

**SUBJECT:** Quantity of beer a distributor or wholesaler may withdraw from retailer

**COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment

**VOTE:** 5 ayes — Geren, Hamilton, Miles, Quintanilla, Thompson  
0 nays  
4 absent — Flores, Isett, Goolsby, Jones

**SENATE VOTE:** On final passage, May 1 — 31-0, on Local and Uncontested Calendar

**WITNESSES:** *(On House companion bill, HB 3124 by Miles:)*  
For — *(Registered, but did not testify:* Rick Donley, The Beer Alliance of Texas; Alan Gray, Licensed Beverage Distributors; Brad Shields, Texas Retailers Association; Tom Spilman, Wholesale Beer Distributors of Texas)  
  
Against — None

**BACKGROUND:** Alcoholic Beverage Code, sec. 104.05 allows a holder of a distributor's license, wholesaler's permit, or class B wholesaler's permit to withdraw for quality control a quantity of beer, ale, or malt liquor in its undamaged original packing from the retailer's stock, if the retailer permits, and if:

- the withdrawn stock is replaced with beer, ale or malt liquor of identical brands, quantities, and packages;
- the stock is withdrawn before the date considered by the manufacturer of the product to be the date the product is inappropriate for consumer sale; and
- the quantity of withdrawn stock does not exceed the equivalent of 15 cases of 24 twelve-ounce containers.

**DIGEST:** CSSB 1215 would increase the amount a distributor or wholesaler could withdraw from a retailer's stock for quality control from the equivalent of 15 cases to the equivalent of 25 cases of 24 twelve-ounce containers of beer, ale, or malt liquor.

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The bill would take effect September 1, 2007.

**SUPPORTERS  
SAY:**

CSSB 1217 would provide large distributors and wholesalers with more efficient inventory control. The bill reflects a compromise between the interested parties who agreed that 25 cases is a sufficient amount to withdraw to ensure quality control by distributors and wholesalers.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The companion bill, HB 3124 by Miles, was reported favorably as substituted from the Licensing and Administrative Procedures Committee on April 17. The original versions of both SB 1215 and HB 3124 would have increased the amount that could be withdrawn from a retailer's stock to 50 cases.