

SUBJECT: Beer distribution in Harris County

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 7 ayes — Wilson, Kubiak, Goolsby, D. Jones, Pickett, Torres, Yarbrough
0 nays
2 absent — Haggerty, Hamric

SENATE VOTE: On final passage, Local and Uncontested Calendar, April 3 — 31-0

WITNESSES: For — Rick Donley, Harris County Beer Wholesalers Association
Against — None

BACKGROUND : The Alcoholic Beverage Code delineates a hierarchy for the sale, consumption and distribution of alcoholic beverages in Texas. Distributors and wholesalers must establish exclusive territorial agreements with manufacturers of beer, malt liquor, and ale products.

DIGEST: SB 271 would prohibit local beer distributors in counties with 8,000 or more alcoholic beverage licenses or permits (Harris County) from selling beer, malt liquor, or ale to clubs, bars or restaurants located outside of the manufacturer's territory. Distributors who purchased beer products from an entity outside of their territory would be required to sell the products within the territory in which they were purchased.

The bill would take effect September 1, 1997.

SUPPORTERS SAY: SB 271 would clarify territorial responsibilities for beer distributors in Harris County. The sheer number of distributors in Harris County has confused the process for tracking sales; although distributors are required to buy beer within a designated territory, they can sell it anywhere, obscuring responsibility for the quality and freshness of the product. SB 271 would eliminate this confusion by establishing clear language requiring that beer products be sold, bought and consumed within the same territory.

SB 271
House Research Organization
page 2

OPPONENTS No apparent opposition.
SAY: