

SUBJECT: Allowing certain sales of alcoholic beverages at racing venues

COMMITTEE: Licensing & Administrative Procedures — favorable, without amendment

VOTE: 9 ayes — K. King, Walle, Goldman, Harless, Hernandez, Herrero, T. King, Patterson, S. Thompson

0 nays

2 absent — Schaefer, Shaheen

WITNESSES: For — David Dawson, Texas Motor Speedway (*Registered, but did not testify*: Tom Spilman, Wholesale Beer Distributors of Texas; Thomas Parkinson)

Against — None

On — (*Registered, but did not testify*: Matthew Cherry, Texas Alcoholic Beverage Commission)

BACKGROUND: Under Alcoholic Beverage Code sec. 25.16(d), the holder of a wine and malt beverage retailer's permit may temporarily sell wine and malt beverages in an area of a facility with a seating capacity of more than 150,000 that is open to the public and not otherwise covered by a license or permit during a motor vehicle racing event sponsored by a professional motor racing association.

Some have suggested that the code should be reorganized to ensure the authority of certain permit holders to temporarily sell wine and malt beverages at the Texas Motor Speedway.

DIGEST: HB 1542 would allow a mixed beverage permit holder to temporarily sell wine and malt beverages in the area of a facility with a seating capacity of more than 40,000 that was open to the public and not otherwise covered by a license or permit during a motor vehicle racing event sponsored by a professional motor racing association.

The permit holder could sell wine and malt beverages containing alcohol in excess of one-half of one percent by volume but not more than 17 percent by volume for consumption on or off the premises where sold, but not for resale.

A mixed beverage permit holder who sold wine or malt beverages under that permit in a county other than the county in which the premises covered by the permit was located would have to purchase the beverages from a distributor or wholesaler authorized to sell the beverages in the county and report to the Texas Alcoholic Beverage Commission (TABC) the amount of beverages purchased and sold, by type.

The permit holder who temporarily sold wine and malt beverages under this section, or any officer, agent, or employee of the permit holder, could allow a person to possess and consume alcoholic beverages brought onto the premises by the person and remove from the premises any alcoholic beverages brought onto the premises by the person.

TABC would be required to adopt rules to implement these changes.

The bill would also allow a person who purchased wine or malt beverages from a holder of a mixed beverage permit selling the beverages at certain racing facilities to remove the beverages from the premises.

Alcoholic Beverage Code secs. 25.16(d) would be repealed.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.