

Authorizing “product instruction events” for malt beverages

SB 2558 by Gallegos (Thompson)

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DIGEST: SB 2558 would have authorized certain permit and license holders to conduct up to two “product instruction events” per calendar year to promote the license or permit holder’s malt beverages. Events could have been held only on the premises of a retailer licensed to sell alcoholic beverages or on certain brand-identified promotional vehicles. The bill would have limited events to normal business hours and to no more than four hours.

The bill would have authorized product instruction events to be prearranged with and preannounced to a retailer, but would have prohibited a product instruction event from being preannounced to a consumer. The bill would have required the license or permit holder to purchase all malt beverages from the retailer and would have authorized a license or permit holder to open, touch, pour, and serve only malt beverages manufactured or distributed by that license or permit holder.

GOVERNOR’S REASON FOR VETO:

“Senate Bill No. 2558 would allow beer and malt beverage tastings to be held in a branded vehicle on the premises of a retailer with a permit to sell alcohol, therefore allowing alcohol consumption in a vehicle. The Texas Alcoholic Beverage Commission would be required to increase its on-site inspections to ensure the proper precautions are taken to prevent serving to minors and over-consumption.

“Senate Bill No. 2558, especially the requirement that these events be held in a branded promotional truck, also gives an unfair competitive advantage to large brewers, as smaller operations would be unable to afford to purchase or lease a brand-identified promotional vehicle.”

RESPONSE: **Sen. Mario Gallegos**, the bill’s author, said: “It is unfortunate that Governor Rick Perry chose to veto SB 2558. It was intended to allow certain alcohol permit and license holders to conduct beer and malt beverage tastings at the premises of a retailer holding a license or permit to sell alcoholic beverages for on-or-off-premises consumption.

“Under this bill, no Texas brewery was limited from participating, or excluded from educating the public on their product. As for the governor’s state agency resource justification, the Legislative Budget Board fiscal analysis noted no significant fiscal impact to The Texas Alcoholic Beverage Commission (TABC). Furthermore, TABC never expressed concern over SB 2558 during the legislative process.

“Lastly, I am perplexed with the veto because the governor has previously signed legislation granting similar authority to the wine and spirits industry. This bill would have created parity amongst the alcohol industry in Texas.”

Rep. Senfronia Thompson, the House sponsor, had no comment on the veto.

NOTES:

SB 2558 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.