer the
23 licensee ~~[he]~~ sold, stored, or transported;

24 (7) refused to permit or interfered with an inspection
25 of the licensee's ~~[his licensed]~~ premises, vehicles, books, or
26 records by an authorized representative of the commission;

27 (8) consummated a sale of beer outside the county or

1 counties in which the licensee [~~he~~] was authorized to sell beer
2 under the [~~by his~~] license;

3 (9) purchased, sold, offered for sale, distributed, or
4 delivered beer while the [~~his~~] license was under suspension;

5 (10) permitted the use of the licensee's [~~his~~] license
6 in the operation of a business conducted for the benefit of a person
7 not authorized by law to have an interest in the business;

8 (11) made a false or misleading representation or
9 statement in the licensee's [~~his~~] original application or a renewal
10 application;

11 (12) has developed an incapacity that prevents or
12 could prevent the license holder from managing the license holder's
13 establishment with reasonable skill, competence, and safety to the
14 public [~~habitually uses alcoholic beverages to excess, is mentally~~
15 ~~incompetent, or is physically unable to manage his establishment~~];

16 (13) misrepresented any beer sold by the licensee
17 [~~him~~] to a retailer or to the public;

18 (14) with criminal negligence sold or delivered beer
19 to a minor; or

20 (15) purchased, possessed, stored, sold, or offered
21 for sale beer in an original package bearing a brand or trade name
22 of a manufacturer other than the brand or trade name of the
23 manufacturer shown on the container.

24 (b) Effective September 1, 2021, Section 61.74(a),
25 Alcoholic Beverage Code, is amended to read as follows:

26 (a) The commission or administrator may suspend for not more
27 than 60 days or cancel an original or renewal general[~~, local,~~] or

1 branch distributor's license if it is found, after notice and
2 hearing, that the licensee:

3 (1) violated a provision of this code or a rule of the
4 commission during the existence of the license sought to be
5 cancelled or suspended or during the immediately preceding license
6 period;

7 (2) was finally convicted for violating a penal
8 provision of this code;

9 (3) was finally convicted of a felony while holding an
10 original or renewal license;

11 (4) violated Section 101.41-101.43, 101.68,
12 102.11-102.15, 104.04, 108.01, or 108.04-108.06 [~~of this code~~], or
13 a rule or regulation promulgated under Section 5.40 [~~of this code~~];

14 (5) failed to comply with a requirement of the
15 commission relating to the keeping of records or making of reports;

16 (6) failed to pay any tax due the state on any malt
17 beverages the licensee [~~beer he~~] sold, stored, or transported;

18 (7) refused to permit or interfered with an inspection
19 of the licensee's [~~his licensed~~] premises, vehicles, books, or
20 records by an authorized representative of the commission;

21 (8) consummated a sale of malt beverages [~~beer~~]
22 outside the county or counties in which the licensee [~~he~~] was
23 authorized to sell malt beverages under the [~~beer by his~~] license;

24 (9) purchased, sold, offered for sale, distributed, or
25 delivered malt beverages [~~beer~~] while the [~~his~~] license was under
26 suspension;

27 (10) permitted the use of the licensee's [~~his~~] license

1 in the operation of a business conducted for the benefit of a person
2 not authorized by law to have an interest in the business;

3 (11) made a false or misleading representation or
4 statement in the licensee's [~~his~~] original application or a renewal
5 application;

6 (12) has developed an incapacity that prevents or
7 could prevent the license holder from managing the license holder's
8 establishment with reasonable skill, competence, and safety to the
9 public [~~habitually uses alcoholic beverages to excess, is mentally~~
10 ~~incompetent, or is physically unable to manage his establishment~~];

11 (13) misrepresented any malt beverages [~~beer~~] sold by
12 the licensee [~~him~~] to a retailer or to the public;

13 (14) with criminal negligence sold or delivered malt
14 beverages [~~beer~~] to a minor; or

15 (15) purchased, possessed, stored, sold, or offered
16 for sale malt beverages [~~beer~~] in an original package bearing a
17 brand or trade name of a brewer [~~manufacturer~~] other than the brand
18 or trade name of the brewer [~~manufacturer~~] shown on the container.

19 SECTION 191. Section 61.75, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 61.75. SUSPENSION OF BREWER'S [~~MANUFACTURER'S~~]
22 LICENSE. If a brewer [~~manufacturer~~] violates a provision of this
23 code or a rule of the commission, the commission or administrator
24 may order the brewer [~~manufacturer~~] to cease and desist from the
25 violation and may suspend its license, after notice and hearing,
26 until the licensee obeys the order.

27 SECTION 192. Effective December 31, 2020, Section 61.79,

1 Alcoholic Beverage Code, is amended to read as follows:

2 Sec. 61.79. NOTICE OF HEARING: DENIAL [~~REFUSAL~~],
3 CANCELLATION, OR SUSPENSION OF LICENSE. Section 11.63 [~~of this~~
4 ~~code~~] relates to notice of a hearing for the denial [~~refusal~~],
5 cancellation, or suspension of a license.

6 SECTION 193. Effective December 31, 2020, Section 61.81,
7 Alcoholic Beverage Code, is amended to read as follows:

8 Sec. 61.81. APPEAL FROM CANCELLATION OR [~~7~~] SUSPENSION [~~7~~ OR
9 ~~REFUSAL~~] OF LICENSE. Section 11.67 [~~of this code~~] applies to an
10 appeal from a decision or order of the commission or administrator
11 [~~refusing~~] cancelling [~~7~~] or suspending a license.

12 SECTION 194. Section 61.84(a), Alcoholic Beverage Code, is
13 amended to read as follows:

14 (a) A [~~No~~] person whose license is cancelled may not sell or
15 offer for sale malt beverages [~~beer~~] for a period of one year
16 immediately following the cancellation, unless the order of
17 cancellation is superseded pending trial or unless the person [~~he~~]
18 prevails in a final judgment rendered on an appeal prosecuted in
19 accordance with this code.

20 SECTION 195. Section 61.85(a), Alcoholic Beverage Code, is
21 amended to read as follows:

22 (a) A person whose license is cancelled or forfeited may,
23 within 30 days of the cancellation or forfeiture, make a bulk sale
24 or disposal of any stock of malt beverages [~~beer~~] on hand at the
25 time of the cancellation or forfeiture.

26 SECTION 196. Effective September 1, 2019, Section 61.86,
27 Alcoholic Beverage Code, is amended to read as follows:

1 Sec. 61.86. DISCIPLINE FOR ACTIONS OF AGENT; RECORDS
2 RETENTION. (a) The commission or administrator may suspend or
3 revoke the license of a person who is the employer of or represented
4 by [~~the holder of~~] an agent [~~agent's beer license~~] as described by
5 Section 73.01 or otherwise discipline the person based on an act or
6 omission of [~~the holder of~~] the agent [~~agent's beer license~~] only if
7 an individual employed by the person in a supervisory position:

8 (1) was directly involved in the act or omission of the
9 agent [~~holder of the agent's beer license~~];

10 (2) had notice or knowledge of the act or omission; or

11 (3) failed to take reasonable steps to prevent the act
12 or omission.

13 (b) The holder of a license who is represented by an agent
14 shall maintain records relating to the agent's activities,
15 including any representation agreement, employment records, or
16 similar documents for not less than four years from the date the
17 record is created.

18 SECTION 197. Effective September 1, 2019, Section 61.87,
19 Alcoholic Beverage Code, is amended to read as follows:

20 Sec. 61.87. AFFIRMATION OF COMPLIANCE. A person who holds a
21 license under Chapter 64[~~7-657~~] or 66 may not be subject to an
22 administrative sanction for selling or delivering an alcoholic
23 beverage to a retailer not authorized to purchase and receive the
24 alcoholic beverage if the license holder:

25 (1) reasonably believes that the retailer is
26 authorized to purchase and receive that type of alcoholic beverage;
27 and

1 (2) obtains from the retailer at the time of delivery a
2 written affirmation, which may be printed or stamped on a sales
3 invoice evidencing the sale or delivery of alcoholic beverages by
4 the license holder, that the retailer is authorized to purchase and
5 receive the type of alcoholic beverage sold and delivered by the
6 license holder.

7 SECTION 198. The heading to Chapter 62, Alcoholic Beverage
8 Code, is amended to read as follows:

9 CHAPTER 62. BREWER'S [~~MANUFACTURER'S~~] LICENSE

10 SECTION 199. Section 62.01, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 62.01. AUTHORIZED ACTIVITIES. (a) The holder of a
13 brewer's [~~manufacturer's~~] license may:

14 (1) [~~manufacture or~~] brew malt beverages [~~beer~~] and
15 distribute and sell the malt beverages [~~it~~] in this state to the
16 holders of general[~~, local,~~] and branch distributor's licenses and
17 to qualified persons outside the state;

18 (2) dispense malt beverages [~~beer~~] for consumption on
19 the premises;

20 (3) bottle and can malt beverages [~~beer~~] and pack malt
21 beverages [~~it~~] into containers for resale in this state, regardless
22 of whether the malt beverages are [~~beer is manufactured or~~] brewed
23 in this state or in another state and imported into Texas;

24 (4) conduct samplings of malt beverages [~~beer~~],
25 including tastings, at a retailer's premises; and

26 (5) enter into an alternating brewery proprietorship
27 or contract brewing arrangement as provided by Section 62.14.

1 (b) An agent or employee of the holder of a brewer's
2 [~~manufacturer's~~] license may open, touch, or pour malt beverages
3 [~~beer~~], make a presentation, or answer questions at a sampling
4 event.

5 SECTION 200. (a) Effective December 31, 2020, Section
6 62.03(a), Alcoholic Beverage Code, is amended to read as follows:

7 (a) Except as provided by Section 62.14, each applicant for
8 a manufacturer's license shall file with an application a sworn
9 statement that the applicant will be engaged in the business of
10 brewing and packaging beer in this state in quantities sufficient
11 to make the applicant's operation a bona fide brewing manufacturer
12 within three years of the issuance of the original license. If the
13 applicant is a corporation, the statement must be signed by one of
14 its principal officers. The commission[~~, administrator, or county~~
15 ~~judge~~] may not approve an application unless it is accompanied by
16 the required sworn statement.

17 (b) Effective September 1, 2021, Section 62.03, Alcoholic
18 Beverage Code, is amended to read as follows:

19 Sec. 62.03. STATEMENT OF INTENTION. (a) Except as provided
20 by Section 62.14, each applicant for a brewer's [~~manufacturer's~~]
21 license shall file with an application a sworn statement that the
22 applicant will be engaged in the business of brewing and packaging
23 malt beverages [~~beer~~] in this state in quantities sufficient to
24 make the applicant's operation a bona fide brewer [~~brewing~~
25 ~~manufacturer~~] within three years of the issuance of the original
26 license. If the applicant is a corporation, the statement must be
27 signed by one of its principal officers. The commission[~~,~~

1 ~~administrator, or county judge]~~ may not approve an application
2 unless it is accompanied by the required sworn statement.

3 (b) This section does not apply to the holder of a
4 ~~[manufacturer's]~~ license which was in effect on January 1, 1953,
5 that authorized the license holder to manufacture a type of malt
6 beverage.

7 SECTION 201. Sections 62.04(a), (b), and (c), Alcoholic
8 Beverage Code, are amended to read as follows:

9 (a) A renewal of a brewer's ~~[manufacturer's]~~ license may not
10 be denied during the two-year period following the issuance of the
11 original license on the ground that the licensee has not brewed and
12 packaged malt beverages ~~[beer]~~ in this state if the licensee is
13 engaged in good faith in constructing a brewing plant on the
14 licensed premises or is engaged in one of the following preparatory
15 stages of construction:

- 16 (1) preliminary engineering;
- 17 (2) preparing drawings and specifications;
- 18 (3) conducting engineering, architectural, or
19 equipment studies; or
- 20 (4) preparing for the taking of bids from contractors.

21 (b) During the three-year period following the issuance of a
22 brewer's ~~[manufacturer's]~~ license, as long as the licensee is
23 engaged in construction or in a preliminary stage of construction
24 enumerated in Subsection (a) ~~[of this section]~~, the commission
25 shall issue each renewal license to take effect immediately on the
26 expiration of the expiring license and shall not require the
27 licensee to make an original application.

1 (c) After two years and 11 months has expired following the
2 issuance of an original brewer's [~~manufacturer's~~] license, the
3 commission may [~~shall~~] not issue a renewal license if it finds that
4 the licensee has not complied with the licensee's [~~his~~] sworn
5 statement filed with the [~~his~~] original application or that the
6 licensee [~~he~~] has not begun construction of a plant or initiated any
7 of the preliminary stages of construction enumerated in Subsection
8 (a) unless the commission also finds that the licensee [~~applicant~~]
9 has been prevented from doing so by causes beyond the licensee's
10 [~~his~~] reasonable control. If the commission finds that the
11 licensee has been prevented from complying by causes beyond the
12 licensee's [~~his~~] reasonable control, it may grant one additional
13 renewal for the licensee to comply with the terms of the licensee's
14 [~~his~~] sworn statement. Otherwise, the commission shall deny the
15 renewal application and may not grant a subsequent original
16 application by the licensee for a period of two years following the
17 date of the denial.

18 SECTION 202. Section 62.05(a), Alcoholic Beverage Code, is
19 amended to read as follows:

20 (a) The holder of a brewer's [~~manufacturer's~~] license shall
21 make and keep a record of each day's production or receipt of malt
22 beverages [~~beer~~] and of every sale of malt beverages [~~beer~~],
23 including the name of each purchaser. Each transaction shall be
24 recorded on the day it occurs. The licensee shall make and keep any
25 other records that the commission or administrator requires.

26 SECTION 203. Section 62.07, Alcoholic Beverage Code, is
27 amended to read as follows:

1 Sec. 62.07. IMPORTATION OF MALT BEVERAGES [~~BEER~~]:
2 CONTAINERS, USE OF TANK CARS. The holder of a brewer's
3 [~~manufacturer's~~] license may import malt beverages [~~beer~~] into this
4 state in barrels or other containers in accordance with the
5 provisions of this code. A [~~No~~] person may not ship malt beverages
6 [~~beer~~] into the state in tank cars.

7 SECTION 204. Section 62.08, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 62.08. WAREHOUSES; DELIVERY TRUCKS. (a) The holder
10 of a brewer's [~~manufacturer's~~] or distributor's license may
11 maintain or engage necessary warehouses for storage purposes in
12 areas where the sale of malt beverages [~~beer~~] is lawful and may make
13 deliveries from the warehouses without obtaining licenses for them.
14 The licensee may not import malt beverages [~~beer~~] from outside the
15 state directly or indirectly to an unlicensed warehouse.

16 (b) A warehouse or railway car in which orders for the sale
17 of malt beverages [~~beer~~] are taken or money from the sale of malt
18 beverages [~~beer~~] is collected is a separate place of business for
19 which a license is required.

20 (c) A truck operated by a licensed distributor for the sale
21 and delivery of malt beverages [~~beer~~] to a licensed retail dealer at
22 the dealer's place of business is not a separate place of business
23 for which a license is required.

24 (d) The commission shall promulgate rules governing the
25 transportation of malt beverages [~~beer~~], the sale of which is to be
26 consummated at a licensed retailer's place of business.

27 SECTION 205. Section 62.09, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 62.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. Regardless
3 of any other provision of this code, a holder of a brewer's
4 [~~manufacturer's~~] license may brew and package malt beverages or
5 import them from outside the state, for shipment out of the state,
6 even though the alcohol content, containers, packages, or labels
7 make the beverages illegal to sell within the state. The licensee
8 may export the beverages out of state or deliver them at the
9 licensee's [~~his~~] premises for shipment out of the state without
10 being liable for any state tax on [~~beer, ale, or~~] malt beverages
11 [~~liquor~~] sold for resale in the state.

12 SECTION 206. Section 62.11, Alcoholic Beverage Code, is
13 amended to read as follows:

14 Sec. 62.11. CONTINUANCE OF OPERATION AFTER LOCAL OPTION
15 ELECTION. The right of a brewer's [~~manufacturer's~~] licensee to
16 continue operation after a prohibitory local option election is
17 covered by Section 251.75 [~~of this code~~].

18 SECTION 207. Sections 62.122(a), (b), (c), and (e),
19 Alcoholic Beverage Code, are amended to read as follows:

20 (a) A brewer's [~~manufacturer's~~] licensee whose annual
21 production of malt beverages [~~beer, together with the annual~~
22 ~~production of ale by the holder of a brewer's permit~~] at all
23 premises wholly or partly owned, directly or indirectly, by the
24 license holder or an affiliate or subsidiary of the license holder,
25 does not exceed 225,000 barrels may sell malt beverages [~~beer~~]
26 produced on the brewer's [~~manufacturer's~~] premises under the
27 license to ultimate consumers on the brewer's [~~manufacturer's~~]

1 premises for responsible consumption on the brewer's
2 [~~manufacturer's~~] premises.

3 (b) The total [~~combined~~] sales of malt beverages [~~beer~~] to
4 ultimate consumers under this section[~~, together with the sales of~~
5 ~~ale to ultimate consumers by the holder of a brewer's permit under~~
6 ~~Section 12.052~~] at the same premises[~~7~~] may not exceed 5,000
7 barrels annually.

8 (c) Subject to Subsections (b), (d), and (e), the holder of
9 a brewer's [~~manufacturer's~~] license may sell malt beverages [~~beer~~]
10 produced on the brewer's [~~manufacturer's~~] premises under the
11 license to ultimate consumers on the brewer's [~~manufacturer's~~]
12 premises for responsible consumption on the brewer's
13 [~~manufacturer's~~] premises even if the annual production limit
14 prescribed by Subsection (a) is exceeded if:

15 (1) the license holder:

16 (A) was legally operating a manufacturing
17 facility with on-premise sales under Subsection (a) on February 1,
18 2017; or

19 (B) purchased an ownership interest in, or was
20 purchased by the holder of, a permit or license issued under Chapter
21 12, 13, 62, or 63; and

22 (2) the license holder has annual production that does
23 not exceed 175,000 barrels at the brewer's [~~manufacturer's~~]
24 premises.

25 (e) A holder of a brewer's [~~manufacturer's~~] license who
26 under Subsection (c) sells malt beverages [~~beer~~] produced on the
27 brewer's [~~manufacturer's~~] premises under the license to ultimate

1 consumers on the brewer's [~~manufacturer's~~] premises for responsible
2 consumption on the brewer's [~~manufacturer's~~] premises:

3 (1) shall file a territorial agreement with the
4 commission under Subchapters C and D, Chapter 102;

5 (2) must purchase any malt beverages [~~beer~~] the
6 license holder sells on the brewer's [~~manufacturer's~~] premises from
7 the holder of a license issued under Chapter 64[~~7-657~~] or 66; and

8 (3) with respect to those purchases, must comply with
9 the requirements of this code governing dealings between a
10 distributor [~~or wholesaler~~] and a member of the retail tier,
11 including Sections 61.73 and 102.31.

12 SECTION 208. Sections 62.14(a), (b), (b-1), (c), and (e),
13 Alcoholic Beverage Code, are amended to read as follows:

14 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident
15 brewer's [~~manufacturer's~~] license may contract with the holder of a
16 brewer's [~~manufacturer's~~] license:

17 (1) to provide manufacturing services; or

18 (2) for the use of the license holder's manufacturing
19 facilities under an alternating brewery proprietorship if each
20 party to the proprietorship:

21 (A) has filed the appropriate Brewer's Notice and
22 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade
23 Bureau of the United States Department of the Treasury; and

24 (B) if applicable, has posted with the commission
25 a bond in an amount determined by the commission under Subsection
26 (d) or (e).

27 (b) An entity is not required to own its brewing

1 ~~[manufacturing]~~ facilities if the entity operates under an
2 alternating brewery proprietorship as provided by Subsection (a).

3 (b-1) Each entity that is a party to an alternating brewery
4 proprietorship or contract brewing arrangement must hold a license
5 at the location where brewing ~~[manufacturing]~~ services are
6 conducted under the arrangement.

7 (c) This section does not authorize a person acting as an
8 agent for a brewer ~~[manufacturer]~~ located outside of this state to
9 contract with the holder of a brewer's ~~[manufacturer's]~~ license to
10 brew malt beverages ~~[manufacture beer]~~ on the person's behalf. A
11 contract described by this subsection may only be entered into by
12 the holder of a brewer's ~~[manufacturer's]~~ license and another
13 person holding a license under this code.

14 (e) An entity that is a party to an alternating brewery
15 proprietorship or contract brewing arrangement must post with the
16 commission a bond in an amount determined by the commission of not
17 less than \$30,000 if the entity does not own a fee interest in a
18 brewing ~~[manufacturing]~~ facility.

19 SECTION 209. Chapter 62, Alcoholic Beverage Code, is
20 amended by adding Section 62.15 to read as follows:

21 Sec. 62.15. IMPORTING MALT BEVERAGES. (a) In this
22 subtitle, "importer" means a person who imports malt beverages into
23 the state in quantities in excess of 288 fluid ounces in any one
24 day.

25 (b) The holder of a brewer's license may import malt
26 beverages into this state only from the holder of a nonresident
27 brewer's license and may transport those beverages into this state

1 only:

2 (1) in a motor vehicle that is:

3 (A) owned or leased in good faith by the license
4 holder; and

5 (B) printed or painted with the designation
6 required by the commission; or

7 (2) by a railway carrier, a motor carrier registered
8 under Chapter 643, Transportation Code, or by a common motor
9 carrier operated under a certificate issued by the Interstate
10 Commerce Commission.

11 (c) The holder of a brewer's license transporting malt
12 beverages under Subsection (b)(1) shall provide to the commission:

13 (1) a full description of each motor vehicle used by
14 the license holder for transporting malt beverages; and

15 (2) any other information the commission requires.

16 (d) A carrier transporting malt beverages as authorized by
17 Subsection (b)(2) must hold a carrier permit issued under Chapter
18 41 and the provisions of Chapter 41 relating to the transportation
19 of liquor apply to the transportation of the malt beverages. A
20 carrier may not transport malt beverages into the state unless it is
21 consigned to an importer.

22 SECTION 210. The heading to Chapter 62A, Alcoholic Beverage
23 Code, is amended to read as follows:

24 CHAPTER 62A. BREWER'S [~~MANUFACTURER'S~~] SELF-DISTRIBUTION LICENSE

25 SECTION 211. Section 62A.01, Alcoholic Beverage Code, is
26 amended to read as follows:

27 Sec. 62A.01. ELIGIBILITY FOR LICENSE. A brewer's

1 ~~[manufacturer's]~~ self-distribution license may be issued only to
2 the holder of a brewer's ~~[manufacturer's]~~ license under Chapter 62
3 or the holder of a nonresident brewer's ~~[manufacturer's]~~ license
4 under Chapter 63.

5 SECTION 212. Section 62A.02, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 62A.02. AUTHORIZED ACTIVITIES. (a) A holder of a
8 brewer's ~~[manufacturer's]~~ self-distribution license whose annual
9 production of malt beverages ~~[beer]~~ under the brewer's
10 ~~[manufacturer's]~~ or nonresident brewer's ~~[manufacturer's]~~
11 license~~[, together with the annual production of ale by the holder~~
12 ~~of a brewer's or nonresident brewer's permit]~~ at all premises owned
13 directly or indirectly by the license holder or an affiliate or
14 subsidiary of the license holder, does not exceed 125,000 barrels
15 may sell malt beverages ~~[beer]~~ produced under the brewer's
16 ~~[manufacturer's]~~ or nonresident brewer's ~~[manufacturer's]~~ license
17 to those persons to whom the holder of a general distributor's
18 license may sell malt beverages ~~[beer]~~ under Section 64.01(a)(2).

19 (b) The total ~~[combined]~~ sales of malt beverages ~~[beer]~~
20 under this section~~[, together with the sales of ale by the holder of~~
21 ~~a brewer's self-distribution permit under Section 12A.02]~~ at all
22 premises owned directly or indirectly by the license holder or an
23 affiliate or subsidiary of the license holder~~[,]~~ may not exceed
24 40,000 barrels annually.

25 (c) With regard to a sale under this section, the holder of a
26 brewer's ~~[manufacturer's]~~ self-distribution license has the same
27 authority and is subject to the same requirements that apply to a

1 sale made by the holder of a general distributor's license.

2 (d) Malt beverages [~~Beer~~] sold under this section may be
3 shipped only from a manufacturing facility in this state.

4 SECTION 213. Section 62A.04(a), Alcoholic Beverage Code, is
5 amended to read as follows:

6 (a) Not later than the 15th day of each month, the holder of
7 a brewer's [~~manufacturer's~~] self-distribution license shall file a
8 report with the commission that contains information relating to
9 the sales made by the license holder to a retailer during the
10 preceding calendar month.

11 SECTION 214. The heading to Chapter 63, Alcoholic Beverage
12 Code, is amended to read as follows:

13 CHAPTER 63. NONRESIDENT BREWER'S [~~MANUFACTURER'S~~] LICENSE

14 SECTION 215. Section 63.01, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 63.01. AUTHORIZED ACTIVITIES. The holder of a
17 nonresident brewer's [~~manufacturer's~~] license may transport malt
18 beverages [~~beer~~] into Texas only to holders of brewer's or
19 distributor's [~~importer's~~] licenses. The nonresident brewer's
20 [~~manufacturer's~~] licensee may transport the malt beverages [~~beer~~]
21 in carriers or vehicles operated by holders of carrier's permits or
22 in motor vehicles owned or leased by the nonresident brewer
23 [~~manufacturer~~]. The malt beverages [~~beer~~] must be shipped in
24 barrels or other containers in accordance with the provisions of
25 this code and may not be shipped into the state in tank cars.

26 SECTION 216. Section 63.03, Alcoholic Beverage Code, is
27 amended to read as follows:

1 Sec. 63.03. LIABILITY FOR TAXES; BOND. The holder of a
2 nonresident brewer's [~~manufacturer's~~] license that transports malt
3 beverages [~~beer~~] into Texas in a motor vehicle owned or leased by
4 the licensee [~~him~~] is not primarily responsible for the payment of
5 the taxes on the malt beverages [~~beer~~], which remains the
6 responsibility of the holder of the brewer's or distributor's
7 [~~importer's~~] license. However, the nonresident brewer
8 [~~manufacturer~~] shall furnish the commission with a bond in an
9 amount which, in the commission's judgment, will protect the
10 revenue of the state from the tax due on the malt beverages [~~beer~~]
11 over any six-week period.

12 SECTION 217. Section 63.04, Alcoholic Beverage Code, is
13 amended to read as follows:

14 Sec. 63.04. APPLICATION OF CODE PROVISIONS AND RULES. A
15 holder of a nonresident brewer's [~~manufacturer's~~] license is
16 subject to all applicable provisions of this code and all
17 applicable rules of the commission which apply to holders of
18 brewer's [~~manufacturer's~~] licenses, including rules relating to the
19 quality, purity, and identity of malt beverages [~~beer~~] and to
20 protecting the public health. The commission may suspend or cancel
21 a nonresident brewer's [~~manufacturer's~~] license and apply penalties
22 in the same manner as it does with respect to a brewer's
23 [~~manufacturer's~~] license.

24 SECTION 218. Sections 63.05(a), (b), (b-1), (c), and (e),
25 Alcoholic Beverage Code, are amended to read as follows:

26 (a) The holder of a brewer's [~~manufacturer's~~] or nonresident
27 brewer's [~~manufacturer's~~] license may contract with the holder of a

1 nonresident brewer's [~~manufacturer's~~] license:

2 (1) to provide brewing [~~manufacturing~~] services; or

3 (2) for the use of the license holder's brewing
4 [~~manufacturing~~] facilities under an alternating brewery
5 proprietorship if each party to the proprietorship:

6 (A) has filed the appropriate Brewer's Notice and
7 Brewer's Bond as required by the Alcohol and Tobacco Tax and Trade
8 Bureau of the United States Department of the Treasury; and

9 (B) if applicable, has posted with the commission
10 a bond in an amount determined by the commission under Subsection
11 (d) or (e).

12 (b) An entity is not required to own its brewing
13 [~~manufacturing~~] facilities if the entity operates under an
14 alternating brewery proprietorship as provided by Subsection (a).

15 (b-1) Each entity that is a party to an alternating brewery
16 proprietorship or contract brewing arrangement must hold a license
17 at the location where brewing [~~manufacturing~~] services are
18 conducted under the arrangement.

19 (c) This section does not authorize a person acting as an
20 agent for a brewer [~~manufacturer~~] located outside of this state to
21 contract with the holder of a nonresident brewer's [~~manufacturer's~~]
22 license to brew malt beverages [~~manufacture beer~~] on the person's
23 behalf. A contract described by this subsection may only be entered
24 into by the holder of a nonresident brewer's [~~manufacturer's~~]
25 license and another person holding a license under this code.

26 (e) An entity that is a party to an alternating brewery
27 proprietorship or contract brewing arrangement must post with the

1 commission a bond in an amount determined by the commission of not
2 less than \$30,000 if the entity does not own a fee interest in a
3 brewing [~~manufacturing~~] facility.

4 SECTION 219. Section 64.01(a), Alcoholic Beverage Code, is
5 amended to read as follows:

6 (a) The holder of a general distributor's license may:

7 (1) receive malt beverages [~~beer~~] in unbroken original
8 packages from brewers [~~manufacturers~~] and brewpubs and from
9 general[~~, local~~] or branch distributors;

10 (2) distribute or sell malt beverages [~~beer~~] in the
11 unbroken original packages in which they are [~~it is~~] received to
12 general or [~~,~~] branch[~~, or local~~] distributors, to local distributor
13 permittees, to permittees or licensees authorized to sell to
14 ultimate consumers, to private club registration permittees, to
15 authorized outlets located on any installation of the national
16 military establishment, or to qualified persons for shipment and
17 consumption outside the state; and

18 (3) serve free malt beverages [~~beer~~] for consumption
19 on the licensed premises.

20 SECTION 220. Section 64.03, Alcoholic Beverage Code, is
21 amended to read as follows:

22 Sec. 64.03. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.
23 The holder of a general distributor's license may sell and deliver
24 malt beverages [~~beer~~] to private clubs located in wet areas without
25 having to secure a prior order. All sales made under the authority
26 of this section must be made in accordance with Sections 61.73 and
27 102.31 [~~of this code~~].

1 SECTION 221. Section 64.04(a), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (a) Each holder of a general[~~, local,~~] or branch
4 distributor's license shall make and keep a daily record of every
5 receipt of malt beverages [~~beer~~] and of every sale of malt beverages
6 [~~beer~~], including the name of each purchaser. Each transaction
7 shall be recorded on the day it occurs. The licensee shall make and
8 keep any other records that the commission or administrator
9 requires.

10 SECTION 222. Section 64.07, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 64.07. MAY SHARE PREMISES. (a) Any number of
13 general[~~, local,~~] and branch distributors may use the same delivery
14 vehicles, premises, location, or place of business as licensed
15 premises if the malt beverages [~~beer~~] owned and stored by each of
16 the distributors are [~~is~~] segregated.

17 (b) If delivery vehicles are shared by any number of
18 distributors who also hold any class of wholesaler's permits, malt
19 beverages [~~liquor or beer~~] may be transported. [~~The provisions of~~
20 ~~Section 42.03 of this code do not apply and no distributor or~~
21 ~~wholesaler shall be required to obtain the certificate or permit~~
22 ~~described by that section to share a delivery vehicle for the~~
23 ~~transportation of liquor or beer.~~]

24 (c) The provisions of Subsections (a) and (b) [~~of this~~
25 ~~section~~] that relate to shared delivery vehicles apply only to
26 those general[~~, local,~~] or branch distributors who hold a
27 territorial designation from a brewer [~~manufacturer~~] under Section

1 102.51 [~~of this code~~].

2 SECTION 223. (a) Effective September 1, 2019, Sections
3 64.08(a) and (c), Alcoholic Beverage Code, are amended to read as
4 follows:

5 (a) The holder of a general distributor's license may sell
6 beer [~~to the holder of an industrial permit~~] for use as an
7 ingredient in the manufacturing and processing of food products.

8 (c) A person [~~The industrial permittee~~] may not resell beer
9 purchased under this section, divert the beer to use for beverage
10 purposes, possess the beer with intent that it be used for beverage
11 purposes, or possess the beer under circumstances from which it may
12 reasonably be deduced that the beer is to be used for beverage
13 purposes.

14 (b) Effective September 1, 2021, Section 64.08, Alcoholic
15 Beverage Code, is amended to read as follows:

16 Sec. 64.08. MALT BEVERAGES [~~BEER~~] FOR USE IN FOOD PRODUCTS
17 INDUSTRY. (a) The holder of a general distributor's license may
18 sell malt beverages [~~beer to the holder of an industrial permit~~] for
19 use as an ingredient in the manufacturing and processing of food
20 products.

21 (b) The malt beverages [~~beer~~] must be sold in containers of
22 not less than one-half barrel. The sale is subject to the
23 requirements of Section 102.31 [~~of this code~~]. The seller shall
24 keep records of shipments and sales of malt beverages [~~beer~~] in a
25 manner prescribed by the commission or administrator.

26 (c) A person [~~The industrial permittee~~] may not resell malt
27 beverages [~~beer~~] purchased under this section, divert the malt

1 beverages [~~beer~~] to use for beverage purposes, possess the malt
2 beverages [~~beer~~] with intent that the malt beverages [~~it~~] be used
3 for beverage purposes, or possess the malt beverages [~~beer~~] under
4 circumstances from which it may reasonably be deduced that the malt
5 beverages are [~~beer is~~] to be used for beverage purposes.

6 (d) Taxes imposed by this code do not apply to malt
7 beverages [~~beer~~] sold under this section.

8 SECTION 224. Section 64.09, Alcoholic Beverage Code, is
9 amended to read as follows:

10 Sec. 64.09. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this
11 section "malt beverages [~~beer~~] for export" means malt beverages
12 [~~beer~~] a distributor holds for export to another state in which the
13 distributor has been assigned a territory for the distribution and
14 sale of the malt beverages [~~beer~~]. The term includes malt beverages
15 [~~beer~~] that are [~~is~~] illegal to sell in this state because of
16 alcohol content, containers, packages, or labels.

17 (b) The holder of a general distributor's license who
18 receives malt beverages [~~beer~~] for export from the holder of a
19 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
20 license may:

21 (1) store the malt beverages [~~beer~~] for export at the
22 distributor's premises;

23 (2) transport the malt beverages [~~beer~~] for export
24 outside the state in the distributor's own vehicles; or

25 (3) deliver the malt beverages [~~beer~~] for export to a
26 common carrier for export and delivery outside the state.

27 (c) The holder of a general distributor's license is not

1 liable for any state tax on the malt beverages [~~beer~~] for export.

2 (d) Section 101.67 does not apply to malt beverages [~~beer~~]
3 for export.

4 SECTION 225. Chapter 64, Alcoholic Beverage Code, is
5 amended by adding Section 64.10 to read as follows:

6 Sec. 64.10. IMPORTING MALT BEVERAGES. (a) In this section,
7 "importer" means a person who imports malt beverages into the state
8 in quantities in excess of 288 fluid ounces in any one day.

9 (b) The holder of a general distributor's license may import
10 malt beverages into this state only from the holder of a nonresident
11 brewer's license and may transport those beverages into this state
12 only:

13 (1) in a motor vehicle that is:

14 (A) owned or leased in good faith by the license
15 holder; and

16 (B) printed or painted with the designation
17 required by the commission; or

18 (2) by a railway carrier, a motor carrier registered
19 under Chapter 643, Transportation Code, or by a common motor
20 carrier operated under a certificate issued by the Interstate
21 Commerce Commission.

22 (c) The holder of a general distributor's license
23 transporting malt beverages under Subsection (b)(1) shall provide
24 to the commission:

25 (1) a full description of each motor vehicle used by
26 the license holder for transporting malt beverages; and

27 (2) any other information the commission requires.

1 (d) A carrier transporting malt beverages as authorized by
2 Subsection (b)(2) must hold a carrier permit issued under Chapter
3 41 and the provisions of Chapter 41 relating to the transportation
4 of liquor apply to the transportation of the malt beverages. A
5 carrier may not transport malt beverages into the state unless it is
6 consigned to an importer.

7 SECTION 226. Section 66.03(a), Alcoholic Beverage Code, is
8 amended to read as follows:

9 (a) Except as provided in Subsection (b) [~~of this section~~],
10 a branch distributor's license may be issued only to the holder of a
11 general distributor's license who first has obtained the primary
12 license in the county of the licensee's [~~his~~] residence or
13 domicile. The branch distributor's license may be issued for
14 premises in any county where the sale of malt beverages [~~beer~~] is
15 legal.

16 SECTION 227. Section 66.07, Alcoholic Beverage Code, is
17 amended to read as follows:

18 Sec. 66.07. SALE OF MALT BEVERAGES [~~BEER~~] TO PRIVATE CLUBS.
19 The holder of a branch distributor's license may sell and deliver
20 malt beverages [~~beer~~] to private clubs located in wet areas without
21 having to secure a prior order. All sales made under the authority
22 of this section must be made in accordance with Sections 61.73 and
23 102.31 [~~of this code~~].

24 SECTION 228. Section 66.11, Alcoholic Beverage Code, is
25 amended to read as follows:

26 Sec. 66.11. MALT BEVERAGES [~~BEER~~] FOR EXPORT. (a) In this
27 section "malt beverages [~~beer~~] for export" means malt beverages

1 [~~beer~~] a distributor holds for export to another state in which the
2 distributor has been assigned a territory for the distribution and
3 sale of the malt beverages [~~beer~~]. The term includes malt beverages
4 [~~beer~~] that are [~~is~~] illegal to sell in this state because of
5 alcohol content, containers, packages, or labels.

6 (b) The holder of a branch distributor's license who
7 receives malt beverages [~~beer~~] for export from the holder of a
8 brewer's [~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~]
9 license may:

10 (1) store the malt beverages [~~beer~~] for export at the
11 distributor's premises;

12 (2) transport the malt beverages [~~beer~~] for export
13 outside the state in the distributor's own vehicles; or

14 (3) deliver the malt beverages [~~beer~~] for export to a
15 common carrier for export and delivery outside the state.

16 (c) The holder of a branch distributor's license is not
17 liable for any state tax on the malt beverages [~~beer~~] for export.

18 (d) Section 101.67 does not apply to malt beverages [~~beer~~]
19 for export.

20 SECTION 229. Section 69.01, Alcoholic Beverage Code, is
21 amended to read as follows:

22 Sec. 69.01. AUTHORIZED ACTIVITIES. The holder of a retail
23 dealer's on-premise license may sell malt beverages [~~beer~~] in or
24 from any lawful container to the ultimate consumer for consumption
25 on or off the premises where sold. The licensee may not sell malt
26 beverages [~~beer~~] for resale.

27 SECTION 230. Section 69.04, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 69.04. HOTELS NOT DISQUALIFIED. The fact that a hotel
3 holds a permit to sell distilled spirits in unbroken packages does
4 not disqualify the hotel from also obtaining a license to sell malt
5 beverages [~~beer~~] for on-premises consumption.

6 SECTION 231. Effective December 31, 2020, Sections
7 69.06(a), (b), and (c), Alcoholic Beverage Code, are amended to
8 read as follows:

9 (a) The commission [~~county judge~~] shall deny an original
10 application for a retail dealer's on-premise license if the
11 commission [~~county judge~~] finds that the applicant or the
12 applicant's spouse, during the five years immediately preceding the
13 application, was finally convicted of a felony or one of the
14 following offenses:

- 15 (1) prostitution;
- 16 (2) a vagrancy offense involving moral turpitude;
- 17 (3) bookmaking;
- 18 (4) gambling or gaming;
- 19 (5) an offense involving controlled substances as
20 defined in the Texas Controlled Substances Act, including an
21 offense involving a synthetic cannabinoid, or an offense involving
22 other dangerous drugs;
- 23 (6) a violation of this code resulting in the
24 cancellation of a license or permit, or a fine of not less than
25 \$500;
- 26 (7) more than three violations of this code relating
27 to minors;

- 1 (8) bootlegging; or
2 (9) an offense involving firearms or a deadly weapon.

3 (b) The commission [~~county judge~~] shall also deny an
4 original application for a license if the commission [~~he~~] finds
5 that five years has not elapsed since the termination of a sentence,
6 parole, or probation served by the applicant or the applicant's
7 spouse because of a felony conviction or conviction of any of the
8 offenses described in Subsection (a) [~~of this section~~].

9 (c) The commission shall deny [~~refuse to issue~~] a renewal of
10 a retail dealer's on-premise license if it finds:

11 (1) that the applicant or the applicant's spouse has
12 been finally convicted of a felony or one of the offenses listed in
13 Subsection (a) [~~of this section~~] at any time during the five years
14 immediately preceding the filing of the application for renewal; or

15 (2) that five years has not elapsed since the
16 termination of a sentence, parole, or probation served by the
17 applicant or the applicant's spouse because of a felony prosecution
18 or prosecution for any of the offenses described in Subsection (a)
19 [~~of this section~~].

20 SECTION 232. Section 69.10, Alcoholic Beverage Code, is
21 amended to read as follows:

22 Sec. 69.10. STORING OR POSSESSING MALT BEVERAGES [~~BEER~~] OFF
23 PREMISES PROHIBITED. No holder of a retail dealer's on-premise
24 license may own, possess, or store malt beverages [~~beer~~] for the
25 purpose of resale except on the licensed premises.

26 SECTION 233. Section 69.11, Alcoholic Beverage Code, is
27 amended to read as follows:

1 Sec. 69.11. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES
2 [~~BEER~~] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. The owner
3 of two or more licensed retail premises may not exchange or
4 transport malt beverages [~~beer~~] between them unless all of the
5 conditions set out in Section 24.04 [~~of this code~~] are met, except
6 that malt beverages [~~beer~~] may be transferred between two licensed
7 retail premises that are both covered by package store permits as
8 provided in Section 22.08 [~~of this code~~].

9 SECTION 234. Section 69.13, Alcoholic Beverage Code, is
10 amended to read as follows:

11 Sec. 69.13. BREACH OF PEACE: RETAIL ESTABLISHMENT. The
12 commission or administrator may suspend or cancel the license of a
13 retail malt beverage [~~beer~~] dealer after giving the licensee notice
14 and the opportunity to show compliance with all requirements of law
15 for retention of the license if it finds that a breach of the peace
16 has occurred on the licensed premises or on premises under the
17 licensee's control and that the breach of the peace was not beyond
18 the control of the licensee and resulted from the licensee's [~~his~~]
19 improper supervision of persons permitted to be on the licensed
20 premises or on premises under the licensee's [~~his~~] control.

21 SECTION 235. Section 69.17(a), Alcoholic Beverage Code, is
22 amended to read as follows:

23 (a) Notwithstanding any other provision of this code, a
24 license under this chapter may be issued for a premises in an area
25 in which the voters have approved the following alcoholic beverage
26 ballot issues in a local option election:

27 (1) "The legal sale of malt beverages [~~beer~~] and wine

1 for off-premise consumption only."; and

2 (2) either:

3 (A) "The legal sale of mixed beverages."; or

4 (B) "The legal sale of mixed beverages in
5 restaurants by food and beverage certificate holders only."

6 SECTION 236. Chapter 69, Alcoholic Beverage Code, is
7 amended by adding Section 69.18 to read as follows:

8 Sec. 69.18. SALES AT TEMPORARY LOCATION. (a) The holder of
9 a retail dealer's on-premise license may temporarily sell malt
10 beverages in or from any lawful container to ultimate consumers:

11 (1) at a picnic, celebration, or similar event; and

12 (2) in the county where the license is issued.

13 (b) The holder of a retail dealer's on-premise license may
14 temporarily sell malt beverages under this section for not more
15 than four consecutive days at the same location.

16 (c) The commission shall adopt rules to implement this
17 section, including rules that:

18 (1) require the license holder to notify the
19 commission of the dates on which and location where the license
20 holder will temporarily offer malt beverages for sale under this
21 section;

22 (2) establish a procedure to verify the wet or dry
23 status of the location where the license holder intends to
24 temporarily sell malt beverages under this section;

25 (3) detail the circumstances when a license holder may
26 temporarily sell malt beverages under this section with just a
27 notification to the commission and the circumstances that require

1 the commission's preapproval before a license holder may
2 temporarily sell malt beverages under this section; and
3 (4) require the license holder to provide any other
4 information the commission determines necessary.

5 SECTION 237. Section 71.01, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 71.01. AUTHORIZED ACTIVITIES. The holder of a retail
8 dealer's off-premise license may sell malt beverages [~~beer~~] in
9 lawful containers to consumers, but not for resale and not to be
10 opened or consumed on or near the premises where sold.

11 SECTION 238. Section 71.06, Alcoholic Beverage Code, is
12 amended to read as follows:

13 Sec. 71.06. STORING OR POSSESSING MALT BEVERAGES [~~BEER~~] OFF
14 PREMISES PROHIBITED. A [~~No~~] holder of a retail dealer's
15 off-premise license may not own, possess, or store malt beverages
16 [~~beer~~] for the purpose of resale except on the licensed premises.

17 SECTION 239. Section 71.07, Alcoholic Beverage Code, is
18 amended to read as follows:

19 Sec. 71.07. EXCHANGE OR TRANSPORTATION OF MALT BEVERAGES
20 [~~BEER~~] BETWEEN LICENSED PREMISES UNDER SAME OWNERSHIP. Section
21 69.11 [~~of this code~~] relates to the exchange or transportation of
22 malt beverages [~~beer~~] between licensed premises by retail dealers.

23 SECTION 240. Section 71.09, Alcoholic Beverage Code, is
24 amended to read as follows:

25 Sec. 71.09. BREACH OF PEACE: RETAIL ESTABLISHMENT. The
26 application of sanctions for the occurrence of a breach of the peace
27 at a retail malt beverage [~~beer~~] establishment is covered by

1 Section 69.13 [~~of this code~~].

2 SECTION 241. Section 71.10(a), Alcoholic Beverage Code, is
3 amended to read as follows:

4 (a) Each holder of a retail dealer's off-premise license
5 shall display in a prominent place on the licensee's [~~his~~] premises
6 a sign stating in letters at least two inches high: IT IS A CRIME
7 (MISDEMEANOR) TO CONSUME LIQUOR OR MALT BEVERAGES [~~BEER~~] ON THESE
8 PREMISES.

9 SECTION 242. Section 71.11, Alcoholic Beverage Code, is
10 amended to read as follows:

11 Sec. 71.11. MALT BEVERAGE [~~BEER~~] SAMPLING. (a) The holder
12 of a retail dealer's off-premise license may conduct free product
13 samplings of malt beverages [~~beer~~] on the license holder's premises
14 during regular business hours as provided by this section.

15 (b) An agent or employee of the holder of a retail dealer's
16 off-premise license may open, touch, or pour malt beverages [~~beer~~],
17 make a presentation, or answer questions at a sampling event.

18 (c) For the purposes of this code and any other law or
19 ordinance:

20 (1) a retail dealer's off-premise license does not
21 authorize the sale of alcoholic beverages for on-premise
22 consumption; and

23 (2) none of the license holder's income may be
24 considered to be income from the sale of alcoholic beverages for
25 on-premise consumption.

26 (d) Any malt beverages [~~beer~~] used in a sampling event under
27 this section must be purchased from or provided by the retailer on

1 whose premises the sampling event is held.

2 SECTION 243. (a) Effective September 1, 2019, the heading
3 to Chapter 73, Alcoholic Beverage Code, is amended to read as
4 follows:

5 CHAPTER 73. ~~[AGENT'S]~~ BEER AGENT ~~[LICENSE]~~

6 (b) Effective September 1, 2021, the heading to Chapter 73,
7 Alcoholic Beverage Code, is amended to read as follows:

8 CHAPTER 73. MALT BEVERAGE AGENT ~~[AGENT'S BEER LICENSE]~~

9 SECTION 244. (a) Effective September 1, 2019, Section
10 73.01, Alcoholic Beverage Code, is amended to read as follows:

11 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the
12 limitations imposed in Section 73.011 ~~[of this code]~~ or elsewhere
13 in this code, a person ~~[the holder of an agent's beer license,]~~
14 acting as an employee or representative of a licensed manufacturer
15 of beer located inside or outside the state or as an employee or
16 representative of a licensed distributor~~[r]~~ may:

17 (1) promote the sale of beer through methods such as
18 solicitation, display, advertising, and personal contact with
19 licensed retailers of beer and their agents, servants, and
20 employees, and with consumers of beer; and

21 (2) sell beer and offer it for sale.

22 (b) A person acting as a beer agent may represent only one
23 permitted or licensed business at a time while soliciting or taking
24 orders.

25 (b) Effective September 1, 2021, Section 73.01, Alcoholic
26 Beverage Code, is amended to read as follows:

27 Sec. 73.01. AUTHORIZED ACTIVITIES. (a) Subject to the

1 limitations imposed in Section 73.011 [~~of this code~~] or elsewhere
2 in this code, a person [~~the holder of an agent's beer license,~~]
3 acting as an employee or representative of a licensed brewer
4 [~~manufacturer~~] of malt beverages [~~beer~~] located inside or outside
5 the state or as an employee or representative of a licensed
6 distributor[~~er~~] may:

7 (1) promote the sale of malt beverages [~~beer~~] through
8 methods such as solicitation, display, advertising, and personal
9 contact with licensed retailers of malt beverages [~~beer~~] and their
10 agents, servants, and employees, and with consumers of malt
11 beverages [~~beer~~]; and

12 (2) sell malt beverages [~~beer~~] and offer them [~~it~~] for
13 sale.

14 (b) A person acting as a malt beverage agent may represent
15 only one permitted or licensed business at a time while soliciting
16 or taking orders.

17 SECTION 245. (a) Effective September 1, 2019, Section
18 73.011, Alcoholic Beverage Code, is amended to read as follows:

19 Sec. 73.011. LIMITATIONS ON AUTHORITY OF [~~AGENT'S~~] BEER
20 AGENT [~~LICENSEE~~]. (a) A person [~~holder of an agent's beer license~~]
21 who is an employee or agent of a manufacturer's licensee or a
22 nonresident manufacturer's licensee may not represent that the
23 person [~~holder~~] is the agent of or is acting on behalf of a licensed
24 distributor. An agent may not engage in conduct that is prohibited
25 by Section 102.75 [~~of this code~~] or other provisions of this code.

26 (b) A [~~holder of an agent's~~] beer agent [~~license~~] may not
27 make a representation, solicitation, or offer that this code or the

1 rules of the commission prohibits the agent's employer from
2 offering, making, or fulfilling.

3 (b) Effective September 1, 2021, Section 73.011, Alcoholic
4 Beverage Code, is amended to read as follows:

5 Sec. 73.011. LIMITATIONS ON AUTHORITY OF MALT BEVERAGE
6 AGENT [~~AGENT'S BEER LICENSEE~~]. (a) A person [~~holder of an agent's~~
7 ~~beer license~~] who is an employee or agent of a brewer's
8 [~~manufacturer's~~] licensee or a nonresident brewer's
9 [~~manufacturer's~~] licensee may not represent that the person
10 [~~holder~~] is the agent of or is acting on behalf of a licensed
11 distributor. A malt beverage [~~An~~] agent may not engage in conduct
12 that is prohibited by Section 102.75 [~~of this code~~] or other
13 provisions of this code.

14 (b) A malt beverage agent [~~A holder of an agent's beer~~
15 ~~license~~] may not make a representation, solicitation, or offer that
16 this code or the rules of the commission prohibits the agent's
17 employer from offering, making, or fulfilling.

18 SECTION 246. Section 74.01, Alcoholic Beverage Code, is
19 amended to read as follows:

20 Sec. 74.01. AUTHORIZED ACTIVITIES. (a) A holder of a
21 brewpub license for a brewpub located in a wet area, as that term is
22 described by Section 251.71 [~~of this code~~], may:

23 (1) [~~manufacture,~~] brew, bottle, can, package, and
24 label malt beverages [~~liquor, ale, and beer~~];

25 (2) sell or offer without charge, on the premises of
26 the brewpub, to ultimate consumers for consumption on or off those
27 premises, malt beverages [~~liquor, ale, or beer~~] produced by the

1 holder, in or from a lawful container, to the extent the sales or
2 offers are allowed under the holder's other permits or licenses;
3 and

4 (3) sell food on the premises of the holder's
5 breweries.

6 (b) The holder of a brewpub license may establish, operate,
7 or maintain one or more licensed brewpubs in this state under the
8 same general management or ownership. The holder shall pay the fee
9 assessed by the commission for each establishment. For the
10 purposes of this subsection, two or more establishments are under
11 the same general management or ownership if:

12 (1) the establishments bottle the same brand of malt
13 beverage [~~liquor, beer, or ale~~] or bottle malt beverages [~~liquor,~~
14 ~~beer, or ale~~] brewed by the same brewer [~~manufacturer~~]; or

15 (2) the person, regardless of domicile, who
16 establishes, operates, or maintains the establishments is
17 controlled or directed by one management or by an association of
18 ultimate management.

19 (c) A holder of a brewpub license must also hold a wine and
20 malt beverage [~~beer~~] retailer's permit, a mixed beverage permit, or
21 a retail dealer's on-premise license.

22 (d) The holder of a brewpub license may not hold or have an
23 interest either directly or indirectly, or through a subsidiary,
24 affiliate, agent, employee, officer, director, or other person, in
25 a brewer's [~~manufacturer's~~] or distributor's license or any other
26 license or permit in the manufacturing or wholesaling levels of the
27 alcoholic beverage industry regardless of the specific names given

1 to permits or licenses in Title 3 of this code. The holder shall be
2 considered a "retailer" for purposes of Section 102.01 [~~of this~~
3 ~~code~~].

4 (e) [~~A holder of a retail dealer's on-premise license who~~
5 ~~obtains a brewpub license may not manufacture, brew, bottle, can,~~
6 ~~package, label, sell, or offer without charge malt liquor or ale.~~

7 [~~(g)~~] The holder of a brewpub license may deliver malt
8 beverages brewed [~~liquor, ale, or beer manufactured~~] by the holder
9 to a location other than the holder's premises for the purpose of
10 submitting the malt beverages [~~liquor, ale, or beer~~] for an
11 evaluation at an organized malt beverage [~~liquor, ale, or beer~~]
12 tasting, competition, or review. At a tasting, competition, or
13 review, a holder of a brewpub license may:

14 (1) dispense without charge malt beverages brewed
15 [~~liquor, ale, or beer manufactured~~] by the holder to a person
16 attending the event for consumption on the premises of the event;
17 and

18 (2) discuss with a person attending the event the
19 brewing [~~manufacturing~~] and characteristics of the malt beverages
20 [~~liquor, ale, or beer~~].

21 SECTION 247. Section 74.03, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 74.03. PRODUCTION LIMIT. The total annual production
24 of malt beverages [~~liquor, ale, and beer~~] by a holder of a brewpub
25 license may not exceed 10,000 barrels for each licensed brewpub.

26 SECTION 248. Section 74.04, Alcoholic Beverage Code, is
27 amended to read as follows:

1 Sec. 74.04. LICENSE APPLICATION, RENEWAL, AND MAINTENANCE;
2 RECORDS; LICENSE ISSUANCE. All provisions of this code that apply
3 to a brewpub licensee's wine and malt beverage [~~beer~~] retailer's
4 permit, mixed beverage permit, or retail dealer's on-premise
5 license also apply to the brewpub license.

6 SECTION 249. (a) Effective December 31, 2020, Section
7 74.05, Alcoholic Beverage Code, is amended to read as follows:

8 Sec. 74.05. STATEMENT OF INTENT. An applicant for a
9 brewpub license shall file with the application a sworn statement
10 that the applicant shall be engaged in the business of brewing and
11 packaging malt liquor, ale, or beer in this state in quantities
12 sufficient to operate a brewpub not later than six months after the
13 date of issuance of the original license. If the applicant is a
14 corporation, the statement must be signed by a principal corporate
15 officer. The commission[~~, administrator, or county judge~~] may not
16 issue a brewpub license to an applicant who does not submit the
17 required sworn statement with the application for a license.

18 (b) Effective September 1, 2021, Section 74.05, Alcoholic
19 Beverage Code, is amended to read as follows:

20 Sec. 74.05. STATEMENT OF INTENT. An applicant for a
21 brewpub license shall file with the application a sworn statement
22 that the applicant shall be engaged in the business of brewing and
23 packaging malt beverages [~~liquor, ale, or beer~~] in this state in
24 quantities sufficient to operate a brewpub not later than six
25 months after the date of issuance of the original license. If the
26 applicant is a corporation, the statement must be signed by a
27 principal corporate officer. The commission[~~, administrator, or~~

1 ~~county judge~~] may not issue a brewpub license to an applicant who
2 does not submit the required sworn statement with the application
3 for a license.

4 SECTION 250. Section 74.06, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 74.06. QUALITY STANDARDS. Brewing [~~Manufacturing or~~
7 ~~brewing~~] equipment used by a holder of a brewpub license, and
8 process, labeling, and packaging conducted by a holder of a brewpub
9 license, shall conform to standards and tax requirements imposed by
10 this code and the commission's rules for the brewing [~~manufacture~~]
11 of malt beverages [~~beer and the brewing of ale and malt liquor~~] and
12 shall conform to any standards that may be applied by the agency of
13 the United States charged with supervising and inspecting the
14 [~~manufacture and~~] brewing of alcoholic beverages.

15 SECTION 251. Section 74.07, Alcoholic Beverage Code, is
16 amended to read as follows:

17 Sec. 74.07. CONTAINER SIZE. In addition to any other
18 container for [~~beer, ale, or~~] malt beverages [~~liquor~~] authorized
19 elsewhere in this code, a holder of a brewpub license may store or
20 serve to consumers [~~beer, ale, or~~] malt beverages brewed [~~liquor~~
21 ~~manufactured~~] by the holder of the license at the premises of the
22 brewpub license from any container having the capacity of one
23 barrel or whole multiples of one barrel.

24 SECTION 252. Sections 74.08(a) and (d), Alcoholic Beverage
25 Code, are amended to read as follows:

26 (a) In addition to the activities authorized by Section
27 74.01, the holder of a brewpub license who holds a wine and malt

1 beverage [~~beer~~] retailer's permit and whose sale of [~~beer, ale, or~~]
2 malt beverages [~~liquor~~] consists only of [~~beer, ale, or~~] malt
3 beverages brewed [~~liquor manufactured~~] on the brewpub's premises
4 may[+]

5 [~~(1) sell malt liquor or ale produced under the~~
6 ~~license to those retailers or qualified persons to whom the holder~~
7 ~~of a general class B wholesaler's permit may sell malt liquor or ale~~
8 ~~under Section 20.01; and~~

9 [(2)] sell malt beverages [~~beer~~] produced under the
10 license to:

11 (1) [(A)] those retailers to whom the holder of a
12 general distributor's license may sell malt beverages [~~beer~~] under
13 Section 64.01; or

14 (2) [(B)] qualified persons to whom the holder of a
15 general distributor's license may sell malt beverages [~~beer~~] for
16 shipment and consumption outside the state under Section 64.01.

17 (d) The total amount of malt beverages [~~liquor, ale, and~~
18 ~~beer~~] sold under this section to persons in this state may not
19 exceed 1,000 barrels annually for each licensed brewpub location or
20 2,500 barrels annually for all brewpubs operated by the same
21 licensee.

22 SECTION 253. Section 74.09, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 74.09. SALES TO DISTRIBUTORS. (a) In addition to the
25 activities authorized by Section 74.01, the holder of a brewpub
26 license may sell malt beverages [~~beer~~] produced under the license
27 to the holder of a general[~~, local,~~] or branch distributor's

1 license.

2 (b) The holder of a brewpub license who sells malt beverages
3 [~~beer~~] under Subsection (a) shall comply with the requirements of
4 Section 102.51.

5 SECTION 254. Effective December 1, 2020, Section 81.003,
6 Alcoholic Beverage Code, is amended to read as follows:

7 Sec. 81.003. SUBMISSION OF INFORMATION BY CERTAIN
8 OFFICIALS. For the purposes of Section 81.004 or 81.005, the
9 district or county attorney of the county or the city attorney of
10 the city in which the premises are located may provide information
11 to the commission[~~, administrator, or county judge, as~~
12 ~~appropriate,~~] indicating that the holder of, or applicant for, a
13 permit or license covering the premises has used or can reasonably
14 be expected to use or allow others to use the premises in a manner
15 that constitutes a common nuisance.

16 SECTION 255. Effective December 31, 2020, Section 81.004,
17 Alcoholic Beverage Code, is amended to read as follows:

18 Sec. 81.004. APPLICATION FOR ORIGINAL OR RENEWAL PERMIT OR
19 LICENSE. The commission[~~, administrator, or county judge, as~~
20 ~~applicable,~~] may deny an application for [~~refuse to issue~~] an
21 original or renewal permit or license as provided by Section
22 11.43[~~, after notice and an opportunity for a hearing,~~] if the
23 commission[~~, administrator, or county judge~~] finds that, at any
24 time during the 12 months preceding the permit or license
25 application, a common nuisance existed on the premises for which
26 the permit or license is sought, regardless of whether the acts
27 constituting the common nuisance were engaged in by the applicant

1 or whether the applicant controlled the premises at the time the
2 common nuisance existed. The commission~~[, administrator, or~~
3 ~~county judge, as applicable,]~~ may issue an original or renewal
4 permit or license if~~[, at the hearing,]~~ it is found that the
5 applicant did not control the premises at the time the common
6 nuisance existed and the applicant has taken reasonable measures to
7 abate the common nuisance.

8 SECTION 256. Effective December 31, 2020, Section 81.006,
9 Alcoholic Beverage Code, is amended to read as follows:

10 Sec. 81.006. ORDER IMPOSING ADDITIONAL CONDITIONS ON PERMIT
11 OR LICENSE HOLDER. (a) The commission~~[, administrator, or county~~
12 ~~judge, as applicable,]~~ may, after notice and hearing ~~[under Section~~
13 ~~81.004 or 81.005]~~, issue an order imposing any condition on a permit
14 or license holder that is reasonably necessary to abate a common
15 nuisance on the premises.

16 (b) The commission ~~[or administrator]~~ may suspend for not
17 more than 60 days or cancel the permit or license of a permit or
18 license holder who violates an order issued under this
19 section. The commission ~~[or administrator]~~ may offer the permit or
20 license holder the opportunity to pay a civil penalty rather than
21 have the permit or license suspended.

22 SECTION 257. Effective December 31, 2020, Sections
23 81.007(a), (b), (b-1), and (c), Alcoholic Beverage Code, are
24 amended to read as follows:

25 (a) Before holding a hearing and making a determination
26 under Section 81.004 or 81.005, the commission~~[, administrator, or~~
27 ~~county judge, as applicable,]~~ may, if there is evidence showing a

1 reasonable likelihood that a common nuisance exists on the premises
2 for which the permit or license is held or sought, issue an order
3 imposing any condition on the permit or license holder or the
4 applicant for the permit or license that is reasonably necessary to
5 abate a common nuisance on the premises. An order issued under
6 this section is effective until:

7 (1) the expiration of the time for appealing the
8 determination under Section 81.004 or 81.005; or

9 (2) if the determination is appealed, until all
10 appeals are finally decided.

11 (b) A hearings officer [~~or county judge~~] may issue an order
12 under this section on the hearings officer's [~~or county judge's~~] own
13 motion or the motion of a person listed in Section 81.003 or, for an
14 original or renewal permit or license application, any individual
15 entitled to protest the issuance of the original or renewal permit
16 or license.

17 (b-1) If an individual [~~other than a person described in~~
18 ~~Subsection (b)~~] who is entitled to protest the issuance of the
19 original or renewal permit or license files a motion for a temporary
20 order under this section, the commission[~~, administrator, or county~~
21 ~~judge, as applicable,~~] may not issue a temporary order without
22 conducting a hearing.

23 (c) The commission [~~hearings officer or county judge~~] may
24 impose any sanction on a person who violates an order issued under
25 Subsection (a) that is necessary to secure compliance with the
26 order.

27 SECTION 258. Effective December 31, 2020, Sections

1 101.01(c) and (d), Alcoholic Beverage Code, are amended to read as
2 follows:

3 (c) If the court finds that a person has violated a
4 restraining order or injunction issued under this section, it shall
5 enter a judgment to that effect. The judgment operates to cancel
6 without further proceedings any license or permit held by the
7 person. The district clerk [~~shall notify the county judge of the~~
8 ~~county where the premises covered by the permit or license are~~
9 ~~located and~~] shall notify the commission when a judgment is entered
10 that operates to cancel a license or permit.

11 (d) A [~~No~~] license or permit may not be issued to a person
12 whose license or permit is cancelled under Subsection (c) until the
13 first anniversary of the date the license or permit is cancelled [~~of~~
14 ~~this section for one year after the cancellation~~].

15 SECTION 259. Section 101.32(b), Alcoholic Beverage Code, is
16 amended to read as follows:

17 (b) Possession in a dry area of more than 24 twelve-ounce
18 bottles of malt beverages [~~beer~~], or an equivalent amount, is prima
19 facie evidence of possession with intent to sell.

20 SECTION 260. Sections 101.41(a), (b), (c), and (d),
21 Alcoholic Beverage Code, are amended to read as follows:

22 (a) A brewer [~~No manufacturer~~] or distributor, directly or
23 indirectly or through a subsidiary, affiliate, agent, employee,
24 officer, director, or firm member, may not brew [~~manufacture~~],
25 sell, or otherwise introduce into commerce any container,
26 packaging, or dispensing equipment of malt beverages [~~beer~~] that
27 does not meet the requirements of this section.

1 (b) Every container of malt beverages [~~beer~~] must have a
2 label or imprint in legible type showing the full name and address
3 of the brewer [~~manufacturer~~] and, if it contains a special brand
4 brewed for a distributor, of the distributor. Any box, crate,
5 carton, or similar device in which containers of malt beverages
6 [~~beer~~] are sold or transported must have a label meeting the same
7 requirements.

8 (c) The label of a container of malt beverages [~~beer~~] must
9 state:

10 (1) the net contents in terms of United States liquor
11 measure; and

12 (2) the alcohol content by volume.

13 (d) A [~~No~~] container, packaging material, or dispensing
14 equipment may not bear a label or imprint that:

15 (1) by wording, lettering, numbering, or
16 illustration, or in any other manner refers or alludes to or
17 suggests a brewing [~~manufacturing~~] process, aging, analysis, or a
18 scientific fact;

19 (2) refers or alludes to the "proof," "balling," or
20 "extract" of the product;

21 (3) is untrue in any respect; or

22 (4) by ambiguity, omission, or inference tends to
23 create a misleading impression, or causes or is calculated to cause
24 deception of the consumer with respect to the product.

25 SECTION 261. Section 101.42, Alcoholic Beverage Code, is
26 amended to read as follows:

27 Sec. 101.42. RETURNABLE CONTAINER: ACCEPTANCE BY ANOTHER

1 BREWER [~~MANUFACTURER~~]. A brewer [~~No manufacturer~~] of malt
2 beverages [~~beer~~] may not purchase, accept as a return, or use a
3 barrel, half-barrel, keg, case, or bottle permanently branded or
4 imprinted with the name of another brewer [~~manufacturer~~].

5 SECTION 262. Section 101.43(a), Alcoholic Beverage Code, is
6 amended to read as follows:

7 (a) A brewer [~~No manufacturer~~] or distributor, directly or
8 indirectly, or through a subsidiary, affiliate, agent, employee,
9 officer, director, or firm member, may not sell or otherwise
10 introduce into commerce a brewery product that is misbranded.

11 SECTION 263. Section 101.46(b), Alcoholic Beverage Code, is
12 amended to read as follows:

13 (b) Subsection (a) [~~of this section~~] does not apply to
14 permittees or licensees while engaged in supplying [~~airline~~
15 ~~beverage~~]₇ mixed beverage permittees₇ or passenger
16 transportation [~~bus beverage~~] permittees under Section 48.04 or
17 48.06, nor to the possession or sale of liquor by a [~~an airline~~
18 ~~beverage~~]₇ mixed beverage permittee₇ or a passenger
19 transportation [~~bus beverage~~] permittee under Section 48.04 or
20 48.06, but none of the permittees or licensees covered by this
21 subsection may possess liquor in a container with a capacity of less
22 than one fluid ounce.

23 SECTION 264. Section 101.48, Alcoholic Beverage Code, is
24 amended to read as follows:

25 Sec. 101.48. COMMISSION'S REGULATORY AUTHORITY. Sections
26 5.39 and 5.40 [~~of this code~~] relate to the commission's authority to
27 regulate liquor containers and malt beverage [~~beer~~] container

1 deposits.

2 SECTION 265. Section 101.66, Alcoholic Beverage Code, is
3 amended to read as follows:

4 Sec. 101.66. BEVERAGES OF CERTAIN ALCOHOL CONTENT
5 PROHIBITED. A ~~[No]~~ person may not manufacture, sell, barter, or
6 exchange a beverage that contains more than ~~[alcohol in excess of]~~
7 one-half of one percent alcohol by volume and not more than five
8 ~~[four]~~ percent ~~[of]~~ alcohol by volume ~~[weight]~~, except malt
9 beverages ~~[beer]~~, wine coolers, and spirit coolers.

10 SECTION 266. (a) Effective December 31, 2020, Section
11 101.67, Alcoholic Beverage Code, is amended to read as follows:

12 Sec. 101.67. PRIOR APPROVAL OF MALT BEVERAGES. (a) Before
13 an authorized licensee ~~[No person]~~ may ship or cause to be shipped
14 into the state, import into the state, manufacture and offer for
15 sale in the state, or distribute, sell, or store in the state any
16 ~~[beer, ale, or]~~ malt beverages, the licensee must register the malt
17 beverages with the commission. The registration application must
18 include a certificate of label approval issued by the United States
19 Alcohol and Tobacco Tax and Trade Bureau for the product ~~[liquor~~
20 ~~unless:~~

21 ~~[(1) a sample of the beverage or a sample of the same~~
22 ~~type and quality of beverage has been first tested to verify the~~
23 ~~alcohol content of the beverage by:~~

24 ~~[(A) an independent laboratory,~~

25 ~~[(B) a laboratory certified by the United States~~
26 ~~Alcohol and Tobacco Tax and Trade Bureau or its successor agency as~~
27 ~~qualified for the analysis of beer for export, or~~

1 [~~(C) the commission, and~~
2 [~~(2) the label of the beverage has been first~~
3 ~~submitted to the commission or its representative and found to~~
4 ~~comply with all provisions of this code relating to the labeling of~~
5 ~~the particular type of beverage]~~.

6 (b) Only a brewer's or nonresident brewer's permittee, a
7 manufacturer's or nonresident manufacturer's licensee, or a brewpub
8 licensee may apply to register [~~for and receive label approval on~~
9 ~~beer, ale, or]~~ malt beverages with the commission [~~liquor~~].

10 (c) This section does not apply to the importation of beer
11 for personal consumption and not for sale.

12 (d) On registration of a certificate of label approval
13 issued by the United States Alcohol and Tobacco Tax and Trade
14 Bureau, the commission shall approve the product under this section
15 and issue a letter to that effect to the licensee unless the
16 commission determines the product, despite having a valid federal
17 certificate of label approval, would create a public safety
18 concern, create a cross-tier violation, or otherwise violate this
19 code. [~~If the commission determines that the product tested and~~
20 ~~label submitted under Subsection (a) comply with the provisions of~~
21 ~~this code and the rules of the commission,~~]

22 (d-1) If the commission approves the product, the
23 commission shall issue a certificate of approval upon receipt of a
24 fee in an amount that is sufficient to cover the cost of
25 administering this section. A copy of the certificate shall be kept
26 on file in the office of the commission.

27 (e) Not later than the 45th day after the date the

1 commission receives an application for registration of a product
2 under this section, the commission shall either approve or deny the
3 registration application. If the commission denies the application
4 for a product with a valid federal certificate of label approval or
5 fails to act on the application within the time required by this
6 subsection, the licensee submitting the application is entitled to
7 an administrative hearing before the State Office of Administrative
8 Hearings [~~The commission may require proof by affidavit or~~
9 ~~otherwise that a laboratory performing a test under Subsection~~
10 ~~(a)(1)(A) is independent~~].

11 (f) The commission by rule shall establish procedures for:
12 (1) accepting federal certificates of label approval
13 for registration under this section; and
14 (2) registering alcoholic beverage products that are
15 not eligible to receive a certificate of label approval issued by
16 the United States Alcohol and Tobacco Tax and Trade Bureau.

17 (g) The commission shall consider the nutrition label
18 requirements of the United States Food and Drug Administration and
19 the alcohol label requirements of the United States Alcohol and
20 Tobacco Tax and Trade Bureau in developing the label requirements
21 to register products described by Subsection (f)(2).

22 (h) The rules adopted under this section may not require
23 testing for alcohol content as part of the process for registering
24 an alcoholic beverage with the commission.

25 (b) Effective September, 1, 2021, Sections 101.67(b) and
26 (c), Alcoholic Beverage Code, are amended to read as follows:

27 (b) Only a brewer's [~~or nonresident brewer's permittee, a~~

1 ~~manufacturer's~~] or nonresident brewer's [~~manufacturer's~~] licensee,
2 or a brewpub licensee may apply to register [~~for and receive label~~
3 ~~approval on beer, ale, or~~] malt beverages with the commission
4 [~~liquor~~].

5 (c) This section does not apply to the importation of malt
6 beverages [~~beer~~] for personal consumption and not for sale.

7 SECTION 267. Effective December 31, 2020, Section 101.671,
8 Alcoholic Beverage Code, is amended by amending Subsections (b) and
9 (d) and adding Subsections (c-1), (e), and (f) to read as follows:

10 (b) On registration of a certificate of label approval
11 issued by the United States Alcohol and Tobacco Tax and Trade
12 Bureau, the commission shall approve the product under this section
13 and issue a letter to that effect to the permittee unless the
14 commission determines the product, despite having a valid federal
15 certificate of label approval, would create a public safety
16 concern, create a cross-tier violation, or otherwise violate this
17 code. The commission may not require additional approval for the
18 product unless there is a change to the label or product that
19 requires reissuance of the federal certificate of label approval.
20 The commission shall accept the certificate of label approval as
21 constituting full compliance only with any applicable standards
22 adopted under Section 5.38 regarding quality, purity, and identity
23 of distilled spirits or wine.

24 (c-1) Not later than the 45th day after the date the
25 commission receives an application for registration of a product
26 under this section, the commission shall either approve or deny the
27 registration application. If the commission denies the application

1 for a product with a valid federal certificate of label approval or
2 fails to act on the application within the time required by this
3 subsection, the permittee submitting the application is entitled to
4 an administrative hearing before the State Office of Administrative
5 Hearings.

6 (d) The commission by rule shall [~~may~~] establish procedures
7 for:

8 (1) accepting:

9 (A) [~~(1)~~] federal certificates of label approval
10 for registration under this section; and

11 (B) [~~(2)~~] proof, such as a letter of
12 authorization, that a permittee is the primary American source of
13 supply of the product or brand for purposes of Section 37.10; and

14 (2) registering alcoholic beverage products that are
15 not eligible to receive a certificate of label approval issued by
16 the United States Alcohol and Tobacco Tax and Trade Bureau.

17 (e) The commission shall consider the nutrition label
18 requirements of the United States Food and Drug Administration and
19 the alcohol label requirements of the United States Alcohol and
20 Tobacco Tax and Trade Bureau in developing the label requirements
21 to register products described by Subsection (d)(2).

22 (f) The rules adopted under this section may not require
23 testing for alcohol content as part of the process for registering
24 an alcoholic beverage with the commission.

25 SECTION 268. Section 101.72(a), Alcoholic Beverage Code, is
26 amended to read as follows:

27 (a) A person commits an offense if the person knowingly

1 consumes liquor or malt beverages [~~beer~~] on the premises of a holder
2 of a wine and malt beverage [~~beer~~] retailer's off-premise permit or
3 a retail dealer's off-premise license.

4 SECTION 269. Section 102.03(a), Alcoholic Beverage Code, is
5 amended to read as follows:

6 (a) This section applies to the holder of a [~~brewer's,~~
7 distiller's and rectifier's, winery, wholesaler's, or class B
8 wholesaler's[~~, or wine bottler's~~] permit.

9 SECTION 270. Section 102.04(a), Alcoholic Beverage Code, is
10 amended to read as follows:

11 (a) This section applies to any person who has an interest
12 in the business of a distiller-rectifier, [~~brewer,~~] wholesaler,
13 class B wholesaler, winery, [~~wine bottler,~~] or local distributor's
14 permittee. This section also applies to the agent, servant, or
15 employee of a person who has an interest in one of those businesses.

16 SECTION 271. Section 102.05, Alcoholic Beverage Code, is
17 amended to read as follows:

18 Sec. 102.05. HOTEL: MULTIPLE INTERESTS AUTHORIZED. A
19 hotel may hold a package store permit, mixed beverage permit, wine
20 and malt beverage [~~beer~~] retailer's permit, and retail dealer's
21 license if the businesses are completely segregated from each
22 other.

23 SECTION 272. Effective September 1, 2019, Section 102.06,
24 Alcoholic Beverage Code, is amended to read as follows:

25 Sec. 102.06. RELATIONSHIP BETWEEN AGENT [~~OR MANUFACTURER'S~~
26 ~~AGENT~~] AND PACKAGE STORE. An agent acting under Chapter 35 or 36 [~~No~~
27 ~~holder of an agent's or manufacturer's agent's permit~~] may not

1 directly or indirectly have an interest in a package store permit or
2 wine only package store permit or be residentially domiciled with a
3 person who has a financial interest in a package store permit or
4 wine only package store permit.

5 SECTION 273. Section 102.07(a), Alcoholic Beverage Code, is
6 amended to read as follows:

7 (a) Except as provided in Subsections (b), (d), and (g), a
8 ~~[no]~~ person who owns or has an interest in the business of a
9 distiller, ~~[brewer,~~ rectifier, wholesaler, class B wholesaler, or
10 winery, or ~~[wine bottler, nor]~~ the agent, servant, or employee of
11 such a person, may not:

12 (1) own or have a direct or indirect interest in the
13 business, premises, equipment, or fixtures of a retailer;

14 (2) furnish, give, or lend any money, service, or
15 thing of value to a retailer;

16 (3) guarantee a financial obligation of a retailer;

17 (4) make or offer to enter an agreement, condition, or
18 system which will in effect amount to the shipment and delivery of
19 alcoholic beverages on consignment;

20 (5) furnish, give, rent, lend, or sell to a retail
21 dealer any equipment, fixtures, or supplies to be used in selling or
22 dispensing alcoholic beverages, except that alcoholic beverages
23 may be packaged in combination with other items if the package is
24 designed to be delivered intact to the ultimate consumer and the
25 additional items have no value or benefit to the retailer other than
26 that of having the potential of attracting purchases and promoting
27 sales;

1 (6) pay or make an allowance to a retailer for a
2 special advertising or distribution service;

3 (7) allow an excessive discount to a retailer; or

4 (8) offer a prize, premium, gift, or similar
5 inducement to a retailer or to the agent, servant, or employee of a
6 retailer.

7 SECTION 274. Section 102.07(f), Alcoholic Beverage Code, as
8 effective April 1, 2019, is amended to read as follows:

9 (f) Notwithstanding Subsection (a) [~~of this section~~],
10 Section 108.05, or any other provision of this code, a holder of a
11 [~~brewer's permit, nonresident brewer's permit,~~] distiller's and
12 rectifier's permit, winery permit, nonresident seller's permit,
13 brewer's [~~manufacturer's~~] license, or nonresident brewer's
14 [~~manufacturer's~~] license may, in order to promote the brand name of
15 the permittee's or licensee's products, contract with a person
16 licensed under Subtitle A-1, Title 13, Occupations Code (Texas
17 Racing Act), for on-site advertising signs, for advertising in
18 programs, and to supplement purses for races even though the
19 licensees under that subtitle or the owners or operators of the
20 racing facilities also hold a mixed beverage permit or other permit
21 or license under this code. In addition, a permittee or licensee
22 described by this subsection may contract for off-site advertising
23 promoting specific races. A part of the cost of an advertisement or
24 promotion authorized by this section may not be charged to or paid,
25 directly or indirectly, by the holder of a wholesaler's [~~wholesale~~]
26 permit, general class B wholesaler's permit, [~~local class B~~
27 ~~wholesaler's permit,~~] local distributor's permit, or general

1 distributor's license~~[, or local distributor's license]~~, except
2 through the price paid by that holder for products purchased from
3 the holder's supplier.

4 SECTION 275. Section 102.07(g), Alcoholic Beverage Code, is
5 amended to read as follows:

6 (g) Subsection (a) does not prohibit a permittee covered
7 under Subsection (a) from prearranging or preannouncing a
8 promotional activity otherwise permitted by this code with a
9 retailer about a promotional activity to be held on the retailer's
10 premises. Notwithstanding any other provision, a permittee may:

- 11 (1) preannounce a promotion to a consumer; or
- 12 (2) preannounce the purchase of wine or ~~[r]~~ distilled
13 spirits~~[, ale, or malt liquor]~~ to a consumer.

14 SECTION 276. Section 102.071(e), Alcoholic Beverage Code,
15 is amended to read as follows:

16 (e) For the purposes of Subchapters C and D, the sale, by the
17 holder of a distributor's license, of a nonalcoholic beverage
18 produced or sold by a brewer ~~[manufacturer]~~ of malt beverages and
19 that bears the name, emblem, logo, or brand of a brewer
20 ~~[manufacturer]~~ of malt beverages is the same as a sale of malt
21 beverages ~~[beer]~~.

22 SECTION 277. Section 102.11, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 102.11. BREWER ~~[MANUFACTURER]~~ OR DISTRIBUTOR:
25 PROHIBITED INTERESTS. A brewer ~~[No manufacturer]~~ or distributor
26 directly or indirectly, or through a subsidiary, affiliate, agent,
27 employee, officer, director, or firm member, may not:

1 (1) own any interest in the business or premises of a
2 retail dealer of malt beverages [~~beer~~]; or

3 (2) hold or have an interest in a license to sell
4 brewery products for on-premises consumption, except to the extent
5 that a brewer's [~~manufacturer's~~] license permits on-premises
6 consumption.

7 SECTION 278. Section 102.12, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 102.12. COMMERCIAL BRIBERY BY BREWER [~~MANUFACTURER~~] OR
10 DISTRIBUTOR. A brewer [~~No manufacturer~~] or distributor directly or
11 indirectly, or through a subsidiary, affiliate, agent, employee,
12 officer, director, or firm member, may not give or permit to be
13 given money or any thing of value in an effort to induce agents,
14 employees, or representatives of customers or prospective
15 customers to influence their employers or principals to purchase or
16 contract to purchase brewery products from the brewer
17 [~~manufacturer~~] or distributor or to refrain from buying those
18 products from other persons.

19 SECTION 279. Section 102.13, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 102.13. EXCLUSIVE OUTLET AGREEMENT AS TO BREWERY
22 PRODUCTS. A brewer [~~No manufacturer~~] or distributor directly or
23 indirectly, or through a subsidiary, affiliate, agent, employee,
24 officer, director, or firm member, may not require, by agreement or
25 otherwise, that a retailer engaged in the sale of brewery products
26 purchase any of those products from the brewer [~~him~~] to the total or
27 partial exclusion of the products sold or offered for sale by a

1 competitor or require the retailer to take or dispose of a certain
2 quota of the product.

3 SECTION 280. Section 102.14, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 102.14. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:
6 FURNISHING EQUIPMENT OR FIXTURES. (a) A brewer [~~No manufacturer~~]
7 or distributor directly or indirectly, or through a subsidiary,
8 affiliate, agent, employee, officer, director, or firm member, may
9 not furnish, give, rent, lend, or sell any equipment, fixtures, or
10 supplies to a person engaged in selling brewery products for
11 on-premises consumption.

12 (b) This section does not apply to equipment, fixtures, or
13 supplies furnished, given, loaned, rented, or sold before November
14 16, 1935, except that transactions made before that date may not be
15 used as consideration for an agreement made after that date with
16 respect to the purchase of brewery products. If a brewer
17 [~~manufacturer~~] or distributor of brewery products or an agent or
18 employee of one of them removes the equipment, fixtures, or
19 supplies from the premises of the person to whom they were
20 furnished, given, loaned, rented, or sold, the exemption granted by
21 this subsection no longer applies to the equipment, fixtures, or
22 supplies.

23 (c) Notwithstanding any other provision of this code, a
24 brewer [~~manufacturer~~] or distributor may, with written approval of
25 the administrator, sell for cash devices designed to extract
26 brewery products from legal containers subject to the following
27 conditions:

1 (1) the legal containers must not exceed a one-eighth
2 barrel capacity and must not be reused or refilled;

3 (2) the selling price of such devices may be no less
4 than the cost of acquisition to the brewer [~~manufacturer~~] or
5 distributor; and

6 (3) such devices which extract brewery products from
7 legal containers covered by this section may not be furnished,
8 given, rented, or sold by the brewer [~~manufacturer~~] or distributor
9 to a licensee or permittee authorized to sell or serve brewery
10 products for on-premise consumption, or to the ultimate consumer.

11 SECTION 281. Section 102.15, Alcoholic Beverage Code, is
12 amended to read as follows:

13 Sec. 102.15. BREWER [~~MANUFACTURER~~] OR DISTRIBUTOR:
14 PROHIBITED DEALINGS WITH RETAILER. (a) Except as provided by
15 Subsection (b), a brewer [~~no manufacturer~~] or distributor directly
16 or indirectly, or through a subsidiary, affiliate, agent, employee,
17 officer, director, or firm member, may not:

18 (1) furnish, give, or lend any money or other thing of
19 value to a person engaged or about to be engaged in selling brewery
20 products for on-premises or off-premises consumption, or give the
21 person any money or thing of value for the person's [~~his~~] use,
22 benefit, or relief; or

23 (2) guarantee the repayment of a loan or the
24 fulfillment of a financial obligation of a person engaged in or
25 about to be engaged in selling malt beverages [~~beer~~] at retail.

26 (b) Subsection (a) does not prohibit a brewer
27 [~~manufacturer~~] or distributor from prearranging or preannouncing a

1 promotional activity otherwise permitted by this code with a
2 retailer about a promotional activity to be held on the retailer's
3 premises. Notwithstanding any other provision, a brewer
4 [~~manufacturer~~] or distributor may:

- 5 (1) preannounce a promotion to a consumer; or
- 6 (2) preannounce the purchase of malt beverages [~~beer~~]
7 to a consumer.

8 SECTION 282. Section 102.17, Alcoholic Beverage Code, is
9 amended to read as follows:

10 Sec. 102.17. CONTRACT FOR SALE OF LIQUOR. A [~~brewer,~~]
11 distiller and rectifier, winery permittee, [~~manufacturer,~~] or
12 nonresident seller of liquor and the holder of a wholesaler's
13 permit may enter into a contract for the sale and purchase of a
14 specified quantity of liquor to be delivered over an agreed period
15 of time, but only if the contract is first submitted to the
16 commission or administrator and found by the commission or
17 administrator not to be calculated to induce a violation of this
18 code.

19 SECTION 283. Section 102.18, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 102.18. BREWER [~~MANUFACTURER~~]: PROHIBITED INTERESTS.

22 (a) This section applies to the following:

- 23 (1) a holder of a brewer's [~~manufacturer's~~] or
24 nonresident brewer's [~~manufacturer's~~] license;
- 25 (2) an officer, director, agent, or employee of an
26 entity named in Subdivision (1) [~~of this subsection~~]; or
- 27 (3) an affiliate of an entity named in Subdivision (1)

1 ~~[of this subsection]~~, regardless of whether the affiliation is
2 corporate or by management, direction, or control.

3 (b) An ~~[No]~~ entity named in Subsection (a) ~~[of this section]~~
4 may not have any interest in the license, business, assets, or
5 corporate stock of a holder of a general~~[, local,]~~ or branch
6 distributor's license.

7 SECTION 284. Section 102.21, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 102.21. CONTINUITY OF CERTAIN PROTECTIONS FOR MALT
10 BEVERAGE ~~[BEER]~~ DISTRIBUTORS. The protections provided to malt
11 beverage ~~[beer]~~ distributors by Subchapters C and D apply
12 regardless of whether there is a transfer or change of ownership of
13 a brand at the manufacturing level.

14 SECTION 285. Section 102.22(a), Alcoholic Beverage Code, is
15 amended to read as follows:

16 (a) A person who holds ~~[a permit issued under Chapter 12 or~~
17 ~~13 or]~~ a license issued under Chapter 62 or 63 shall verify to the
18 commission on an annual basis that a brewing ~~[or manufacturing]~~
19 facility owned or controlled by the ~~[permit or]~~ license holder is
20 not used to produce malt beverages primarily for a specific
21 retailer or the retailer's affiliates.

22 SECTION 286. Section 102.31(a), Alcoholic Beverage Code, is
23 amended to read as follows:

24 (a) This section applies to:

25 (1) the sale of malt beverages ~~[beer]~~ or malt beverage
26 ~~[its]~~ containers or the original packages in which malt beverages
27 are ~~[it is]~~ received, packaged, or contained by a distributor's

1 licensee to a retail dealer's on-premise or off-premise licensee, a
2 wine and malt beverage [~~beer~~] retailer's permittee, or a wine and
3 malt beverage [~~beer~~] retailer's off-premise permittee; and

4 (2) the sale of malt beverages by [~~a local~~
5 ~~distributor's permittee, or by~~] any licensee authorized to sell
6 those beverages for resale[~~r~~] to a mixed beverage or daily
7 temporary mixed beverage permittee.

8 SECTION 287. Sections 102.32(a)(1) and (2), Alcoholic
9 Beverage Code, are amended to read as follows:

10 (1) "Wholesale dealer" means a wholesaler, class B
11 wholesaler, winery, [~~wine bottler,~~] or local distributor's
12 permittee.

13 (2) "Retailer" means a package store, wine only
14 package store, wine and malt beverage [~~beer~~] retailers, wine and
15 malt beverage [~~beer~~] retailer's off-premise, or mixed beverage
16 permittee, any other retailer, or a private club registration
17 permittee. For purposes of this section, the holder of a winery
18 permit issued under Chapter 16 is a retailer when the winery permit
19 holder purchases wine from the holder of a wholesaler's permit
20 issued under Chapter 19 for resale to ultimate consumers in
21 unbroken packages.

22 SECTION 288. Section 102.51, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 102.51. SETTING OF TERRITORIAL LIMITS. (a) Each
25 holder of a brewer's [~~manufacturer's~~] or nonresident brewer's
26 [~~manufacturer's~~] license shall designate territorial limits in
27 this state within which the brands of malt beverages [~~beer~~] the

1 licensee brews [~~manufactures~~] may be sold by general[~~, local,~~] or
2 branch distributor's licensees.

3 (b) Each holder of a general[~~, local,~~] or branch
4 distributor's license shall enter into a written agreement with
5 each brewer [~~manufacturer~~] from which the distributor purchases
6 malt beverages [~~beer~~] for distribution and sale in this state
7 setting forth the sales territory within which each brand of malt
8 beverage [~~beer~~] purchased by that distributor may be distributed
9 and sold. No holder of a general[~~, local,~~] or branch distributor's
10 license shall make any sales of any brand of malt beverage [~~beer~~]
11 outside the sales territory specified in the written agreement. No
12 such agreement shall interfere with the rights of retailers to
13 purchase malt beverages [~~beer~~] as provided in Section 102.53. A
14 brewer [~~manufacturer~~] may not assign all or any part of the same
15 sales territory to more than one distributor. A copy of the
16 agreement and any amendments to it shall be filed with the
17 administrator.

18 (c) This Act is promulgated pursuant to the authority of the
19 state under the provisions of the Twenty-first Amendment to the
20 United States Constitution to promote the public interest in the
21 fair, efficient, and competitive distribution of malt beverages
22 [~~beer~~], to increase competition in such areas, and to assure
23 product quality control and accountability by allowing brewers
24 [~~manufacturers~~] to assign sales territories within this state.

25 SECTION 289. Section 102.52, Alcoholic Beverage Code, is
26 amended to read as follows:

27 Sec. 102.52. RIGHTS OF DISTRIBUTORS. Nothing in Section

1 102.51 [~~of this code~~] limits or alters the right of a holder of a
2 general[~~, local,~~] or branch distributor's license to sell malt
3 beverages [~~beer~~] to any other holder of a general[~~, local,~~] or
4 branch distributor's license, except that a distributor who has
5 purchased malt beverages [~~beer~~] from another distributor may
6 distribute and sell the malt beverages [~~beer~~] only within a
7 territory for which the brewer [~~manufacturer~~] of the brand has
8 designated that it may be sold by the general[~~, local,~~] or branch
9 distributor making the purchase.

10 SECTION 290. Section 102.53, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 102.53. RIGHTS OF RETAILERS. Nothing in Section
13 102.51 or 102.52 [~~of this code~~] limits or alters the right of a
14 holder of a retail license or permit to purchase malt beverages
15 [~~beer~~] at the licensed premises of any general[~~, local,~~] or branch
16 distributor's licensee in the state and transport those malt
17 beverages [~~that beer~~] to the licensee's [~~his~~] licensed premises,
18 except that the retailer may sell the malt beverages [~~beer~~] only
19 within a territory for which the brewer [~~manufacturer~~] of the brand
20 has designated that the malt beverages [~~it~~] may be sold by a
21 distributor.

22 SECTION 291. (a) Effective December 31, 2020, Sections
23 102.54(a) and (b), Alcoholic Beverage Code, are amended to read as
24 follows:

25 (a) In addition to any other requirements necessary for
26 issuance or renewal of a distributor's license, the commission [~~or~~
27 ~~administrator~~] shall require an applicant for a license or a holder

1 of a license to show that the applicant or holder:

2 (1) has entered into or will acquire a written
3 agreement designating an assigned territory from a manufacturer in
4 accordance with this subchapter and Subchapter D;

5 (2) has received or has applied for and will maintain
6 all licenses or permits required to engage in business in the
7 assigned territory as a holder of a distributor's license,
8 including any state or federal licenses or permits;

9 (3) has ordered, received, and stored or has committed
10 to order, receive, and store a sufficient amount of beer that the
11 distributor is authorized to sell to ensure that the distributor
12 can supply the reasonable needs of all retailers in the assigned
13 territory;

14 (4) has received and stored or has committed to
15 receive and store beer received from a manufacturer in a manner
16 complying with a product quality control standard established by
17 the manufacturer or the commission; and

18 (5) has or will have the ability to sell, deliver, and
19 promote each brand of beer sold by the distributor to all retailers
20 in the assigned territory:

21 (A) in a manner that complies with the product
22 quality control standards of the manufacturer or of the commission;
23 and

24 (B) on a continuing and recurring basis in
25 response to reasonable market demand for a brand of beer by the
26 retailer or the retailer's customers in the assigned territory.

27 (b) In determining whether an applicant for or holder of a

1 distributor's license meets the requirement of Subsection (a)(5),
2 the commission [~~or administrator~~] may require the applicant or
3 holder to show that the applicant or holder has or will have:

4 (1) storage facilities of a sufficient size to store
5 each brand of beer in an amount equal to the demand for the product
6 from all retailers in the holder's or applicant's assigned
7 territory;

8 (2) an inventory or a commitment to acquire an
9 inventory of each brand of beer in an amount equal to the demand for
10 the brand from all retailers in the holder's or applicant's assigned
11 territory;

12 (3) a sufficient number of employees to provide the
13 holder or applicant with the ability:

14 (A) to sell, deliver on a reasonably prompt
15 basis, and promote each brand of beer to all retailers in the
16 holder's or applicant's assigned territory; and

17 (B) to prepare and submit in a timely manner any
18 fee or tax payments or reports required by any authorized
19 governmental regulatory authority, including the Bureau of
20 Alcohol, Tobacco, and Firearms and the commission; and

21 (4) a sufficient number of delivery vehicles and
22 rolling stock to provide the holder or the applicant with the
23 capability of transporting, selling, delivering, or promoting each
24 brand of beer to all retailers in the assigned territory.

25 (b) Effective September 1, 2021, Sections 102.54(a) and
26 (b), Alcoholic Beverage Code, are amended to read as follows:

27 (a) In addition to any other requirements necessary for

1 issuance or renewal of a distributor's license, the commission [~~or~~
2 ~~administrator~~] shall require an applicant for a license or a holder
3 of a license to show that the applicant or holder:

4 (1) has entered into or will acquire a written
5 agreement designating an assigned territory from a brewer
6 [~~manufacturer~~] in accordance with this subchapter and Subchapter D;

7 (2) has received or has applied for and will maintain
8 all licenses or permits required to engage in business in the
9 assigned territory as a holder of a distributor's license,
10 including any state or federal licenses or permits;

11 (3) has ordered, received, and stored or has committed
12 to order, receive, and store a sufficient amount of malt beverages
13 [~~beer~~] that the distributor is authorized to sell to ensure that the
14 distributor can supply the reasonable needs of all retailers in the
15 assigned territory;

16 (4) has received and stored or has committed to
17 receive and store malt beverages [~~beer~~] received from a brewer
18 [~~manufacturer~~] in a manner complying with a product quality control
19 standard established by the brewer [~~manufacturer~~] or the
20 commission; and

21 (5) has or will have the ability to sell, deliver, and
22 promote each brand of malt beverage [~~beer~~] sold by the distributor
23 to all retailers in the assigned territory:

24 (A) in a manner that complies with the product
25 quality control standards of the brewer [~~manufacturer~~] or of the
26 commission; and

27 (B) on a continuing and recurring basis in

1 response to reasonable market demand for a brand of malt beverage
2 [~~beer~~] by the retailer or the retailer's customers in the assigned
3 territory.

4 (b) In determining whether an applicant for or holder of a
5 distributor's license meets the requirement of Subsection (a)(5),
6 the commission [~~or administrator~~] may require the applicant or
7 holder to show that the applicant or holder has or will have:

8 (1) storage facilities of a sufficient size to store
9 each brand of malt beverage [~~beer~~] in an amount equal to the demand
10 for the product from all retailers in the holder's or applicant's
11 assigned territory;

12 (2) an inventory or a commitment to acquire an
13 inventory of each brand of malt beverage [~~beer~~] in an amount equal
14 to the demand for the brand from all retailers in the holder's or
15 applicant's assigned territory;

16 (3) a sufficient number of employees to provide the
17 holder or applicant with the ability:

18 (A) to sell, deliver on a reasonably prompt
19 basis, and promote each brand of malt beverage [~~beer~~] to all
20 retailers in the holder's or applicant's assigned territory; and

21 (B) to prepare and submit in a timely manner any
22 fee or tax payments or reports required by any authorized
23 governmental regulatory authority, including the Bureau of
24 Alcohol, Tobacco, and Firearms and the commission; and

25 (4) a sufficient number of delivery vehicles and
26 rolling stock to provide the holder or the applicant with the
27 capability of transporting, selling, delivering, or promoting each

1 brand of malt beverage [~~beer~~] to all retailers in the assigned
2 territory.

3 SECTION 292. Section 102.54(d)(2), Alcoholic Beverage
4 Code, is amended to read as follows:

5 (2) "Brewer [~~Manufacturer~~]" means a person who holds a
6 license issued under Chapter 62, 63, or 74.

7 SECTION 293. Sections 102.55(a) and (c), Alcoholic Beverage
8 Code, are amended to read as follows:

9 (a) In this subchapter and Subchapter D, and as the terms
10 relate to an agreement between a brewer [~~manufacturer~~] and a
11 distributor describing the sales territory in which a distributor
12 may sell the malt beverages [~~beer~~] of a brewer [~~manufacturer~~]:

13 (1) "Brand" means any word, name, group of letters,
14 symbol, or trademark or a combination of any word, name, group of
15 letters, symbol, or trademark that is adopted and used by a brewer
16 [~~manufacturer~~] on a label or on packaging to identify a specific
17 [~~beer~~ or] malt beverage and to distinguish the [~~beer~~ or] malt
18 beverage product from the label or packaging of another [~~beer~~ or]
19 malt beverage produced or marketed by any brewer [~~manufacturer~~].
20 The term does not include the name of the brewer [~~manufacturer~~]
21 unless the name of the brewer [~~manufacturer~~] is included in the name
22 of the brand.

23 (2) "Brand extension" means a brand that incorporates
24 a brand name or brand logo, or a substantial part of an existing
25 brand name or brand logo, of the same brewer [~~manufacturer~~].

26 (3) "Brewer" [~~"Manufacturer"~~] means a person who holds
27 a license issued under Chapter 62, 63, or 74.

1 (c) A brewer [~~manufacturer~~] shall assign a brand extension
2 to the distributor to whom the brand was originally assigned, if the
3 distributor elects to distribute and sell the brand extension.

4 SECTION 294. Section 102.56, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 102.56. APPLICATION OF TERRITORIAL LIMITS TO CERTAIN
7 PERMIT HOLDERS. (a) This section applies only to a holder of a
8 local distributor's permit under Chapter 23 that operates in a
9 county in which 8,000 or more alcoholic beverage licenses or
10 permits of any type have been issued under this code and are in
11 effect. Subsections (b) and (d) apply only to the delivery of a
12 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a
13 mixed beverage permit or a private club permit whose premises is
14 located in a county in which 8,000 or more alcoholic beverage
15 licenses or permits of any type have been issued under this code and
16 are in effect.

17 (b) A holder of a local distributor's permit under Chapter
18 23 who has purchased a brand of [~~ale, beer, or~~] malt beverage
19 [~~liquor~~] from the holder of a general[~~, local,~~] or branch
20 distributor's license [~~or from the holder of a general class B~~
21 ~~wholesaler's or local class B wholesaler's permit~~] may not deliver
22 the brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to any holder of
23 a mixed beverage permit or private club permit whose premises is
24 located inside that county and outside the territory assigned to
25 the distributor [~~or wholesaler~~] who sold the product under a
26 territorial limit agreement authorized by this subchapter.

27 (c) Except as provided by Subsection (d), a holder of a

1 local distributor's permit may purchase a brand of [~~ale, beer, or~~
2 malt beverage [~~liquor~~] only from a distributor [~~or wholesaler~~] who
3 has been assigned the territory where the premises of the holder of
4 the local distributor's permit is located.

5 (d) A holder of a local distributor's permit who delivers a
6 brand of [~~ale, beer, or~~] malt beverage [~~liquor~~] to a holder of a
7 mixed beverage permit or private club permit whose premises is
8 located inside that county and outside the assigned territory where
9 the premises of the holder of a local distributor's permit is
10 located must purchase the brand of [~~ale, beer, or~~] malt beverage
11 [~~liquor~~] from a distributor [~~or wholesaler~~] who has been assigned
12 the territory where the premises of the holder of the mixed beverage
13 or private club permit is located.

14 SECTION 295. The heading to Subchapter D, Chapter 102,
15 Alcoholic Beverage Code, is amended to read as follows:

16 SUBCHAPTER D. MALT BEVERAGE [~~BEER~~] INDUSTRY FAIR DEALING LAW

17 SECTION 296. Sections 102.71(1), (2), (4), and (5),
18 Alcoholic Beverage Code, are amended to read as follows:

19 (1) "This Act" means this subchapter which shall have
20 the short title and may be cited as the "Malt Beverage [~~Beer~~]
21 Industry Fair Dealing Law."

22 (2) "Agreement" means any contract, agreement, or
23 arrangement, whether expressed or implied, whether oral or written,
24 for a definite or indefinite period between a brewer [~~manufacturer~~]
25 and a distributor pursuant to which a distributor has the right to
26 purchase, resell, and distribute any brand or brands of malt
27 beverage [~~beer~~] offered by a brewer [~~manufacturer~~].

1 (4) "Brewer [~~Manufacturer~~]" means those persons
2 licensed under Section 62.01, 63.01, or 74.01.

3 (5) "Territory" or "sales territory" means the
4 geographic area of distribution and sale responsibility designated
5 by an agreement between a distributor and brewer [~~manufacturer~~], as
6 provided in Section 102.51 of this code, for any brands of the
7 brewer [~~manufacturer~~].

8 SECTION 297. Sections 102.72(a) and (b), Alcoholic Beverage
9 Code, are amended to read as follows:

10 (a) This Act is promulgated pursuant to authority of the
11 state under the provisions of the 21st amendment to the United
12 States Constitution to promote the public's interest in the fair,
13 efficient, and competitive distribution of malt beverages [~~beer~~]
14 within this state by requiring brewers [~~manufacturers~~] and
15 distributors to conduct their business relations so as to assure:

16 (1) that the malt beverage [~~beer~~] distributor is free
17 to manage its business enterprise, including the right to
18 independently establish its selling prices; and

19 (2) that the public, retailers, and brewers
20 [~~manufacturers~~] are served by distributors who will devote their
21 reasonable efforts and resources to the sales and distribution of
22 all the brewer's [~~manufacturer's~~] products which the distributor
23 has the right to sell and distribute and maintain satisfactory
24 sales levels in the sales territory assigned the distributor.

25 (b) This Act shall govern all relations between brewers
26 [~~manufacturers~~] and their distributors, including any renewals or
27 amendments to agreements between them, to the full extent

1 consistent with the constitutions and laws of this state and the
2 United States.

3 SECTION 298. Sections 102.73(a) and (c), Alcoholic Beverage
4 Code, are amended to read as follows:

5 (a) Except as provided in Subsection (c) [~~of this section~~],
6 and except as may be specifically agreed upon at the time by the
7 parties, a brewer [~~no manufacturer~~] or beer distributor may not
8 cancel, fail to renew, or otherwise terminate an agreement unless
9 the brewer [~~manufacturer~~] or distributor furnishes prior
10 notification in accordance with Subsection (b) [~~of this section~~] to
11 the affected party.

12 (c) A brewer [~~manufacturer~~] or distributor may cancel, fail
13 to renew, or otherwise terminate an agreement without furnishing
14 any prior notification for any of the following reasons:

15 (1) in the event of insolvency or bankruptcy or
16 dissolution or liquidation of the other party;

17 (2) in the event the other party shall make an
18 assignment for the benefit of creditors or similar disposition of
19 substantially all of the assets of such party's business;

20 (3) in the event of a conviction or plea of guilty or
21 no contest to a charge of violating a law or regulation or the
22 revocation or suspension of a license or permit for a period of 30
23 days or more relating to the business and which materially and
24 adversely affects the party's ability to continue in business; or

25 (4) in the event of the failure to pay amounts owing
26 the other when due, upon demand therefor, in accordance with agreed
27 payment terms.

1 SECTION 299. Section 102.74, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 102.74. CANCELLATION. A malt beverage brewer [~~No~~
4 ~~manufacturer~~] or [~~beer~~] distributor may not cancel, fail to renew,
5 or otherwise terminate an agreement unless the party intending such
6 action has good cause for such cancellation, failure to renew, or
7 termination and, in any case in which prior notification is
8 required under Section 102.73 [~~of this code~~], the party intending
9 to act has furnished said prior notification and the affected party
10 has not eliminated the reasons specified in such notification as
11 the reasons for cancellation, failure to renew, or termination
12 within 90 days after the receipt of such notification.

13 SECTION 300. Sections 102.75(a) and (b), Alcoholic Beverage
14 Code, are amended to read as follows:

15 (a) A brewer may not [~~No manufacturer shall~~]:

16 (1) induce or coerce, or attempt to induce or coerce,
17 any distributor to engage in any illegal act or course of conduct;

18 (2) require a distributor to assent to any
19 unreasonable requirement, condition, understanding, or term of an
20 agreement prohibiting a distributor from selling the product of any
21 other brewer [~~manufacturer or manufacturers~~];

22 (3) fix or maintain the price at which a distributor
23 may resell malt beverages [~~beer~~];

24 (4) fail to provide to each distributor of its brands a
25 written contract which embodies the brewer's [~~manufacturer's~~]
26 agreement with its distributor;

27 (5) require any distributor to accept delivery of any

1 malt beverages [~~beer~~] or any other item or commodity which shall not
2 have been ordered by the distributor;

3 (6) adjust the price at which the brewer
4 [~~manufacturer~~] sells malt beverages [~~beer~~] to a distributor based
5 on the price at which a distributor resells malt beverages [~~beer~~] to
6 a retailer, but a brewer [~~manufacturer~~] is free to set its own price
7 so long as any price adjustment is based on factors other than a
8 distributor's increase in the price it charges to a retailer and not
9 intended to otherwise coerce illegal behavior under this section;
10 or

11 (7) accept payment in exchange for an agreement
12 setting forth territorial rights.

13 (b) Nothing in this section shall interfere with the rights
14 of a brewer [~~manufacturer~~] or distributor to enter into contractual
15 agreements that could be construed as governing ordinary business
16 transactions, including, but not limited to, agreements concerning
17 allowances, rebates, refunds, services, capacity, advertising
18 funds, promotional funds, or sports marketing funds.

19 SECTION 301. Section 102.76, Alcoholic Beverage Code, is
20 amended to read as follows:

21 Sec. 102.76. TRANSFER OF BUSINESS ASSETS OR STOCK. (a) A
22 brewer may not [~~No manufacturer shall~~] unreasonably withhold or
23 delay its approval of any assignment, sale, or transfer of the stock
24 of a distributor or all or any portion of a distributor's assets,
25 distributor's voting stock, the voting stock of any parent
26 corporation, or the beneficial ownership or control of any other
27 entity owning or controlling the distributor, including the

1 distributor's rights and obligations under the terms of an
2 agreement whenever the person or persons to be substituted meet
3 reasonable standards imposed not only upon the distributor but upon
4 all other distributors of that brewer [~~manufacturer~~] of the same
5 general class, taking into account the size and location of the
6 sales territory and market to be served. Upon the death of one of
7 the partners of a partnership operating the business of a
8 distributor, a brewer may not [~~no manufacturer shall~~] deny the
9 surviving partner or partners of such partnership the right to
10 become a successor-in-interest to the agreement between the brewer
11 [~~manufacturer~~] and such partnership. Provided that the survivor
12 has been active in the management of the partnership or [~~and/or~~] is
13 otherwise capable of carrying on the business of the partnership.

14 (b) Notwithstanding the provisions of Subsection (a) [~~of~~
15 ~~this section~~], upon the death of a distributor a brewer may not [~~no~~
16 ~~manufacturer shall~~] deny approval for any transfer of ownership to
17 a surviving spouse or adult child of an owner of a distributor;
18 provided, however, that such subsequent transfers of such ownership
19 by such surviving spouse or adult child shall thereafter be subject
20 to the provisions of Subsection (a) [~~of this section~~].

21 SECTION 302. Section 102.77, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 102.77. REASONABLE COMPENSATION. (a) Any brewer
24 [~~manufacturer~~] who, without good cause, cancels, terminates, or
25 fails to renew any agreement, or unlawfully denies approval of, or
26 unreasonably withholds consent, to any assignment, transfer, or
27 sale of a distributor's business assets or voting stock or other

1 equity securities, shall pay such distributor with whom it has an
2 agreement pursuant to Section 102.51 [~~of this code~~] the fair market
3 value of the distributor's business with relation to the affected
4 brand or brands. In determining fair market value, consideration
5 shall be given to all elements of value, including [~~but not limited~~
6 ~~to~~] goodwill and going concern value.

7 (b) In the event that the brewer [~~manufacturer~~] and the
8 distributor are unable to mutually agree on whether or not good
9 cause exists for cancellation under Section 102.74 [~~of this code~~]
10 or on the reasonable compensation to be paid for the value of the
11 distributor's business, as defined herein, the matter may, at the
12 option of either the distributor or brewer [~~manufacturer~~], be
13 submitted to three arbitrators, one of whom shall be named in
14 writing by each party and the third of whom shall be chosen by the
15 two arbiters so selected. Should the arbiters selected fail to
16 choose a third arbiter within 10 days, a judge of a district court
17 in the county in which the distributor's principal place of
18 business is located shall select the third arbiter. Arbitration
19 shall be conducted in accordance with Chapter 171, Civil Practice
20 and Remedies Code [~~the Texas General Arbitration Act, as amended~~
21 ~~(Article 224, Revised Civil Statutes of Texas, 1925)~~]. Arbitration
22 costs shall be paid one-half by the distributor and one-half by the
23 brewer [~~manufacturer~~]. The award of the arbitrators shall be
24 binding on the parties unless appealed within 10 days from the date
25 of the award. All proceedings on appeal shall be in accordance with
26 and governed by Chapter 171, Civil Practice and Remedies Code [~~the~~
27 ~~Texas General Arbitration Act, as amended (Article 224, Revised~~

1 ~~Civil Statutes of Texas, 1925)~~].

2 SECTION 303. Section 102.78, Alcoholic Beverage Code, is
3 amended to read as follows:

4 Sec. 102.78. RIGHT OF FREE ASSOCIATION. A brewer [~~No~~
5 ~~manufacturer~~] or distributor may not [~~shall~~] restrict or inhibit,
6 directly or indirectly, the right of free association among brewers
7 [~~manufacturers~~] or distributors for any lawful purpose.

8 SECTION 304. Section 102.79(a), Alcoholic Beverage Code, is
9 amended to read as follows:

10 (a) If a brewer [~~manufacturer~~] or distributor who is a party
11 to an agreement pursuant to Section 102.51 [~~of this code~~] fails to
12 comply with this Act or otherwise engages in conduct prohibited
13 under this Act, or if a brewer [~~manufacturer~~] and distributor are
14 not able to mutually agree on reasonable compensation under Section
15 102.77 [~~of this code~~] and the matter is not to be submitted to
16 arbitration, the aggrieved brewer [~~manufacturer~~] or distributor
17 may maintain a civil action in a court of competent jurisdiction in
18 the county in which the distributor's principal place of business
19 is located.

20 SECTION 305. Section 102.81, Alcoholic Beverage Code, is
21 amended to read as follows:

22 Sec. 102.81. [~~ALE AND~~] MALT BEVERAGES [~~LIQUOR~~]. This
23 subchapter and Subchapter C [~~of this chapter~~] apply to agreements
24 concerning all [~~ale and~~] malt beverages [~~liquor~~] in the same manner
25 [~~as they apply to agreements concerning beer, and each particular~~
26 ~~class of permittee dealing with ale and malt liquor is subject to~~
27 ~~those provisions that apply to functionally corresponding~~

1 ~~licensees within the beer industry].~~

2 SECTION 306. Section 103.08, Alcoholic Beverage Code, is
3 amended to read as follows:

4 Sec. 103.08. SALE OF MALT BEVERAGE [~~BEER~~]. (a) Any malt
5 beverage [~~beer~~], its container, or its packaging which is seized
6 under the terms of this chapter shall be disposed of in accordance
7 with this section.

8 (b) On notification that the malt beverage has [~~beer has~~]
9 been seized, the commission shall promptly notify a holder of a
10 general[~~, local,~~] or branch distributor's license who handles the
11 brand of malt beverage [~~beer~~] seized and who operates in the county
12 in which it was seized. If the malt beverage [~~beer~~] was seized in a
13 dry area, the commission shall notify either the general[~~, local,~~]
14 or branch distributor who handles the brand operating nearest the
15 area or the brewer [~~manufacturer~~] brewing the malt beverage [~~beer~~].
16 The commission and the distributor or brewer [~~manufacturer~~] shall
17 jointly determine whether the malt beverage [~~beer~~] is in a salable
18 condition.

19 (c) If the malt beverage [~~beer~~] is determined not to be in a
20 salable condition, the commission shall immediately destroy it. If
21 it is determined to be in a salable condition, it shall be offered
22 for sale to the distributor or brewer [~~manufacturer~~]. If offered to
23 a distributor, the malt beverage [~~beer~~] shall be sold at the
24 distributor's cost price less any state taxes which have been paid
25 on the malt beverage [~~beer~~], F.O.B. the distributor's place of
26 business. If the malt beverage [~~beer~~] is offered to a brewer
27 [~~manufacturer~~], it shall be sold at the brewer's [~~manufacturer's~~]

1 cost price to its nearest distributor, less any state taxes which
2 have been paid on the malt beverage [~~beer~~], F.O.B., the nearest
3 distributor's place of business. In either case, the storage or
4 warehousing charges necessarily incurred as a result of the seizure
5 shall be added to the cost price.

6 (d) If the distributor or brewer [~~manufacturer~~] does not
7 exercise the right to purchase salable malt beverages [~~beer~~] or to
8 purchase returnable bottles, containers, or packages at their
9 deposit price within 10 days, the commission shall sell the malt
10 beverages [~~beer~~], bottles, containers, or packages at public or
11 private sale as provided in this chapter.

12 SECTION 307. Effective September 1, 2019, Section
13 103.09(b), Alcoholic Beverage Code, is amended to read as follows:

14 (b) On notification that liquor has been seized, the
15 commission shall promptly notify a holder of a wholesaler's permit
16 or [~~7~~] a general class B wholesaler's permit [~~, or a local class B~~
17 ~~wholesaler's permit~~] who handles the brand of liquor seized and who
18 operates in the county in which it was seized. If the liquor was
19 seized in a dry area, the commission shall notify the wholesaler who
20 handles the brand seized who operates nearest the area. The
21 commission and the wholesaler shall jointly determine whether the
22 liquor is in a salable condition.

23 SECTION 308. Section 104.01(a), Alcoholic Beverage Code, is
24 amended to read as follows:

25 (a) A [~~No~~] person authorized to sell malt beverages [~~beer~~]
26 at retail, or [~~nor~~] the person's agent, servant, or employee, may
27 not engage in or permit conduct on the premises of the retailer

1 which is lewd, immoral, or offensive to public decency, including[~~7~~
2 ~~but not limited to,~~] any of the following acts:

3 (1) the use of loud and vociferous or obscene, vulgar,
4 or indecent language, or permitting its use;

5 (2) the exposure of a person or permitting a person to
6 expose himself or herself;

7 (3) rudely displaying or permitting a person to rudely
8 display a pistol or other deadly weapon in a manner calculated to
9 disturb persons in the retail establishment;

10 (4) solicitation of any person to buy drinks for
11 consumption by the retailer or any of the retailer's employees;

12 (5) being intoxicated on the licensed premises;

13 (6) permitting lewd or vulgar entertainment or acts;

14 (7) permitting solicitations of persons for immoral or
15 sexual purposes;

16 (8) failing or refusing to comply with state or
17 municipal health or sanitary laws or ordinances; or

18 (9) possession of a narcotic or synthetic cannabinoid
19 or any equipment used or designed for the administering of a
20 narcotic or a synthetic cannabinoid or permitting a person on the
21 licensed premises to do so.

22 SECTION 309. Section 104.04, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 104.04. DRAFT MALT BEVERAGE DISPENSER: SIGN
25 REQUIRED. A [~~No~~] retail dealer may not dispense draft [~~beer,~~]
26 beverages [~~liquor, or ale~~] unless each faucet or other dispensing
27 apparatus is equipped with a sign clearly indicating the name or

1 brand of the product being dispensed through the faucet or
2 apparatus. The sign must be in full sight of the purchaser, and the
3 letters on it must be legible.

4 SECTION 310. Sections 104.05(a), (b), (c), and (e),
5 Alcoholic Beverage Code, are amended to read as follows:

6 (a) This section applies to a permittee or licensee who is
7 authorized to sell [~~beer,~~] malt beverages [~~liquor, or ale~~] to an
8 ultimate consumer for consumption off the permitted or licensed
9 premises.

10 (b) The holder of a permit or license described in
11 Subsection (a) [~~of this section~~] may resell [~~beer,~~] malt beverages
12 [~~liquor, or ale~~] only in the packaging in which the holder received
13 the [~~beer,~~] malt beverages [~~liquor, or ale~~] or may resell the
14 contents of the packages as individual containers.

15 (c) Except for purposes of resale as individual containers,
16 a licensee or permittee may not:

17 (1) mutilate, tear apart, or cut apart original
18 packaging in which [~~beer,~~] malt beverages were [~~liquor, or ale~~ was]
19 received; or

20 (2) repackage [~~beer,~~] malt beverages [~~liquor, or ale~~]
21 in a manner misleading to the consumer or that results in required
22 labeling being omitted or obscured.

23 (e) To assure and control product quality, the holder of a
24 distributor's license, [~~wholesaler's permit, or class B~~
25 ~~wholesaler's permit,~~] at the time of a regular delivery, may
26 withdraw, with the permission of the retailer, a quantity of [~~beer,~~
27 ~~ale, or~~] malt beverages [~~liquor~~] in its undamaged original

1 packaging from the retailer's stock, if:

2 (1) the distributor [~~, wholesaler, or class B~~
3 ~~wholesaler~~] replaces the stock with [~~beer, ale, or~~] malt beverages
4 [~~liquor~~] of identical brands, quantities, and packages as the
5 [~~beer, ale, or~~] malt beverages [~~liquor~~] withdrawn;

6 (2) the stock is withdrawn before the date considered
7 by the brewer [~~manufacturer~~] of the product to be the date the
8 product becomes inappropriate for sale to a consumer; and

9 (3) the quantity of stock withdrawn does not exceed
10 the equivalent of 25 cases of 24 12-ounce containers.

11 SECTION 311. Sections 105.03(c) and (d), Alcoholic Beverage
12 Code, are amended to read as follows:

13 (c) In a city or county having a population of 800,000 or
14 more, according to the last preceding federal census, or 500,000 or
15 more, according to the 22nd Decennial Census of the United States,
16 as released by the Bureau of the Census on March 12, 2001, a holder
17 of a mixed beverage permit who holds a retailer late hours
18 certificate [~~permit~~] may also sell and offer for sale mixed
19 beverages between midnight and 2 a.m. on any day.

20 (d) In a city or county other than a city or county described
21 by Subsection (c), the extended hours prescribed in Subsection (c)
22 [~~of this section~~] are effective for the sale of mixed beverages and
23 the offer to sell them by a holder of a mixed beverage permit who
24 holds a retailer [~~beverages~~] late hours certificate [~~permit~~]:

25 (1) in the unincorporated areas of the county if the
26 extended hours are adopted by an order of the commissioners court;
27 and

1 (2) in an incorporated city or town if the extended
2 hours are adopted by an ordinance of the governing body of the city
3 or town.

4 SECTION 312. Section 105.04, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 105.04. HOURS OF SALE: WINE AND MALT BEVERAGE [~~BEER~~]
7 RETAILER. The hours of sale and delivery for alcoholic beverages
8 sold under a wine and malt beverage [~~beer~~] retailer's permit or a
9 wine and malt beverage [~~beer~~] retailer's off-premise permit are the
10 same as those prescribed for the sale of malt beverages [~~beer~~] under
11 Section 105.05 [~~of this code~~], except that no sale shall be allowed
12 between 2 a.m. and noon on Sunday.

13 SECTION 313. Section 105.05, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 105.05. HOURS OF SALE: MALT BEVERAGES [~~BEER~~]. (a) A
16 [~~No~~] person may sell, offer for sale, or deliver malt beverages only
17 [~~beer~~] at a [~~any~~] time [~~not~~] permitted by this section.

18 (b) A person may sell, offer for sale, or deliver malt
19 beverages [~~beer~~] between 7 a.m. and midnight on any day except
20 Sunday. On Sunday a person [~~he~~] may sell malt beverages [~~beer~~]
21 between midnight and 1:00 a.m. and between noon and midnight,
22 except that permittees or licensees authorized to sell for
23 on-premise consumption may sell malt beverages [~~beer~~] between 10:00
24 a.m. and noon if the malt beverages are [~~beer is~~] served to a
25 customer during the service of food to the customer.

26 (c) In a city or county having a population of 800,000 or
27 more, according to the last preceding federal census, or 500,000 or

1 more, according to the 22nd Decennial Census of the United States,
2 as released by the Bureau of the Census on March 12, 2001, a holder
3 of a retail dealer's on-premise license who holds a retailer late
4 hours certificate [~~license~~] may also sell, offer for sale, and
5 deliver malt beverages [~~beer~~] between midnight and 2 a.m. on any
6 day.

7 (d) In a city or county other than a city or county described
8 by Subsection (c), the extended hours prescribed in Subsection (c)
9 [~~of this section,~~] or any part of the extended hours prescribed in
10 Subsection (c) [~~of this section~~] are effective for the sale, offer
11 to sell, and delivery of malt beverages [~~beer~~] by a holder of a
12 retail dealer's on-premise license who holds a retailer late hours
13 certificate [~~license~~]:

14 (1) in the unincorporated areas of the county if the
15 extended hours are adopted by an order of the commissioners court;
16 and

17 (2) in an incorporated city or town if the extended
18 hours are adopted by an ordinance of the governing body of the city
19 or town.

20 (e) A violation of a city ordinance or order of a
21 commissioners court adopted pursuant to Subsection (d) [~~of this~~
22 ~~section~~] is a violation of this code.

23 SECTION 314. Section 105.051, Alcoholic Beverage Code, is
24 amended to read as follows:

25 Sec. 105.051. SALE OF MALT BEVERAGES [~~BEER~~] BY
26 DISTRIBUTOR'S LICENSEE. The holder of a general[~~, local,~~] or
27 branch distributor's license may sell, offer for sale, or deliver

1 malt beverages [~~beer~~] 24 hours a day Monday through Saturday and
2 between midnight and 1 a.m. and between noon and midnight on Sunday.

3 SECTION 315. Section 105.082, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 105.082. HOURS OF SALE AND CONSUMPTION: BREWER [~~OR~~
6 ~~MANUFACTURER~~]. [~~(a) The holder of a brewer's permit may sell,~~
7 ~~offer for sale, and deliver ale or malt liquor and a person may~~
8 ~~consume ale or malt liquor on the brewer's premises:~~

9 [~~(1) between 8 a.m. and midnight on any day except~~
10 ~~Sunday; and~~

11 [~~(2) between 10 a.m. and midnight on Sunday.~~

12 [~~(b)~~] The holder of a brewer's [~~manufacturer's~~] license may
13 sell, offer for sale, and deliver malt beverages [~~beer~~] and a person
14 may consume malt beverages [~~beer~~] on the brewer's [~~manufacturer's~~]
15 premises:

16 (1) between 8 a.m. and midnight on any day except
17 Sunday; and

18 (2) between 10 a.m. and midnight on Sunday.

19 SECTION 316. Effective September 1, 2019, Section
20 106.09(d), Alcoholic Beverage Code, is amended to read as follows:

21 (d) A [~~The fact that a~~] person who is 18, 19, or 20 years of
22 age is not prohibited from acting as an agent [~~a ground for refusal~~
23 ~~of an original or renewal permit or license issued~~] under Chapter
24 35, 36, or 73, provided the [~~that such a~~] person [~~to whom a permit or~~
25 ~~license is issued~~] may carry out the activities authorized by those
26 chapters only while in the actual course and scope of the person's
27 employment.

1 SECTION 317. Section 106.16(b), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (b) Notwithstanding any other law, a minor may taste an
4 alcoholic beverage if:

5 (1) the minor:

6 (A) is at least 18 years old; and

7 (B) is enrolled:

8 (i) as a student at a public or private
9 institution of higher education or a career school or college that
10 offers a program in culinary arts, viticulture, enology or wine
11 technology, brewing or malt beverage [~~beer~~] technology, or
12 distilled spirits production or technology; and

13 (ii) in a course that is part of a program
14 described by Subparagraph (i);

15 (2) the beverage is tasted for educational purposes as
16 part of the curriculum for the course described by Subdivision
17 (1)(B)(ii);

18 (3) the beverage is not purchased by the minor; and

19 (4) the service and tasting of the beverage is
20 supervised by a faculty or staff member who is at least 21 years of
21 age.

22 SECTION 318. Section 107.02, Alcoholic Beverage Code, is
23 amended to read as follows:

24 Sec. 107.02. TRANSPORTATION OF MALT BEVERAGES [~~BEER~~]:

25 STATEMENT REQUIRED. (a) It is lawful for a person to transport
26 malt beverages [~~beer~~] from any place where its sale, manufacture,
27 or distribution is authorized to another place in the state where

1 its sale, manufacture, or distribution is authorized, or from the
2 state boundary to a place where its sale, manufacture, or
3 distribution is authorized, even though the route of transportation
4 may cross a dry area.

5 (a-1) A person transporting malt beverages [~~beer~~] to the
6 premises of a distributor, including to a location from which the
7 distributor is temporarily conducting business under Section
8 109.62, shall provide to the consignee a shipping invoice that
9 clearly states:

10 (1) the name and address of the consignor and
11 consignee;

12 (2) the origin and destination of the shipment; and

13 (3) any other information required by this code or
14 commission rule, including the brands, sizes of containers, and
15 quantities of malt beverages [~~beer~~] contained in the shipment.

16 (b) A shipment of malt beverages [~~beer~~] must be accompanied
17 by a written statement furnished and signed by the shipper showing:

18 (1) the name and address of the consignor and
19 consignee;

20 (2) the origin and destination of the shipment; and

21 (3) any other information required by the commission
22 or administrator.

23 (c) The person in charge of the shipment while it is being
24 transported shall exhibit the written statement to any
25 representative of the commission or peace officer who demands to
26 see it. The statement shall be accepted by the representative or
27 peace officer as prima facie evidence of the legal right to

1 transport the malt beverages [~~beer~~].

2 (d) A person who transports malt beverages [~~beer~~] not
3 accompanied by the required statement, or who fails to exhibit the
4 statement after a lawful demand, violates this code.

5 SECTION 319. Section 107.04, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 107.04. DELIVERY OF MALT BEVERAGES [~~BEER~~] IN DRY AREA.
8 A common carrier may not deliver malt beverages [~~beer~~] in a dry area
9 unless the malt beverages are [~~it is~~] consigned to a [~~local or~~]
10 general distributor's licensee who has previously stated that the
11 licensee [~~he~~] intends to transport the malt beverages [~~it~~] to a
12 licensed place of business in a wet area. A common carrier who
13 transports malt beverages [~~beer~~] to a distributor in a dry area
14 shall comply strictly with this section and Section 107.02 [~~of this~~
15 ~~code~~].

16 SECTION 320. Section 107.06, Alcoholic Beverage Code, is
17 amended to read as follows:

18 Sec. 107.06. IMPORTATION OF MALT BEVERAGES [~~BEER~~]. (a) A
19 [~~No~~] person may not import malt beverages [~~beer~~] into the state
20 except the holder of a brewer's [~~manufacturer's~~] or general[
21 ~~local~~] or branch distributor's license.

22 (b) A [~~No~~] person may not transport malt beverages [~~beer~~]
23 into this state unless the malt beverages are [~~it is~~] consigned and
24 delivered to one of the licensees named in Subsection (a) [~~of this~~
25 ~~section~~].

26 (c) This section does not apply to the importation or
27 transportation of military malt beverages [~~beer~~] consigned to a

1 military installation or to the importation of malt beverages
2 [~~beer~~] as authorized under Section 107.07 [~~of this code~~].

3 SECTION 321. Section 107.09, Alcoholic Beverage Code, is
4 amended to read as follows:

5 Sec. 107.09. SINGLE INVOICE AUTHORIZED. If the holder of a
6 general[~~, local,~~] or branch distributor's license also holds a
7 wholesaler's or[~~]~~ general class B wholesaler's[~~, or local class B~~
8 ~~wholesaler's~~] permit, a written statement or invoice required as
9 evidence of the sale of malt beverages [~~beer~~] or liquor may be on
10 the same business form that is designed to reflect the sale of both
11 liquor and malt beverages [~~beer~~], if all information required by
12 this code to be shown on a statement or invoice is reflected on the
13 form and all other records required by this code are maintained.

14 SECTION 322. Section 107.10, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 107.10. TRANSPORTATION OF WINE COOLERS OR SPIRIT
17 COOLERS. (a) A holder of a wholesaler's or[~~]~~ general class B
18 wholesaler's[~~, or local class B wholesaler's~~] permit may transport
19 and sell wine coolers without a prior order if the holder complies
20 with the provisions of this code and rules of the commission
21 applicable to the transportation and sale of malt beverages [~~beer~~]
22 by a holder of a distributor's license.

23 (b) A holder of a wholesaler's permit may transport and sell
24 spirit coolers without a prior order if the holder complies with the
25 provisions of this code and rules of the commission applicable to
26 the transportation and sale of malt beverages [~~beer~~] by a holder of
27 a distributor's license.

1 SECTION 323. Section 108.01(a), Alcoholic Beverage Code, is
2 amended to read as follows:

3 (a) A brewer [~~No manufacturer~~] or distributor directly or
4 indirectly, or through a subsidiary, affiliate, agent, employee,
5 officer, director, or firm member, may not publish, disseminate, or
6 cause to be published or disseminated by any medium enumerated in
7 Subsection (b) an advertisement of a brewery product that:

8 (1) causes or is reasonably calculated to cause
9 deception of the consumer with respect to the product advertised;

10 (2) directly or by ambiguity, omission, or inference
11 tends to create a misleading impression;

12 (3) is untrue in any particular;

13 (4) disparages a competitor's product; or

14 (5) is obscene or indecent.

15 SECTION 324. Section 108.03, Alcoholic Beverage Code, is
16 amended to read as follows:

17 Sec. 108.03. REGULATION OF PROMOTIONAL ACTIVITIES. The
18 commission shall adopt rules permitting and regulating the use of
19 business cards, menu cards, stationery, service vehicles and
20 equipment, and delivery vehicles and equipment that bear alcoholic
21 beverage advertising. The commission shall also adopt rules
22 permitting and regulating the use of insignia advertising malt
23 beverages [~~beer~~], distilled spirits, or wine by brand name on caps,
24 regalia, or uniforms worn by employees of manufacturers,
25 distributors, distillers, or wineries or by participants in a game,
26 sport, athletic contest, or revue if the participants are sponsored
27 by a manufacturer, distributor, distiller, or winery.

1 SECTION 325. Section 108.035, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 108.035. PACKAGING OF CERTAIN PROMOTIONAL ITEMS
4 AUTHORIZED. Notwithstanding any other provision of this code, a
5 person who holds a brewer's [~~permit, nonresident brewer's permit,~~
6 ~~manufacturer's~~] license[~~7~~] or nonresident brewer's
7 [~~manufacturer's~~] license, or the person's agent or employee, may
8 package alcoholic beverages in combination with other items if the
9 package is designed to be delivered intact to the [~~wholesaler or~~]
10 distributor and the additional items are branded and have no value
11 or benefit to the retailer other than that of having the potential
12 of attracting purchases and promoting sales.

13 SECTION 326. Section 108.04, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 108.04. ACTS OF PROMOTIONAL OR COURTESY NATURE:
16 ADMINISTRATIVE DISCRETION. The commission may promulgate rules
17 which shall set definite limitations consistent with the general
18 provisions of this code, relaxing the restrictions of Sections
19 102.07, 102.14, 102.15, and 108.06, with respect to:

20 (1) the sale or gift of novelties advertising the
21 product of a brewer [~~manufacturer~~] or distributor;

22 (2) the making of gifts to civic, religious, or
23 charitable organizations;

24 (3) the cleaning and maintenance of coil connections
25 for dispensing draught malt beverages [~~beer~~];

26 (4) the lending of equipment for special occasions;

27 and

1 (5) acts of a purely courtesy nature.

2 SECTION 327. Section 108.041, Alcoholic Beverage Code, is
3 amended to read as follows:

4 Sec. 108.041. CARBON DIOXIDE FILTERS PROVIDED TO RETAILERS.

5 (a) A brewer [~~manufacturer~~] or distributor of malt beverages
6 [~~beer~~] may provide carbon dioxide filters to malt beverage [~~beer~~]
7 retailers for draught systems using carbon dioxide or a carbon
8 dioxide and nitrogen blend, commonly referred to as "beer gas."

9 (b) The cost of providing, maintaining, and replacing the
10 carbon dioxide filters shall be borne by the brewer [~~manufacturer~~].

11 SECTION 328. Effective September 1, 2019, Section 108.042,
12 Alcoholic Beverage Code, is amended to read as follows:

13 Sec. 108.042. ACTS OF PROMOTIONAL OR COURTESY NATURE: WINE
14 DISPENSING. The commission shall adopt rules that set definite
15 limitations, consistent with the general provisions of this code,
16 relaxing the restrictions of Section 102.07 to allow the holder of a
17 wholesaler's or [~~7~~] general class B wholesaler's [~~7, or local class B~~
18 ~~wholesaler's~~] permit or the permit holder's agent to perform the
19 cleaning and maintenance of coil connections for the dispensing of
20 wine.

21 SECTION 329. Section 108.05, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 108.05. ALLOWANCE FOR ADVERTISEMENT OR DISTRIBUTION.
24 A brewer [~~No manufacturer~~] or distributor, directly or indirectly,
25 or through a subsidiary, affiliate, agent, employee, officer,
26 director, or firm member, may not pay or make an allowance to a
27 retail dealer for an advertising or distribution service.

1 SECTION 330. Section 108.06, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 108.06. PRIZES AND PREMIUMS. A brewer [~~No~~
4 ~~manufacturer~~] or distributor, directly or indirectly, or through a
5 subsidiary, affiliate, agent, employee, officer, director, or firm
6 member, may not offer a prize, premium, gift, or other inducement to
7 a dealer in or consumer of brewery products.

8 SECTION 331. Sections 108.061(a) and (e), Alcoholic
9 Beverage Code, are amended to read as follows:

10 (a) Notwithstanding the prohibition against prizes given to
11 a consumer in Section 108.06 and subject to the rules of the
12 commission, a [~~manufacturer, nonresident manufacturer, or~~
13 or nonresident brewer] may offer a prize to a consumer of legal
14 drinking age if the offer is a part of a promotional sweepstakes
15 activity.

16 (e) If a licensee [~~or permittee~~] conducts a private event
17 authorized by Subsection (d) at a retailer's premises, the licensee
18 [~~or permittee~~] shall pay the retailer the fair market value for the
19 use of the premises. The retailer must retain control of the sale
20 and service of alcoholic beverages at the private event.

21 SECTION 332. Effective September 1, 2019, Section
22 108.08(b), Alcoholic Beverage Code, is amended to read as follows:

23 (b) A part of the cost of advertising revenue paid by a
24 manufacturer to an entity under this section may not be charged to
25 or paid, directly or indirectly, by the holder of a wholesaler's
26 permit, general class B wholesaler's permit, [~~local class B~~
27 ~~wholesaler's permit,~~] local distributor's permit, or general

1 distributor's license~~[, or local distributor's license]~~, except
2 through the price paid by that holder for products purchased from
3 the holders' supplier.

4 SECTION 333. Section 108.10, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 108.10. BRANDED PROMOTIONAL VEHICLES.
7 Notwithstanding any other provision of this code, the holder of a
8 brewer's ~~[manufacturer's]~~ or nonresident brewer's ~~[manufacturer's]~~
9 license or a nonresident seller's permit may display a branded
10 promotional vehicle on the licensed or permitted premises of a
11 retailer, whether outside or inside a structure on the premises,
12 for not more than five hours per day.

13 SECTION 334. Effective September 1, 2019, Section
14 108.52(c), Alcoholic Beverage Code, is amended to read as follows:

15 (c) The commission shall adopt reasonable rules relating to
16 the type of outdoor advertising retail ~~[Retail]~~ licensees and
17 permittees may erect or maintain on the retailer's premises. A
18 violation of a rule adopted under this section is a violation of
19 this code. ~~[one sign at each place of business which may read as~~
20 ~~follows:~~

21 ~~[(1) if a beer retailer, the sign may read "Beer",~~

22 ~~[(2) if an off-premises beer retailer, the sign may~~
23 ~~read "Beer" or "Beer to Go",~~

24 ~~[(3) if a wine and beer retailer, the sign may read~~
25 ~~"Beer," "Beer and Wine," or "Beer, Wine and Ale",~~

26 ~~[(4) if a wine and beer off-premises retailer, the~~
27 ~~sign may read "Beer," "Beer to Go," "Beer and Wine," "Beer and Wine~~

1 to Go," "Beer, Wine and Ale," or "Beer, Wine and Ale to Go";

2 [~~(5) if a package store permittee, the sign may read~~
3 ~~"Package Store," "Liquors," or "Wines and Liquors," and if a retail~~
4 ~~dealer's off-premise license is also held, the sign may read~~
5 ~~"Package Store," "Wines, Liquors and Beer," or "Wine, Liquors and~~
6 ~~Beer to Go"; or~~

7 [~~(6) if a wine only package store permittee, the sign~~
8 ~~may read "Wine" or "Wines," and if a retail dealer's off-premise~~
9 ~~license is also held, the sign may read "Wines and Beer," "Wine and~~
10 ~~Beer," or "Wine and Beer to Go."~~]

11 SECTION 335. Effective September 1, 2019, Section 108.53,
12 Alcoholic Beverage Code, is amended to read as follows:

13 Sec. 108.53. ADVERTISING [~~BILLBOARDS AND ELECTRIC~~] SIGNS [~~+~~
14 ~~WHEN PERMIT IS REQUIRED~~]. Consistent [~~(a) No person may erect a~~
15 ~~billboard or electric sign advertising an alcoholic beverage within~~
16 ~~200 feet of a retail establishment authorized to sell that beverage~~
17 ~~unless he has first obtained a permit for that purpose from the~~
18 ~~commission. No permit is required for a billboard or electric sign~~
19 ~~that is not located within 200 feet of a retail establishment~~
20 ~~authorized to sell the advertised alcoholic beverage.~~

21 [~~(b) The commission or administrator shall provide permit~~
22 ~~application forms, which may contain any information the commission~~
23 ~~or administrator deems necessary. The application shall contain a~~
24 ~~statement that the erection or maintenance of the billboard or~~
25 ~~electric sign will not have the effect of advertising or directing~~
26 ~~patronage to a particular retail establishment authorized to sell~~
27 ~~alcoholic beverages. Application shall be made under oath,~~

1 ~~addressed to the commission or administrator.~~

2 ~~[(c) The commission or administrator shall issue a permit if~~
3 ~~either of them finds that all statements in the application are true~~
4 ~~and the erection or maintenance of the billboard or electric sign~~
5 ~~will not be contrary to this code or to a rule of the commission.~~
6 ~~Otherwise, the commission or administrator shall refuse to issue a~~
7 ~~permit.~~

8 ~~[(d) Notwithstanding the restrictions imposed by this~~
9 ~~section, but consistent]~~ with other provisions of this code, the
10 commission shall promulgate rules allowing for signs advertising
11 alcoholic beverages at charitable or civic events such as fairs,
12 rodeos, or other events of a temporary nature. This section
13 ~~[subsection]~~ does not authorize, nor shall any rule of the
14 commission authorize, a retailer of alcoholic beverages to derive,
15 directly or indirectly, any money or consideration of any kind as a
16 result of alcoholic beverage advertising, and the commission's
17 rules shall reflect the intent that the charity or civic endeavor
18 receive the proceeds, if any, from such advertising signs.

19 SECTION 336. Section 108.73(1), Alcoholic Beverage Code, is
20 amended to read as follows:

21 (1) "Independent concessionaire" means a licensed or
22 permitted member of the retail tier or a holder of a private club
23 registration permit, mixed beverage permit ~~[caterer's permit]~~, or
24 food and beverage certificate who:

25 (A) has a written concession agreement from the
26 owner, operator, or lessee of a public entertainment facility;

27 (B) receives no monetary benefit, directly or

1 indirectly, by any scheme or device or in any form or degree from
2 the alcoholic beverage industry including a benefit in the form of
3 capital improvements, furniture, fixtures, or equipment, unless
4 otherwise authorized by this code or commission rules; and

5 (C) is not owned, in whole or in part, by the
6 public entertainment facility, or a subsidiary, agent, manager, or
7 company managing the facility, and who does not own, in whole or in
8 part, or manage the public entertainment facility.

9 SECTION 337. Section 109.04, Alcoholic Beverage Code, is
10 amended to read as follows:

11 Sec. 109.04. SALE OF MALT BEVERAGES [~~BEER~~]: PROCEDURE. (a)
12 When the commission is notified under this subchapter of the
13 acquisition of malt beverages [~~beer~~] or malt beverage [~~its~~]
14 containers or original packages, it shall immediately notify a
15 holder of a general[~~, local,~~] or branch distributor's license who
16 handles the brand of malt beverages [~~beer~~] and who operates in the
17 county where the malt beverages are [~~it is~~] located or, if the malt
18 beverages are [~~it is~~] located in a dry area or if no distributor
19 operates in the county, the nearest distributor handling the brand
20 or the brewer [~~manufacturer~~] who brewed the malt beverages [~~it~~].

21 (b) The insurer or insurance salvor, the commission, and the
22 distributor or brewer [~~manufacturer~~] shall jointly agree whether
23 the malt beverages are [~~beer is~~] salable. If the malt beverages are
24 [~~it is~~] determined to be unsalable, the commission shall destroy
25 the malt beverages [~~it~~]. If the malt beverages are [~~it is~~]
26 determined to be salable, the brewer [~~manufacturer~~] or distributor
27 shall be given the opportunity to purchase the malt beverages [~~it~~].

1 A distributor may purchase malt beverages [~~beer~~] at the cost price
2 less any state taxes that have been paid, F.O.B. its place of
3 business. A brewer [~~manufacturer~~] may purchase malt beverages
4 [~~beer~~] at the cost price to the nearest distributor of the brand,
5 less any state taxes that have been paid, F.O.B. that distributor's
6 place of business. A brewer [~~manufacturer~~] or distributor may
7 purchase returnable bottles, containers, or packages at their
8 deposit price.

9 (c) If the distributor or brewer [~~manufacturer~~] does not
10 exercise the right to purchase the merchandise within 10 days after
11 being given the opportunity to purchase it, the insurer or
12 insurance salvor may sell it to any qualified licensee or permittee
13 as provided in Section 109.01 [~~of this code~~].

14 SECTION 338. Effective September 1, 2019, Section
15 109.05(a), Alcoholic Beverage Code, is amended to read as follows:

16 (a) When the commission is notified under this subchapter of
17 the acquisition of liquor or its containers or original packages,
18 it shall immediately notify the holder or holders of wholesaler's
19 or [~~7~~] class B wholesaler's [~~7, or local class B wholesaler's~~] permits
20 who handle and regularly sell the brand or brands of liquor involved
21 and who operate in the area where the liquor is located, or who
22 operate in the nearest wet area if the liquor is in a dry area. The
23 commission shall also notify the nonresident seller's permittees
24 who handle the brand or brands of liquor involved, or the
25 nonresident seller's agents [~~manufacturer's agent's permittees~~] who
26 represent those nonresident seller's permittees.

27 SECTION 339. Section 109.08, Alcoholic Beverage Code, is

1 amended to read as follows:

2 Sec. 109.08. EXCLUSION. Notwithstanding any other
3 provision of this code, a [~~no~~] person engaged in business as a
4 distiller, brewer, [~~manufacturer,~~] winery, or any other
5 manufacturing level producer of liquor or malt beverages [~~beer~~], or
6 their wholesalers or distributors, may not directly or indirectly
7 or through an affiliate require, by agreement or otherwise, that
8 any retailer engaged in the sale of liquor or malt beverages [~~beer~~]
9 purchase any such products from such person to the exclusion in
10 whole or in part of liquor or malt beverages [~~beer~~] sold or offered
11 for sale by other persons, or prevent, deter, hinder, or restrict
12 other persons from selling or offering for sale any such products to
13 any retailer.

14 SECTION 340. Section 109.21, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 109.21. HOME PRODUCTION OF WINE OR [~~, ALE,~~] MALT
17 BEVERAGES [~~LIQUOR, OR BEER~~]. (a) The head of a family or an
18 unmarried adult may produce for the person's use or the use of the
19 person's [~~his~~] family [~~or himself~~] not more than 200 gallons of wine
20 or [~~, ale,~~] malt beverages [~~liquor, or beer,~~] per year. No license
21 or permit is required.

22 (b) The commission may prohibit the use of any ingredient it
23 finds detrimental to health or susceptible of use to evade this
24 code. Only wine made from the normal alcoholic fermentation of the
25 juices of dandelions or grapes, raisins, or other fruits may be
26 produced under this section. Only [~~ale,~~] malt beverages [~~liquor,~~
27 ~~or beer~~] made from the normal alcoholic fermentation of malted

1 barley with hops, or their products, and with or without other
2 malted or unmalted cereals, may be produced under this section. The
3 possession of wine or~~[, ale,]~~ malt beverages [~~liquor, or beer~~]
4 produced under this section is not an offense if the person making
5 it complies with all provisions of this section and the wine or~~[,~~
6 ~~ale,~~ malt beverages are [~~liquor, or beer is~~] not distilled,
7 fortified, or otherwise altered to increase their [~~its~~] alcohol
8 content.

9 (c) There is no annual state fee for beverages produced in
10 compliance with this section.

11 SECTION 341. Section 109.22, Alcoholic Beverage Code, is
12 amended to read as follows:

13 Sec. 109.22. DELIVERY OF HOME-PRODUCED WINE OR~~[, ALE,]~~ MALT
14 BEVERAGES [~~LIQUOR, OR BEER~~] FOR CERTAIN PURPOSES. (a) This section
15 applies only to a person who is authorized under Section 109.21(a)
16 to produce wine or~~[, ale,]~~ malt beverages [~~liquor, or beer~~].

17 (b) For the purpose of participating in an organized
18 tasting, evaluation, competition, or literary review, a person to
19 whom this section applies may deliver wine or~~[, ale,]~~ malt
20 beverages [~~liquor, or beer~~] produced and manufactured by the person
21 to locations that are not licensed under this code for the purpose
22 of submitting those products to an evaluation at an organized
23 tasting competition that is closed to the general public or by a
24 reviewer whose reviews are published if:

25 (1) no charge of any kind is made for the wine or~~[,~~
26 ~~ale,~~ malt beverages [~~liquor, or beer~~], for their [~~its~~] delivery,
27 or for attendance at the event; and

1 (2) the commission consents in writing to the
2 delivery.

3 (c) Nothing in this section shall be construed to authorize
4 an increase in the quantity of wine ~~or~~~~[,ale,]~~ malt beverages
5 ~~[liquor, or beer]~~ authorized to be produced by a person under the
6 authority of Section 109.21(a) ~~[of this code]~~.

7 SECTION 342. Section 109.32, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 109.32. MUNICIPAL AND COUNTY REGULATION OF MALT
10 BEVERAGES ~~[BEER]~~. (a) An incorporated city or town by charter or
11 ordinance may:

12 (1) prohibit the sale of malt beverages ~~[beer]~~ in a
13 residential area; and

14 (2) regulate the sale of malt beverages ~~[beer]~~ and
15 prescribe the hours when malt beverages ~~[it]~~ may be sold, except the
16 city or town may not permit the sale of malt beverages ~~[beer]~~ when
17 the ~~[its]~~ sale of malt beverages is prohibited by this code.

18 (b) In a county that has only one incorporated city or town
19 that has a majority of the population of the county, according to
20 the most recent federal census, and where the city or town has
21 shortened the hours of sale for malt beverages ~~[beer]~~ on Sundays by
22 a valid charter amendment or ordinance before January 1, 1957, the
23 commissioners court may enter an order prohibiting the sale of malt
24 beverages ~~[beer]~~ on Sundays during the hours the sale of malt
25 beverages ~~[it]~~ is prohibited in the city or town. The order may
26 apply to all or part of the area of the county located outside the
27 city or town. The commissioners court may not adopt the order

1 unless it first publishes notice for four consecutive weeks in a
2 newspaper of general circulation in the county published in the
3 county or a nearby county.

4 (c) In exercising the authority granted by this section, the
5 city, town, or county may distinguish between retailers selling
6 malt beverages [~~beer~~] for on-premises consumption and retailers,
7 brewers [~~manufacturers~~], or distributors who do not sell malt
8 beverages [~~beer~~] for on-premises consumption.

9 SECTION 343. Sections 109.33(f) and (g), Alcoholic Beverage
10 Code, are amended to read as follows:

11 (f) Subsections (a)(2) and (3) do not apply to the holder
12 of:

13 (1) a retail on-premises consumption permit or license
14 if less than 50 percent of the gross receipts for the premises is
15 from the sale or service of alcoholic beverages;

16 (2) a retail off-premises consumption permit or
17 license if less than 50 percent of the gross receipts for the
18 premises, excluding the sale of items subject to the motor fuels
19 tax, is from the sale or service of alcoholic beverages; or

20 (3) a wholesaler's, distributor's, brewer's,
21 distiller's and rectifier's, or winery[~~, wine bottler's or~~
22 ~~manufacturer's~~] permit or license, or any other license or permit
23 held by a wholesaler or manufacturer as those words are ordinarily
24 used and understood in Chapter 102.

25 (g) Subsection (a)(3) does not apply to the holder of:

26 (1) a [~~license or~~] permit issued under Chapter 30 [~~27,~~
27 ~~31, or 72~~] who is operating on the premises of a private school; or

1 (2) a license or permit covering a premise where
2 minors are prohibited from entering under Section 109.53 and that
3 is located within 1,000 feet of a private school.

4 SECTION 344. Section 109.53, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 109.53. CITIZENSHIP OF PERMITTEE; CONTROL OF
7 PREMISES; SUBTERFUGE OWNERSHIP; ETC. A ~~[No]~~ person who has not
8 been a citizen of Texas for a period of one year immediately
9 preceding the filing of the person's ~~[his]~~ application therefor is
10 not ~~[shall be]~~ eligible to receive a permit under this code. No
11 permit ~~[except a brewer's permit, and such other licenses and~~
12 ~~permits as are necessary to the operation of a brewer's permit,]~~
13 shall be issued to a corporation unless the same be incorporated
14 under the laws of the state and unless at least 51 percent of the
15 stock of the corporation is owned at all times by citizens who have
16 resided within the state for a period of one year and who possess
17 the qualifications required of other applicants for permits;
18 provided, however, that the restrictions contained in the preceding
19 clause shall not apply to domestic or foreign corporations that
20 were engaged in the legal alcoholic beverage business in this state
21 under charter or permit prior to August 24, 1935. Partnerships,
22 firms, and associations applying for permits shall be composed
23 wholly of citizens possessing the qualifications above enumerated.
24 Any corporation (except carrier) holding a permit under this code
25 which shall violate any provisions hereof, or any rule or
26 regulation promulgated hereunder, shall be subject to forfeiture of
27 its charter and it shall be the duty of the attorney general, when

1 any such violation is called to the attorney general's [his]
2 attention, to file a suit for such cancellation in a district court
3 of Travis County. The [~~Such~~] provisions of this section that [~~as~~]
4 require Texas citizenship or require incorporation in Texas do
5 [~~shall~~] not apply to the holders of [~~agent's, industrial, and~~]
6 carrier's permits. A [~~No~~] person may not [~~shall~~] sell, warehouse,
7 store or solicit orders for any liquor in any wet area without first
8 having procured a permit of the class required for such privilege,
9 or consent to the use of or allow the person's [~~his~~] permit to be
10 displayed by or used by any person other than the one to whom the
11 permit was issued. It is the intent of the legislature to prevent
12 subterfuge ownership of or unlawful use of a permit or the premises
13 covered by such permit; and all provisions of this code shall be
14 liberally construed to carry out this intent, and it shall be the
15 duty of the commission or the administrator to provide strict
16 adherence to the general policy of preventing subterfuge ownership
17 and related practices hereinafter declared to constitute unlawful
18 trade practices. An [~~No~~] applicant for a package store permit or a
19 renewal of a package store permit may not [~~thereof shall have~~
20 ~~authority to~~] designate as "premise" and the commission [~~or~~
21 ~~administrator~~] shall not approve a lesser area than that
22 specifically defined as "premise" in Section 11.49(a) [~~of this~~
23 ~~code~~]. Every permittee shall have and maintain exclusive occupancy
24 and control of the entire licensed premises in every phase of the
25 storage, distribution, possession, and transportation and sale of
26 all alcoholic beverages purchased, stored or sold on the licensed
27 premises. Any device, scheme or plan which surrenders control of

1 the employees, premises or business of the permittee to persons
2 other than the permittee shall be unlawful. No minor, unless
3 accompanied by his or her parent, guardian, adult husband or adult
4 wife, or other adult person into whose custody he or she has been
5 committed for the time by some court, shall knowingly be allowed on
6 the premises of the holder of a package store permit. The
7 prohibition against the presence of a minor on the premises of the
8 holder of a package store permit does not apply to the presence on
9 the premises of the holder or a person lawfully employed by the
10 holder. Any package store permittee who shall be injured in the
11 permittee's [~~his~~] business or property by another package store
12 permittee by reason of anything prohibited in this section may
13 institute suit in any district court in the county wherein the
14 violation is alleged to have occurred to require enforcement by
15 injunctive procedures and/or to recover threefold the damages [~~by~~
16 ~~him~~] sustained by the permittee; plus costs of suit including a
17 reasonable attorney's fee. The provisions prohibiting the
18 licensing of only a portion of a building as premise for a package
19 store permit shall not apply to hotels as already defined in this
20 code.

21 SECTION 345. Section 109.531, Alcoholic Beverage Code, is
22 amended to read as follows:

23 Sec. 109.531. ADDITIONAL REQUIREMENTS FOR APPLICATION OR
24 RENEWAL OF PERMIT, [OR] LICENSE, OR CERTIFICATE BY OUT-OF-STATE
25 RESIDENTS. In addition to any other requirement for a license, [~~or~~]
26 permit, or certificate under this code, a person who has not been a
27 citizen of this state for a period of one year preceding the date

1 the person filed an application for a permit, ~~[or]~~ license, or
2 certificate under Chapter 25, 26, 28, 29, 30, 32 [~~Chapters 25-34,~~
3 ~~44~~], 48, 50 [~~48-51~~], 69, 71 [~~69-72~~], or [~~Chapter~~] 74 [~~of this code~~]
4 shall:

5 (1) designate an agent, who is a citizen of this state,
6 to represent the person in matters before the commission and to be
7 responsible for the proper conduct of any activity of the licensee
8 or permittee; and

9 (2) submit to a criminal history background check.

10 SECTION 346. Section 109.54(a), Alcoholic Beverage Code, is
11 amended to read as follows:

12 (a) Any licensee who has purchased malt beverages [~~beer~~] for
13 sale at the site of a festival or civic celebration which has been
14 held annually for at least 15 years during a specified period not
15 exceeding 10 days shall be authorized for 24 hours following the
16 official close of the celebration to sell any malt beverages [~~beer~~]
17 remaining at the site to any licensee or permittee authorized to
18 purchase malt beverages [~~beer~~] for resale.

19 SECTION 347. Section 109.57(e), Alcoholic Beverage Code, is
20 amended to read as follows:

21 (e) A municipality located in a county that has a population
22 of 2.2 million or more and that is adjacent to a county with a
23 population of more than 600,000 or a municipality located in a
24 county with a population of 600,000 or more and that is adjacent to
25 a county with a population of 2.2 million or more may regulate, in a
26 manner not otherwise prohibited by law, the location of an
27 establishment issued a permit under Chapter 32 [~~or 33~~] if:

1 (1) the establishment derives 35 percent or more of
2 the establishment's gross revenue from the on-premises sale or
3 service of alcoholic beverages and the premises of the
4 establishment are located in a dry area; and

5 (2) the permit is not issued to a fraternal or veterans
6 organization or the holder of a food and beverage certificate.

7 SECTION 348. Sections 109.62(c) and (e), Alcoholic Beverage
8 Code, are amended to read as follows:

9 (c) A holder of one of the following permits or licenses [~~a~~
10 ~~permit or license under Chapter 41, 42, or 68~~] may make deliveries
11 to and pick up deliveries from the alternate location in the same
12 manner as this code and commission rules provide for the
13 distributor's or wholesaler's licensed or permitted premises:

14 (1) a distiller's and rectifier's permit;

15 (2) a winery permit;

16 (3) a wholesaler's permit;

17 (4) a general class B wholesaler's permit;

18 (5) a brewer's license; or

19 (6) a general distributor's license.

20 (e) The alternate location must be in an area where the sale
21 of the applicable alcoholic beverages has been approved by a local
22 option election or where the distributor or wholesaler had been
23 operating under Section 251.77 or 251.78. If [~~beer, ale, or~~]
24 beverages are [~~liquor is~~] handled at the alternate location, the
25 alternate location must be in the area assigned to the distributor
26 [~~or wholesaler~~] under Subchapters C and D, Chapter 102.

27 SECTION 349. Section 109.63(a), Alcoholic Beverage Code, is

1 amended to read as follows:

2 (a) This section applies to the holder of a [~~brewer's~~
3 ~~permit,~~] distiller's and rectifier's permit, winery permit, [~~wine~~
4 ~~bottler's permit,~~] or brewer's [~~manufacturer's~~] license.

5 SECTION 350. Effective September 1, 2019, Section 109.64,
6 Alcoholic Beverage Code, is amended to read as follows:

7 Sec. 109.64. BULK PURCHASE FOR [~~BY HOLDER OF~~] INDUSTRIAL
8 USE [~~PERMIT~~]. Section 102.32 applies to the bulk purchase of liquor
9 for purposes described by Section 38.01 [~~the holder of an~~
10 ~~industrial permit~~] from the holder of a wholesaler's permit.

11 SECTION 351. The heading to Subchapter A, Chapter 201,
12 Alcoholic Beverage Code, is amended to read as follows:

13 SUBCHAPTER A. TAX ON LIQUOR [~~OTHER THAN ALE AND MALT LIQUOR~~]

14 SECTION 352. Section 201.01, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 201.01. LIQUOR. In this subchapter, "liquor" does not
17 include malt beverages [~~ale or malt liquor~~].

18 SECTION 353. Section 201.17, Alcoholic Beverage Code, is
19 amended to read as follows:

20 Sec. 201.17. LIQUOR IN METRIC CONTAINERS. For the purpose
21 of the taxes imposed on liquor by this subchapter [~~and on ale and~~
22 ~~malt liquor by Subchapter B of this chapter~~], if the liquor is in
23 metric containers the amount of tax due is determined by converting
24 the metric amount into the equivalent amount in gallons and
25 applying the appropriate tax rate. The commission shall prepare
26 tables showing the amount of tax due on various types of liquor[
27 ~~including ale and malt liquor,~~] in metric containers.

1 SECTION 354. Section 201.72, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 201.72. DUTY TO PRINT. The commission and the board of
4 control shall have engraved or printed the liquor and malt beverage
5 [~~beer~~] tax stamps required by this code. The board of control shall
6 let the contracts for the stamps required by this code as provided
7 by law. The commission shall expend funds necessary to keep an
8 ample supply of stamps on hand.

9 SECTION 355. The heading to Chapter 203, Alcoholic Beverage
10 Code, is amended to read as follows:

11 CHAPTER 203. MALT BEVERAGE [~~BEER~~] TAX

12 SECTION 356. Section 203.01, Alcoholic Beverage Code, is
13 amended to read as follows:

14 Sec. 203.01. TAX ON MALT BEVERAGES [~~BEER~~]. A tax is imposed
15 on the first sale of malt beverages brewed [~~beer manufactured~~] in
16 this state or imported into this state at the rate of six dollars
17 per barrel.

18 SECTION 357. Section 203.02, Alcoholic Beverage Code, is
19 amended to read as follows:

20 Sec. 203.02. "FIRST SALE". In this chapter, "first sale"
21 means:

22 (1) the first actual sale of malt beverages [~~beer~~]:

23 (A) by the holder of a distributor's license or
24 by the holder of a brewer's [~~manufacturer's~~] license acting under
25 the authority of Section 62A.02 [~~62.12~~], to:

26 (i) a permittee or licensee authorized to
27 sell to ultimate consumers;

1 (ii) a local distributor permittee; or
2 (iii) a private club registration
3 permittee; or

4 (B) by a brewpub licensee to a consumer or a
5 permittee or licensee authorized to sell malt beverages [~~beer~~] to
6 ultimate consumers; or

7 (2) the importation of malt beverages [~~beer~~] under
8 Section 107.07.

9 SECTION 358. Section 203.03(a), Alcoholic Beverage Code, is
10 amended to read as follows:

11 (a) The licensee making the taxable first sale shall pay the
12 tax on malt beverages [~~beer~~] imposed under Section 203.01 [~~of this~~
13 ~~code~~].

14 SECTION 359. Section 203.04, Alcoholic Beverage Code, is
15 amended to read as follows:

16 Sec. 203.04. TAX ON UNSALABLE MALT BEVERAGES [~~BEER~~]. No tax
17 imposed under Section 203.01 [~~of this code~~] may be imposed or
18 collected on malt beverages [~~beer~~] that for any reason have [~~has~~]
19 been found and declared to be unsalable by the commission or
20 administrator. A brewer [~~manufacturer~~] or distributor is entitled
21 to a refund of any tax the brewer or distributor [~~he~~] has paid on
22 unsalable malt beverages [~~beer~~].

23 SECTION 360. Sections 203.05(a) and (b), Alcoholic Beverage
24 Code, are amended to read as follows:

25 (a) No tax may be collected on malt beverages [~~beer~~]:

26 (1) shipped out of this state for consumption outside
27 of this state;

1 (2) sold aboard ships for ship's supplies; or

2 (3) shipped to any installation of the national
3 military establishment under federal jurisdiction for consumption
4 by military personnel on that installation.

5 (b) The commission shall provide forms on which
6 distributors and brewers [~~manufacturers~~] may claim these
7 exemptions from the tax on malt beverages [~~beer~~].

8 SECTION 361. Section 203.06, Alcoholic Beverage Code, is
9 amended to read as follows:

10 Sec. 203.06. EXCESS TAX. A brewer [~~manufacturer~~] or
11 distributor is entitled to a refund or credit on future tax payment
12 for any excess tax on malt beverages [~~beer~~] paid through oversight,
13 mistake, error, or miscalculation.

14 SECTION 362. Section 203.07(b), Alcoholic Beverage Code, is
15 amended to read as follows:

16 (b) Necessary funds from the collection of the malt
17 beverages [~~beer~~] tax before it is allocated may be appropriated for
18 the payment of malt beverages [~~beer~~] tax refunds.

19 SECTION 363. Sections 203.09(a) and (b), Alcoholic Beverage
20 Code, are amended to read as follows:

21 (a) The commission may require brewers [~~manufacturers~~] of
22 malt beverages brewed [~~beer manufactured~~] in this state or imported
23 into this state, importers, and distributors to provide information
24 as to purchases, sales, and shipments to enable the commission to
25 collect the full amount of the malt beverages [~~beer~~] tax due. No
26 brewer [~~manufacturer~~], importer, or distributor may fail or refuse
27 to furnish the information.

1 (b) The commission may seize or withhold from sale the
2 manufacturer's, importer's, or distributor's malt beverages [~~beer~~]
3 for failure or refusal to supply the information required under
4 Subsection (a) [~~of this section~~] or to permit the commission to make
5 an investigation of pertinent records whether inside or outside
6 this state.

7 SECTION 364. Section 203.10, Alcoholic Beverage Code, is
8 amended to read as follows:

9 Sec. 203.10. PAYMENT OF TAXES; DISCOUNT. The tax on malt
10 beverages [~~beer~~] shall be paid by a remittance payable to the
11 comptroller and forwarded with any required sworn statements of
12 taxes due to the commission in Austin on or before the due date. A
13 discount of two percent of the amount due shall be withheld by the
14 permittee or licensee for keeping records, furnishing bonds, and
15 properly accounting for the remittance of the tax due. No discount
16 is permitted if the tax is delinquent at the time of payment.

17 SECTION 365. Section 203.11, Alcoholic Beverage Code, is
18 amended to read as follows:

19 Sec. 203.11. EVIDENCE IN SUIT. In a suit brought to enforce
20 the collection of tax due on malt beverages brewed [~~beer~~
21 ~~manufactured~~] in or imported into this state, a certificate by the
22 commission or administrator showing the delinquency is prima facie
23 evidence of:

24 (1) the levy of the tax or the delinquency of the
25 stated amount of tax and penalty; and

26 (2) compliance by the commission with the provisions
27 of this code in relation to the computation and levy of the tax.

1 SECTION 366. Section 203.12, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 203.12. TAX LIABILITY. A person possessing malt
4 beverages [~~beer~~] on which the tax is delinquent is liable for the
5 delinquent taxes in addition to the criminal penalties.

6 SECTION 367. Sections 204.01(a), (b), (f), and (i),
7 Alcoholic Beverage Code, are amended to read as follows:

8 (a) Except as otherwise provided in this section, the
9 following licensees and permittees shall furnish a bond:

10 (1) those authorized to import alcoholic beverages
11 into the state;

12 (2) brewers [~~manufacturers~~] of malt beverages [~~beer~~
13 ~~and brewers of ale or malt liquor~~] in the state; and

14 (3) all other permittees.

15 (b) A [~~No~~] bond is not required of a holder of a mixed
16 beverage, private club registration, carrier [~~carriers~~], local
17 cartage, wine and malt beverage retailer's [~~beer retailers~~], or
18 nonresident seller's [~~, manufacturer's agent's, or agent's~~] permit.

19 (f) The holder of a wholesaler's or class B wholesaler's
20 permit, the holder of a winery [~~or wine bottler's~~] permit, or the
21 holder of a distributor's license is not required to furnish a bond
22 if for the preceding 36 months the permittee or licensee has paid
23 all taxes and fees required by this code on or before the due date.

24 (i) A permittee or licensee who qualifies for an exemption
25 under Subsection (f) [~~of this section~~] is also exempt from the
26 bonding requirement for any other wholesaler's permit, class B
27 wholesaler's permit, winery permit, [~~wine bottler's permit,~~] or

1 distributor's license currently held by or subsequently issued to
2 the same permittee or licensee for use at licensed premises
3 different from and additional to those covered by the permit or
4 license under which the permittee or licensee qualified for
5 exemption. However, if a permittee or licensee fails to pay a tax
6 or fee imposed by this code on or before the due date and the
7 permittee or licensee holds multiple permits or licenses, the
8 requirement for a bond or tax security shall be imposed or reimposed
9 under Subsection (g) [~~of this section~~] only on the permit or license
10 covering the licensed premises for which the tax or fee and any
11 applicable penalty were not timely paid.

12 SECTION 368. Section 204.03(d), Alcoholic Beverage Code, is
13 amended to read as follows:

14 (d) Bonds, letters of credit, or certificates of deposit to
15 insure the payment of the tax on distilled spirits imposed by
16 Section 201.03 [~~of this code~~], the tax on vinous liquor imposed by
17 Section 201.04 [~~of this code~~], [~~the tax on ale and malt liquor~~
18 ~~imposed by Section 201.42 of this code,~~] or the tax on malt
19 beverages [~~beer~~] imposed by Section 203.01 [~~of this code~~], shall be
20 set at an amount that will protect the state against the anticipated
21 tax liability of the principal for any six-week period.

22 SECTION 369. Sections 251.725(a) and (b), Alcoholic
23 Beverage Code, are amended to read as follows:

24 (a) This section applies only to a municipality whose local
25 option status allows for the legal sale of malt beverages [~~beer~~] and
26 wine for off-premise consumption only as a result of a local option
27 election on the applicable ballot issue held on or after January 1,

1 1985.

2 (b) The governing body of a municipality described by
3 Subsection (a) may adopt an ordinance authorizing the sale of malt
4 beverages [~~beer~~] and wine for off-premise consumption in an area
5 annexed by the municipality after that election if at the time the
6 ordinance is adopted:

7 (1) the annexed area is not more than one percent of
8 the total area covered by the municipality;

9 (2) all of the land in the annexed area is zoned for
10 commercial use only; and

11 (3) the annexed area is not adjacent to residential,
12 church, or school property.

13 SECTION 370. Section 251.75, Alcoholic Beverage Code, is
14 amended to read as follows:

15 Sec. 251.75. CONTINUANCE OF OPERATION AS [~~MANUFACTURER OR~~]
16 BREWER. Notwithstanding any other provision of this code, if the
17 sale of malt beverages [~~beer or ale~~] is prohibited in an area by a
18 local option election, a holder of a brewer's [~~manufacturer's~~]
19 license [~~or brewer's permit~~] that was issued prior to the election
20 may not be denied an original or renewal brewer's [~~manufacturer's~~]
21 license [~~or brewer's permit~~] for the same location on the ground
22 that the local option status of the area prohibits the sale of malt
23 beverages [~~beer or ale~~]. Except for the right to sell malt
24 beverages [~~beer or ale~~] contrary to the local option status of the
25 area, the licensee [~~or permittee~~] may engage in all activities
26 authorized by the license [~~or permit~~], including the
27 [~~manufacturing~~] brewing, possessing, storing, and packaging of

1 malt beverages [~~beer or ale~~], and transporting the malt beverages
2 [~~it~~] to an area where the [~~its~~] sale of malt beverages is legal. The
3 licensee [~~or permittee~~] may deliver malt beverages [~~beer or ale~~] at
4 the licensee's [~~his licensed~~] premises to a purchaser from outside
5 the state, an authorized carrier, or distributor[, ~~or class B~~
6 ~~wholesaler~~]. The purchaser, carrier, or distributor[, ~~or class B~~
7 ~~wholesaler~~] may not receive the malt beverages [~~beer or ale~~] for
8 transportation unless there has first been an order, acceptance,
9 and payment or legal satisfaction of payment in an area where the
10 sale of malt beverages [~~beer or ale~~] is legal.

11 SECTION 371. Section 251.77, Alcoholic Beverage Code, is
12 amended to read as follows:

13 Sec. 251.77. CONTINUANCE OF OPERATION AS DISTRIBUTOR. (a)
14 Notwithstanding any other provision of this code, if the sale of
15 malt beverages [~~beer~~] is prohibited by local option election, a
16 licensed distributor of malt beverages [~~beer~~] whose warehouse or
17 other facilities used in connection with the distributorship are
18 located in the area affected, has the right to continue to operate
19 as a distributor in that area and maintain the necessary premises
20 and facilities for distribution. The distributor continues to
21 enjoy all the rights and privileges incident to distributorship,
22 including the right to possess, store, warehouse, and sell malt
23 beverages [~~beer~~] in that area, and deliver malt beverages [~~beer~~]
24 into and out of that area.

25 (b) A distributor in the area affected may sell or deliver
26 malt beverages [~~beer~~] only to licensed outlets located where the
27 sale of malt beverages [~~beer~~] is legal.

1 SECTION 372. Effective September 1, 2019, Section 251.79,
2 Alcoholic Beverage Code, is amended to read as follows:

3 Sec. 251.79. AREAS IN WHICH CERTAIN PERMITS AND LICENSES
4 MAY BE ISSUED. Notwithstanding any other provision of this code, a
5 wholesaler's permit, general class B wholesaler's permit, [~~local~~
6 ~~class B wholesaler's permit,~~] or general[~~, local~~] or branch
7 distributor's license may be issued and licensed premises
8 maintained in any area where the sale of any alcoholic beverage is
9 legal. A person issued a permit or license under this section may
10 exercise all rights and privileges of other permittees and
11 licensees of the same class.

12 SECTION 373. Subchapter D, Chapter 251, Alcoholic Beverage
13 Code, is amended by adding Section 251.811 to read as follows:

14 Sec. 251.811. SALE OF MALT BEVERAGES. (a) If before
15 September 1, 2021, the sale of beer was approved in an area by a
16 local option election that approved the sale of beer only, an
17 alcoholic beverage license or permit holder may not sell in that
18 area malt beverages containing more than five percent alcohol by
19 volume unless a subsequent local option election approves the sale
20 of malt beverages or malt beverages and other alcoholic beverages.

21 (b) The commission shall, on the face of each alcoholic
22 beverage license or permit, indicate whether the holder may sell
23 malt beverages and, if the license or permit holder may sell malt
24 beverages, whether the holder may sell malt beverages that exceed
25 five percent alcohol by volume.

26 SECTION 374. Article 18.17(a), Code of Criminal Procedure,
27 is amended to read as follows:

1 (a) All unclaimed or abandoned personal property of every
2 kind, other than contraband subject to forfeiture under Chapter 59
3 [~~of this code~~] and whiskey, wine and malt beverages [~~beer~~], seized
4 by any peace officer in the State of Texas which is not held as
5 evidence to be used in any pending case and has not been ordered
6 destroyed or returned to the person entitled to possession of the
7 same by a magistrate, which shall remain unclaimed for a period of
8 30 days shall be delivered for disposition to a person designated by
9 the municipality or the purchasing agent of the county in which the
10 property was seized. If a peace officer of a municipality seizes
11 the property, the peace officer shall deliver the property to a
12 person designated by the municipality. If any other peace officer
13 seizes the property, the peace officer shall deliver the property
14 to the purchasing agent of the county. If the county has no
15 purchasing agent, then such property shall be disposed of by the
16 sheriff of the county.

17 SECTION 375. Section 501.001, Election Code, is amended by
18 amending Subdivision (1) and adding Subdivision (1-a) to read as
19 follows:

20 (1) "Alcoholic beverage," [~~"beer,"~~] "commission,"
21 "liquor," "mixed beverage," and "wine and vinous liquor" have the
22 meanings assigned by Section 1.04, Alcoholic Beverage Code.

23 (1-a) "Malt beverage" means a fermented beverage of any
24 name or description containing one-half of one percent or more of
25 alcohol by volume and not more than 17 percent of alcohol by volume,
26 brewed or produced from malt, in whole or in part, or from any malt
27 substitute.

1 SECTION 376. Sections 501.035(b) and (c), Election Code,
2 are amended to read as follows:

3 (b) In an area where any type or classification of alcoholic
4 beverages is prohibited and the issue submitted pertains to
5 legalization of the sale of one or more of the prohibited types or
6 classifications, the ballot shall be prepared to permit voting for
7 or against the one of the following issues that applies:

8 (1) "The legal sale of malt beverages [~~beer~~] for
9 off-premise consumption only."

10 (2) "The legal sale of malt beverages [~~beer~~]."

11 (3) "The legal sale of malt beverages [~~beer~~] and wine
12 for off-premise consumption only."

13 (4) "The legal sale of malt beverages [~~beer~~] and
14 wine."

15 (5) "The legal sale of all alcoholic beverages for
16 off-premise consumption only."

17 (6) "The legal sale of all alcoholic beverages except
18 mixed beverages."

19 (7) "The legal sale of all alcoholic beverages
20 including mixed beverages."

21 (8) "The legal sale of mixed beverages."

22 (9) "The legal sale of mixed beverages in restaurants
23 by food and beverage certificate holders only."

24 (10) "The legal sale of wine on the premises of a
25 holder of a winery permit."

26 (c) In an area where the sale of any type or classification
27 of alcoholic beverages has been legalized, the ballot for a

1 prohibitory election shall be prepared to permit voting for or
2 against the one of the following issues that applies:

3 (1) "The legal sale of malt beverages [~~beer~~] for
4 off-premise consumption only."

5 (2) "The legal sale of malt beverages [~~beer~~]."

6 (3) "The legal sale of malt beverages [~~beer~~] and wine
7 for off-premise consumption only."

8 (4) "The legal sale of malt beverages [~~beer~~] and
9 wine."

10 (5) "The legal sale of all alcoholic beverages for
11 off-premise consumption only."

12 (6) "The legal sale of all alcoholic beverages except
13 mixed beverages."

14 (7) "The legal sale of all alcoholic beverages
15 including mixed beverages."

16 (8) "The legal sale of mixed beverages."

17 (9) "The legal sale of mixed beverages in restaurants
18 by food and beverage certificate holders only."

19 (10) "The legal sale of wine on the premises of a
20 holder of a winery permit."

21 SECTION 377. Section 437.110(a), Government Code, is
22 amended to read as follows:

23 (a) The department may establish and contract for the
24 operation of not more than three military-type post exchanges
25 similar to those operated by the armed forces of the United States
26 on any real property under the management and control of the
27 department. A post exchange may sell, lease, or rent goods and

1 services, including firearms, tobacco products, prepared foods,
2 and malt beverages [~~beer~~] and wine but not distilled spirits. The
3 department may designate facilities located on state property to
4 use for purposes of this section.

5 SECTION 378. Section 466.155(a), Government Code, is
6 amended to read as follows:

7 (a) After a hearing, the director shall deny an application
8 for a license or the commission shall suspend or revoke a license if
9 the director or commission, as applicable, finds that the applicant
10 or sales agent:

11 (1) is an individual who:

12 (A) has been convicted of a felony, criminal
13 fraud, gambling or a gambling-related offense, or a misdemeanor
14 involving moral turpitude, if less than 10 years has elapsed since
15 the termination of the sentence, parole, mandatory supervision, or
16 probation served for the offense;

17 (B) is or has been a professional gambler;

18 (C) is married to an individual:

19 (i) described in Paragraph (A) or (B); or

20 (ii) who is currently delinquent in the
21 payment of any state tax;

22 (D) is an officer or employee of the commission
23 or a lottery operator; or

24 (E) is a spouse, child, brother, sister, or
25 parent residing as a member of the same household in the principal
26 place of residence of a person described by Paragraph (D);

27 (2) is not an individual, and an individual described

1 in Subdivision (1):

2 (A) is an officer or director of the applicant or
3 sales agent;

4 (B) holds more than 10 percent of the stock in the
5 applicant or sales agent;

6 (C) holds an equitable interest greater than 10
7 percent in the applicant or sales agent;

8 (D) is a creditor of the applicant or sales agent
9 who holds more than 10 percent of the applicant's or sales agent's
10 outstanding debt;

11 (E) is the owner or lessee of a business that the
12 applicant or sales agent conducts or through which the applicant
13 will conduct a ticket sales agency;

14 (F) shares or will share in the profits, other
15 than stock dividends, of the applicant or sales agent; or

16 (G) participates in managing the affairs of the
17 applicant or sales agent;

18 (3) has been finally determined to be:

19 (A) delinquent in the payment of a tax or other
20 money collected by the comptroller, the Texas Workforce Commission,
21 or the Texas Alcoholic Beverage Commission;

22 (B) in default on a loan made under Chapter 52,
23 Education Code; or

24 (C) in default on a loan guaranteed under Chapter
25 57, Education Code;

26 (4) is a person whose location for the sales agency is:

27 (A) a location licensed for games of bingo under

1 Chapter 2001, Occupations Code;

2 (B) on land that is owned by:

3 (i) this state; or

4 (ii) a political subdivision of this state
5 and on which is located a public primary or secondary school, an
6 institution of higher education, or an agency of the state; or

7 (C) a location for which a person holds a wine and
8 malt beverage [~~beer~~] retailer's permit, mixed beverage permit,
9 mixed beverage permit with a retailer late hours certificate
10 [~~permit~~], private club registration permit, or private club
11 registration permit with a retailer late hours certificate [~~permit~~]
12 issued under Chapter 25, 28, 29, or 32, [~~or 33,~~] Alcoholic Beverage
13 Code, other than a location for which a person holds a wine and malt
14 beverage [~~beer~~] retailer's permit issued under Chapter 25,
15 Alcoholic Beverage Code, that derives less than 30 percent of the
16 location's gross receipts from the sale or service of alcoholic
17 beverages; or

18 (5) has violated this chapter or a rule adopted under
19 this chapter.

20 SECTION 379. Effective September 1, 2019, Section
21 431.2211(c), Health and Safety Code, is amended to read as follows:

22 (c) This subchapter does not apply to the distribution of
23 beverages in sealed containers by holders of licenses or permits
24 issued under Chapter 19, 20, [~~21,~~] 23, or 64, [~~or 65,~~] Alcoholic
25 Beverage Code. The provisions of the Alcoholic Beverage Code
26 prevail to the extent of any conflict with this chapter.

27 SECTION 380. Section 438.013(c), Health and Safety Code, is

1 amended to read as follows:

2 (c) In this section, "liquor dispensary" means a place where
3 malt beverages [~~beer, ale~~], wine, or any other alcoholic beverage
4 is stored, prepared, labeled, bottled, served, or handled.

5 SECTION 381. Sections 1956.001(1) and (10), Occupations
6 Code, are amended to read as follows:

7 (1) "Aluminum material" means a product made from
8 aluminum, an aluminum alloy, or an aluminum by-product. The term
9 includes aluminum wiring and an aluminum malt beverage [~~beer~~] keg
10 but does not include another type of aluminum can used to contain a
11 food or beverage.

12 (10) "Regulated metal" means:

13 (A) manhole covers;

14 (B) guardrails;

15 (C) metal cylinders designed to contain
16 compressed air, oxygen, gases, or liquids;

17 (D) malt beverage [~~beer~~] kegs made from metal
18 other than aluminum;

19 (E) historical markers or cemetery vases,
20 receptacles, or memorials made from metal other than aluminum;

21 (F) unused rebar;

22 (G) street signs;

23 (H) drain gates;

24 (I) safes;

25 (J) communication, transmission, and service
26 wire or cable;

27 (K) condensing or evaporator coils for central

1 heating or air conditioning units;

2 (L) utility structures, including the fixtures
3 and hardware;

4 (M) aluminum or stainless steel containers
5 designed to hold propane for fueling forklifts;

6 (N) metal railroad equipment, including tie
7 plates, signal houses, control boxes, signs, signals, traffic
8 devices, traffic control devices, traffic control signals, switch
9 plates, e-clips, and rail tie functions;

10 (O) catalytic converters not attached to a
11 vehicle;

12 (P) fire hydrants;

13 (Q) metal bleachers or other seating facilities
14 used in recreational areas or sporting arenas;

15 (R) any metal item clearly and conspicuously
16 marked with any form of the name, initials, or logo of a
17 governmental entity, utility, cemetery, or railroad;

18 (S) insulated utility, communications, or
19 electrical wire that has been burned in whole or in part to remove
20 the insulation;

21 (T) backflow valves;

22 (U) metal in the form of commonly recognized
23 products of the industrial metals recycling process, including
24 bales, briquettes, billets, sows, ingots, pucks, and chopped or
25 shredded metals; and

26 (V) commercial grade lead batteries or lead-acid
27 batteries.

1 SECTION 382. Effective September 1, 2019, Section 2401.002,
2 Occupations Code, is amended to read as follows:

3 Sec. 2401.002. APPLICATION OF CHAPTER. This chapter does
4 not apply to a person who:

5 (1) acts as a customs broker as defined by 19 U.S.C.
6 Section 1641;

7 (2) operates trucks and delivery vehicles in the
8 wholesale distribution of alcoholic beverages under Chapter 19, 20,
9 or ~~[21]~~ 64, ~~[or 65]~~ Alcoholic Beverage Code; or

10 (3) acts as an ocean freight forwarder as defined by 46
11 U.S.C. Section 1702.

12 SECTION 383. Effective September 1, 2019, Section
13 111.006(h), Tax Code, is amended to read as follows:

14 (h) The comptroller shall disclose information to a person
15 regarding net sales by quantity, brand, and size that is submitted
16 in a report required under Section 151.462 if:

17 (1) the person requesting the information holds a
18 permit or license under Chapter 19, 20, ~~[21]~~ 37, 64, ~~[65]~~ or 66,
19 Alcoholic Beverage Code; and

20 (2) the request relates only to information regarding
21 the sale of a product distributed by the person making the request.

22 SECTION 384. Section 151.054(d), Tax Code, is amended to
23 read as follows:

24 (d) A sale of liquor, wine, ~~[beer]~~ or malt beverages
25 ~~[liquor]~~ by the holder of a brewer's ~~[manufacturer's]~~ license,
26 wholesaler's permit, general class B wholesaler's permit, ~~[local~~
27 ~~class B wholesaler's permit]~~ local distributor's permit, or a

1 general[~~, local,~~] or branch distributor's license issued under the
2 Alcoholic Beverage Code to the holder of a retail license or permit
3 issued under the Alcoholic Beverage Code is presumed to be a sale
4 for resale. In a sale to which this section applies, the seller is
5 not required to receive a resale certificate from the purchaser.

6 SECTION 385. Sections 151.461(1), (5), and (6), Tax Code,
7 are amended to read as follows:

8 (1) "Brewer" means a person required to hold a brewer's
9 license [~~permit~~] under Chapter 62 [~~12~~], Alcoholic Beverage Code.

10 (5) "Retailer" means a person required to hold:

11 (A) a wine and malt beverage [~~beer~~] retailer's
12 permit under Chapter 25, Alcoholic Beverage Code;

13 (B) a wine and malt beverage [~~beer~~] retailer's
14 off-premise permit under Chapter 26, Alcoholic Beverage Code;

15 (C) a nonprofit entity temporary event [~~wine and~~
16 ~~beer retailer's~~] permit [~~or special three-day wine and beer permit~~]
17 under Chapter 30 [~~27~~], Alcoholic Beverage Code;

18 (D) a mixed beverage permit under Chapter 28,
19 Alcoholic Beverage Code;

20 (E) [~~a daily temporary mixed beverage permit~~
21 ~~under Chapter 30, Alcoholic Beverage Code,~~

22 [~~(F)~~] a private club registration permit under
23 Chapter 32, Alcoholic Beverage Code;

24 (F) [~~(G)~~] a certificate issued to a fraternal or
25 veterans organization under Section 32.11, Alcoholic Beverage
26 Code;

27 (G) [~~(H)~~] a daily temporary private club permit

1 ~~under Subchapter B, Chapter 33, Alcoholic Beverage Code,~~
2 ~~[(I) a temporary auction permit under Chapter 53,~~
3 ~~Alcoholic Beverage Code,~~
4 ~~[(J)]~~ a retail dealer's on-premise license under
5 Chapter 69, Alcoholic Beverage Code;
6 ~~[(K) a temporary license under Chapter 72,~~
7 ~~Alcoholic Beverage Code,~~] or
8 (H) ~~[(L)]~~ a retail dealer's off-premise license
9 under Chapter 71, Alcoholic Beverage Code, except for a dealer who
10 also holds a package store permit under Chapter 22, Alcoholic
11 Beverage Code.

12 (6) "Wholesaler" means a person required to hold:
13 (A) a winery permit under Chapter 16, Alcoholic
14 Beverage Code;
15 (B) a wholesaler's permit under Chapter 19,
16 Alcoholic Beverage Code; or
17 (C) a general Class B wholesaler's permit under
18 Chapter 20, Alcoholic Beverage Code ~~[, or~~
19 ~~[(D) a local Class B wholesaler's permit under~~
20 ~~Chapter 21, Alcoholic Beverage Code].~~

21 SECTION 386. Section 151.462, Tax Code, is amended to read
22 as follows:

23 Sec. 151.462. REPORTS BY BREWERS, ~~[MANUFACTURERS,~~
24 WHOLESALEERS, AND DISTRIBUTORS. (a) The comptroller shall require
25 each brewer, ~~[manufacturer,~~ wholesaler, distributor, or package
26 store local distributor to file with the comptroller a report each
27 month of alcoholic beverage sales to retailers in this state.

1 (b) Each brewer, [~~manufacturer,~~] wholesaler, distributor,
2 or package store local distributor shall file a separate report for
3 each permit or license held on or before the 25th day of each month.
4 The report must contain the following information for the preceding
5 calendar month's sales in relation to each retailer:

6 (1) the brewer's, [~~manufacturer's,~~] wholesaler's,
7 distributor's, or package store local distributor's name, address,
8 taxpayer number and outlet number assigned by the comptroller, and
9 alphanumeric permit or license number issued by the Texas Alcoholic
10 Beverage Commission;

11 (2) the retailer's:

12 (A) name and address, including street name and
13 number, city, and zip code;

14 (B) taxpayer number assigned by the comptroller;
15 and

16 (C) alphanumeric permit or license number issued
17 by the Texas Alcoholic Beverage Commission for each separate retail
18 location or outlet to which the brewer, [~~manufacturer,~~] wholesaler,
19 distributor, or package store local distributor sold the alcoholic
20 beverages that are listed on the report; and

21 (3) the monthly net sales made by the brewer,
22 [~~manufacturer,~~] wholesaler, distributor, or package store local
23 distributor to the retailer for each outlet or location covered by a
24 separate retail permit or license issued by the Texas Alcoholic
25 Beverage Commission, including separate line items for:

26 (A) the number of units of alcoholic beverages;

27 (B) the individual container size and pack of

1 each unit;

2 (C) the brand name;

3 (D) the type of beverage, such as distilled
4 spirits, wine, or malt beverage;

5 (E) the universal product code of the alcoholic
6 beverage; and

7 (F) the net selling price of the alcoholic
8 beverage.

9 (c) Except as provided by this subsection, the brewer,
10 ~~[manufacturer,~~ wholesaler, distributor, or package store local
11 distributor shall file the report with the comptroller
12 electronically. The comptroller may establish procedures to
13 temporarily postpone the electronic reporting requirement for a
14 brewer, ~~[manufacturer,~~ wholesaler, distributor, or package store
15 local distributor who demonstrates to the comptroller an inability
16 to comply because undue hardship would result if it were required to
17 file the return electronically. If the comptroller determines that
18 another technological method of filing the report is more efficient
19 than electronic filing, the comptroller may establish procedures
20 requiring its use by brewers, ~~[manufacturers,~~ wholesalers,
21 distributors, and package store local distributors.

22 SECTION 387. Section 151.466, Tax Code, is amended to read
23 as follows:

24 Sec. 151.466. APPLICABILITY TO CERTAIN BREWERS
25 ~~[MANUFACTURERS]~~. This subchapter applies only to a brewer
26 ~~[manufacturer]~~ licensed under Chapter 62A, Alcoholic Beverage
27 Code.

1 SECTION 388. Section 151.468(b), Tax Code, is amended to
2 read as follows:

3 (b) In addition to the penalties imposed under Subsection
4 (a), a brewer, [~~manufacturer,~~] wholesaler, distributor, or package
5 store local distributor shall pay the state a civil penalty of not
6 less than \$25 or more than \$2,000 for each day a violation continues
7 if the brewer, [~~manufacturer,~~] wholesaler, distributor, or package
8 store local distributor:

9 (1) violates this subchapter; or

10 (2) violates a rule adopted to administer or enforce
11 this subchapter.

12 SECTION 389. Section 151.470, Tax Code, is amended to read
13 as follows:

14 Sec. 151.470. AUDIT; INSPECTION. The comptroller may
15 audit, inspect, or otherwise verify a brewer's, [~~manufacturer's,~~
16 wholesaler's, distributor's, or package store local distributor's
17 compliance with this subchapter.

18 SECTION 390. Section 183.001(b)(1), Tax Code, is amended to
19 read as follows:

20 (1) "Permittee" means a mixed beverage permittee, a
21 private club registration permittee, a private club exemption
22 certificate permittee, a private club registration permittee with a
23 retailer late hours certificate [~~permittee~~], a nonprofit entity
24 [~~daily~~] temporary event [~~private club~~] permittee, a private club
25 registration permittee holding a food and beverage certificate, [~~a~~
26 ~~daily temporary mixed beverage permittee,~~] a mixed beverage
27 permittee with a retailer late hours certificate [~~permittee~~], a

1 mixed beverage permittee holding a food and beverage certificate,
2 [~~a caterer permittee,~~] or a distiller's and rectifier's permittee.

3 SECTION 391. Section 522.003(1), Transportation Code, is
4 amended to read as follows:

5 (1) "Alcohol" means:

6 (A) malt beverages [~~beer, ale~~], port, [~~stout,~~]
7 sake, or any other similar fermented beverages or products
8 containing one-half of one percent or more of alcohol by volume,
9 brewed or produced wholly or in part from malt or a malt substitute;

10 (B) wine containing one-half of one percent or
11 more of alcohol by volume; or

12 (C) distilled spirits, including ethyl alcohol,
13 ethanol, and spirits of wine in any form, and all dilutions and
14 mixtures of distilled spirits from whatever source or by whatever
15 process produced.

16 SECTION 392. Section 643.002, Transportation Code, is
17 amended to read as follows:

18 Sec. 643.002. EXEMPTIONS. This chapter does not apply to:

19 (1) motor carrier operations exempt from registration
20 by the Unified Carrier Registration Act of 2005 (49 U.S.C. Section
21 14504a) or a motor vehicle registered under the single state
22 registration system established under 49 U.S.C. Section 14504(c)
23 when operating exclusively in interstate or international
24 commerce;

25 (2) a motor vehicle registered as a cotton vehicle
26 under Section 504.505;

27 (3) a motor vehicle the department by rule exempts

1 because the vehicle is subject to comparable registration and a
2 comparable safety program administered by another governmental
3 entity;

4 (4) a motor vehicle used to transport passengers
5 operated by an entity whose primary function is not the
6 transportation of passengers, such as a vehicle operated by a
7 hotel, day-care center, public or private school, nursing home, or
8 similar organization;

9 (5) a vehicle operating under:

10 (A) Section 14.07 [~~a private carrier permit~~
11 ~~issued under Chapter 42~~], Alcoholic Beverage Code;

12 (B) Section 16.10, Alcoholic Beverage Code;

13 (C) Section 19.06, Alcoholic Beverage Code; or

14 (D) Section 20.04, Alcoholic Beverage Code;

15 (6) a vehicle operated by a governmental entity; or

16 (7) a tow truck, as defined by Section 2308.002,
17 Occupations Code.

18 SECTION 393. (a) The Texas Sunset Commission staff, with
19 assistance from the Texas Legislative Council, shall review the
20 Texas Alcoholic Beverage Code and make recommendations to the Texas
21 Sunset Commission for both a modernization and a nonsubstantive
22 technical revision of the code, including:

23 (1) identifying inconsistencies in authorities and
24 treatment of different alcoholic beverages and regulated
25 businesses;

26 (2) reviewing the use of the terms "license" for beer
27 and "permit" for all other alcoholic beverages;

1 (3) identifying any needed technical changes,
2 including:

3 (A) removing unconstitutional provisions and
4 outdated language;

5 (B) updating the code's structure to comply with
6 modern drafting standards; and

7 (C) correcting legal citations; and

8 (4) identifying changes needed to modernize the code
9 within the three-tier system.

10 (b) The Texas Sunset Commission staff and the Texas
11 Legislative Council may not consider changes to the overall
12 three-tier regulatory system.

13 (c) Not later than September 1, 2022, the Texas Legislative
14 Council shall prepare a nonsubstantive revision of the Texas
15 Alcoholic Beverage Code to implement any nonsubstantive
16 recommendations made under Subsection (a) of this section.

17 (d) Not later than September 1, 2022, the Texas Sunset
18 Commission staff shall make substantive recommendations to the
19 Texas Sunset Commission to address any recommended changes to
20 modernize the Texas Alcoholic Beverage Code that the Texas
21 Legislative Council determines cannot be included in a
22 nonsubstantive code revision.

23 (e) This section takes effect September 1, 2019.

24 SECTION 394. (a) Not later than December 1, 2019, the
25 governor shall appoint two additional members to the Texas
26 Alcoholic Beverage Commission. At the first meeting of the Texas
27 Alcoholic Beverage Commission after the additional members are

1 appointed under this subsection, or as soon as practicable after
2 that meeting, the two new members of the commission shall draw lots
3 to determine which member will serve a term expiring November 15,
4 2023, and which member will serve a term expiring November 15, 2025.

5 (b) This section takes effect September 1, 2019.

6 SECTION 395. (a) Except as provided by Subsection (b) of
7 this section, Section 5.022, Alcoholic Beverage Code, as amended by
8 this Act, applies to a member of the Texas Alcoholic Beverage
9 Commission appointed before, on, or after the effective date of
10 this Act.

11 (b) A member of the Texas Alcoholic Beverage Commission who,
12 before September 1, 2019, completed the training program required
13 by Section 5.022, Alcoholic Beverage Code, as that law existed
14 before September 1, 2019, is required to complete additional
15 training only on subjects added by this Act to the training program
16 as required by Section 5.022, Alcoholic Beverage Code, as amended
17 by this Act. A commission member described by this subsection may
18 not vote, deliberate, or be counted as a member in attendance at a
19 meeting of the commission held on or after December 1, 2019, until
20 the member completes the additional training.

21 (c) This section takes effect September 1, 2019.

22 SECTION 396. (a) Not later than January 31, 2020, the Texas
23 Alcoholic Beverage Commission shall adopt rules to implement the
24 changes in law made by this Act to Section 5.361, Alcoholic Beverage
25 Code, relating to developing a plan for inspecting alcoholic
26 beverage licensees and permittees. The Texas Alcoholic Beverage
27 Commission shall with the assistance of the Legislative Budget

1 Board develop target goals for the percentage of licensed and
2 permitted facilities the commission inspects each year.

3 (b) Not later than December 31, 2020, the Texas Alcoholic
4 Beverage Commission shall adopt rules to implement Sections 11.43,
5 11.431, 11.432, 61.31, 61.313, and 61.314, Alcoholic Beverage Code,
6 as amended or added by this Act, relating to the permit and license
7 application and protest process.

8 (c) Not later than December 31, 2020, the Texas Alcoholic
9 Beverage Commission shall adopt rules to implement the changes in
10 law made by this Act to Sections 101.67 and 101.671, Alcoholic
11 Beverage Code, relating to the registration of alcoholic beverages.

12 (d) Not later than December 31, 2019, the Texas Alcoholic
13 Beverage Commission shall adopt the rules required by Section
14 108.52, Alcoholic Beverage Code, as amended by this Act, relating
15 to outdoor advertising.

16 (e) This section takes effect September 1, 2019.

17 SECTION 397. (a) The Texas Alcoholic Beverage Commission
18 shall adopt rules setting a fee for each original or renewal
19 certificate, permit, and license as authorized by Section 5.50,
20 Alcoholic Beverage Code, as amended by this Act, not later than
21 September 1, 2021. The certificate, permit, and license fees
22 established by commission rule apply only to an original or renewal
23 certificate, permit, or license issued on or after September 1,
24 2021. This subsection takes effect September 1, 2019.

25 (b) Effective September 1, 2021, the following provisions
26 of the Alcoholic Beverage Code establishing the amount of a fee are
27 repealed:

- 1 (1) Section 14.02;
- 2 (2) Section 16.02;
- 3 (3) Section 19.02;
- 4 (4) Section 20.02;
- 5 (5) Section 22.02;
- 6 (6) Section 23.02;
- 7 (7) Section 24.02;
- 8 (8) Section 25.02;
- 9 (9) Section 26.02;
- 10 (10) Section 28.02;
- 11 (11) Section 32.02;
- 12 (12) Section 37.02;
- 13 (13) Section 38.04;
- 14 (14) Section 41.02;
- 15 (15) Section 43.02;
- 16 (16) Section 46.02;
- 17 (17) Section 50.002;
- 18 (18) Section 51.05;
- 19 (19) Section 54.04;
- 20 (20) Section 55.02;
- 21 (21) Section 56.03;
- 22 (22) Section 62.02;
- 23 (23) Section 62A.03;
- 24 (24) Section 63.02;
- 25 (25) Section 64.02;
- 26 (26) Section 66.02;
- 27 (27) Section 69.02;

- 1 (28) Section 69.03;
- 2 (29) Section 71.02; and
- 3 (30) Section 74.02.

4 SECTION 398. (a) Effective September 1, 2021, the
5 following provisions of the Alcoholic Beverage Code are repealed:

- 6 (1) Chapters 12, 12A, 13, 17, 27, 31, 33, 34, 42, 44,
7 45, 48A, 52, 53, 67, 68, 70, and 72;
- 8 (2) Subchapter B, Chapter 201;
- 9 (3) Section 1.04(12);
- 10 (4) Section 19.05;
- 11 (5) Section 20.03;
- 12 (6) Section 22.06(b);
- 13 (7) Section 22.07;
- 14 (8) Section 24.05(b);
- 15 (9) Section 24.06;
- 16 (10) Section 28.13;
- 17 (11) Section 37.04;
- 18 (12) Section 43.07;
- 19 (13) Section 51.01;
- 20 (14) Section 62.06;
- 21 (15) Section 71.03; and
- 22 (16) Section 107.07(d).

23 (b) Effective September 1, 2021, Section 151.461(3), Tax
24 Code, is repealed.

25 SECTION 399. (a) Effective December 31, 2020, the
26 following provisions of the Alcoholic Beverage Code relating to the
27 permit and license application and protest process are repealed:

- 1 (1) Section 5.435;
- 2 (2) Section 5.46;
- 3 (3) Section 11.41;
- 4 (4) Section 25.051;
- 5 (5) Section 25.052;
- 6 (6) Section 26.06;
- 7 (7) Section 26.07;
- 8 (8) Section 61.311;
- 9 (9) Section 61.312;
- 10 (10) Section 61.32;
- 11 (11) Section 61.33;
- 12 (12) Sections 61.34(a) and (b);
- 13 (13) Section 61.39;
- 14 (14) Section 61.47; and
- 15 (15) Section 69.05.

16 (b) Effective December 31, 2020, the following provisions
17 of the Government Code are repealed:

- 18 (1) Section 101.121; and
- 19 (2) Section 411.120.

20 SECTION 400. (a) The changes in law made by this Act do not
21 affect the validity of a disciplinary action or other proceeding
22 that was initiated before the effective date of this Act and that is
23 pending on the effective date of this Act. A disciplinary action
24 that is pending on the effective date of this Act is governed by the
25 law in effect on the date the action was taken, and the former law is
26 continued in effect for that purpose.

27 (b) The repeal of a law by this Act does not entitle a person

1 to a refund of a certificate, permit, or license fee paid by the
2 person before the effective date of this Act.

3 SECTION 401. On September 1, 2021, the Texas Alcoholic
4 Beverage Commission shall convert any existing permits issued under
5 Chapter 12, 12A, or 13, Alcoholic Beverage Code, to the
6 corresponding license under Chapter 62, 62A, or 63, Alcoholic
7 Beverage Code. The new license shall have the same expiration date
8 as the permit it is replacing.

9 SECTION 402. The holder of a permit who immediately before
10 the effective date of this Act was authorized under the permit to
11 purchase, sell, transport, or store ale and malt liquor, may, after
12 the effective date of the provisions of this Act changing
13 references to "beer," "ale," and "malt liquor" in the Alcoholic
14 Beverage Code to "malt beverages," continue to purchase, sell,
15 transport, or store ale and malt liquor under that permit until the
16 date the permit expires.

17 SECTION 403. (a) Effective September 1, 2019,
18 notwithstanding the repeal by this section of Chapters 18 and 21,
19 Alcoholic Beverage Code, a person holding a permit issued under
20 Chapter 18 or 21, Alcoholic Beverage Code, on August 31, 2019, may
21 continue to operate under that permit until the date the permit
22 expires and Chapters 18 and 21, Alcoholic Beverage Code, remain in
23 effect for those purposes.

24 (b) Effective September 1, 2019, the following provisions
25 of the Alcoholic Beverage Code are repealed:

26 (1) Chapters 18, 21, 47, 49, 65, and 75;

27 (2) Section 5.05(b);

- 1 (3) Section 5.61;
- 2 (4) Section 15.02;
- 3 (5) Section 15.03;
- 4 (6) Section 15.06;
- 5 (7) Section 25.03;
- 6 (8) Section 35.02;
- 7 (9) Section 35.03;
- 8 (10) Section 35.04;
- 9 (11) Section 35.08;
- 10 (12) Section 36.02;
- 11 (13) Section 36.03;
- 12 (14) Section 36.09;
- 13 (15) Section 38.02;
- 14 (16) Section 38.03;
- 15 (17) Section 62.13;
- 16 (18) Sections 73.02, 73.03, 73.04, 73.05, 73.06,
- 17 73.07, 73.08, 73.09, 73.10, and 73.11;
- 18 (19) Section 74.10;
- 19 (20) Sections 108.52(d), (f), and (h); and
- 20 (21) Section 204.06.

21 SECTION 404. Except as otherwise provided by this Act, this
22 Act takes effect September 1, 2021.