

Proposed New Recommendations

Agency Administration

Vice Chairman Paddie Proposed New Recommendation 1

Restrict the release of personnel records of commissioned TABC officers involved in an open internal investigation.

Vice Chairman Paddie Proposed New Recommendation 2

Direct TABC to implement a policy allowing license applicants to submit only the name and address of each owner and director, and only require further personal information if cross-tier concerns arise. (Management action – nonstatutory)

Vice Chairman Paddie Proposed New Recommendation 3

Specify that market data from members of the alcoholic beverage industry has no monetary value and may be given to TABC, and clarify the data is protected from disclosure.

Senator Buckingham Proposed New Recommendation 4

Specify that market data from members of the alcoholic beverage industry has no monetary value and may be given to TABC.

Senator Buckingham Proposed New Recommendation 5

Modify Alcoholic Beverage Code Section 11.01(c) to clarify TABC's authority to pass rules where the code is silent.

Senator Hall Proposed New Recommendation 6

Repeal Alcoholic Beverage Code Section 11.01(c), which specifies that acts not permitted by the code are unlawful.

Senator Hall Proposed New Recommendation 7

Require county and city officials to complete the local certification process for TABC license and permit applicants within 30 days of receiving the application.

Senator Hall Proposed New Recommendation 8

Direct TABC to modify its applications to allow local jurisdictions to clearly indicate if they do not certify an area as wet for the license or permit being sought. (Management action – nonstatutory)

Authority of Regulated Entities

Senator Hall Proposed New Recommendation 9

Authorize brewpubs to transfer malt beverages that it produces at one location to another brewpub location, owned by the same licensee or permittee.

Senator Hall and Representative Flynn Proposed New Recommendation 10

Authorize breweries to import ale for manufacturing purposes by adding the following provisions to the Alcoholic Beverage Code:

- Authorize the holder of a brewer’s permit to blend and mix ales.
- Authorize the holder of a brewer’s permit to import ale purchased from the holder of a nonresident brewer’s permit for manufacturing purposes. Specify that the state tax on ale imported for manufacturing purposes does not accrue until the product manufactured with the imported ale is placed in containers for sale.

Senator Watson Proposed New Recommendation 11

Authorize brewpubs to sell products they are already allowed to sell to qualified persons outside the state.

Representative Lambert Proposed New Recommendation 12

Authorize manufacturing tier businesses that have licenses and/or permits for multiple types of alcoholic beverages, and are currently authorized to have a tasting room, to have a common tasting room for those beverages.

Alcoholic Beverage Code Modernization

Representative Thompson Proposed New Recommendation 13

Require the Sunset Commission staff and the Texas Legislative Council (TLC), with assistance from TABC, to analyze and make recommendations for a modernization and non-substantive revision of the Texas Alcoholic Beverage Code. Sunset staff and TLC would not consider changes to the overall three-tier regulatory system, but would evaluate

- inconsistencies in authorities and treatment of different alcoholic beverages and regulated businesses;
- use of the terms “license” for beer and “permit” for all other alcoholic beverages;

- technical changes needed, including but not limited to removing unconstitutional provisions and outdated language, updating the code's structure to comply with modern drafting standards, and correcting legal citations; and
- other changes needed to modernize the code within the three-tier system.

TLC would identify statutory inconsistencies and other issues that may impede modernizing the code. Sunset staff would work directly with TLC and TABC to determine whether and how to address the identified issues. Sunset staff would be authorized to engage interested stakeholders in this process. TLC would prepare a non-substantive revision bill to address any technical changes needed, which the Sunset Commission would consider for a vote by September 1, 2022. Separately, Sunset staff would make recommendations to the Sunset Commission by September 1, 2022, to address other, more substantive issues needed to modernize the Texas Alcoholic Beverage Code.