

## BILL ANALYSIS

C.S.H.B. 47  
By: Guillen  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### BACKGROUND AND PURPOSE

Interested parties raise numerous concerns about powdered alcohol, including concerns regarding its availability to underage drinkers, its potential potency, and its marketing. C.S.H.B. 47 seeks to address these concerns by classifying powdered alcohol as an alcoholic beverage.

### CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### RULEMAKING AUTHORITY

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

### ANALYSIS

C.S.H.B. 47 amends the Alcoholic Beverage Code to include powdered alcohol and any beverage containing more than one-half of one percent of alcohol by volume, which is capable of use for beverage purposes, when reconstituted in the definition of "alcoholic beverage" for purposes of the Alcoholic Beverage Code. The bill imposes a tax on the first sale of powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging.

### EFFECTIVE DATE

September 1, 2017.

### COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 47 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 1.04(1), Alcoholic Beverage Code, is amended.	SECTION 1. Same as introduced version.
No equivalent provision.	SECTION 2. The heading to Section 201.03, Alcoholic Beverage Code, is

amended to read as follows:

Sec. 201.03. TAX ON DISTILLED SPIRITS AND POWDERED ALCOHOL.

No equivalent provision.

SECTION 3. Section 201.03(a), Alcoholic Beverage Code, is amended to read as follows:

(a) A tax is imposed on the first sale of:

(1) distilled spirits at the rate of \$2.40 per gallon; and

(2) powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging.

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

SECTION 4. Same as introduced version.