

SUBJECT: Allowing certain distilled spirits to be sampled at certain temporary events

COMMITTEE: Licensing & Administrative Procedures — favorable, without amendment

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

0 nays

2 absent — Herrero, Schaefer

WITNESSES: For — Stephanie Houston, Texas Distilled Spirits Association; Lance Lively, Texas Package Stores Association; Ricky Knox, Wine and Spirits Wholesalers of Texas (*Registered, but did not testify*: Rick Donley, Beer Alliance of Texas; Mia McCord, Consumer Choice Coalition; Jim Short, SPEC's; Amber Hausenfluck, Texas Distilled Spirits Association; JP Urrabazo, The Beer Alliance of Texas; Ryan Brannan, Treaty Oak Distillery; Tom Spilman, Wholesale Beer Distributors of Texas; Thomas Parkinson)

Against — None

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

DIGEST: HB 3171 would allow the holder of a distiller's and rectifier's permit to dispense free distilled spirits for consumption at certain temporary events. These permit holders could conduct samplings or tastings at a civic or distilled spirits festival, farmers' market, celebration, or similar event.

Spirits samples provided by the permit holder would be required to be manufactured by the permit holder, could not exceed one-half ounce, and could not be removed from the event premises. Distilled spirits could legally be transported by the permit holders or the permit holder's agent or employee to the temporary event for the purpose of providing a sampling or tasting. The cost of the distilled spirits provided for a sampling or

tasting would be the responsibility of the permit holder.

The Texas Alcoholic Beverage Commission (TABC) would be required to adopt rules to implement these provisions that:

- established a procedure to verify the wet or dry status of the location where the permit holder intended to temporarily sample or taste distilled spirits;
- detailed the circumstances when a permit holder could temporarily sample spirits with just a notification to the commission and circumstances that would require TABC's preapproval; and
- required the permit holder to provide any other information that TABC determined necessary.

The bill would take effect September 1, 2023.

**SUPPORTERS
SAY:**

HB 3171 would make it easier for distillers to sample spirits at events, allowing consumers to taste Texas products that they may later wish to purchase, further supporting the state's economy. Currently, if distillers want to sample their products at festivals or other events, they are required to sell their products to the event organizers and purchase leftover product back at a potentially marked-up cost. The bill would remove this unnecessary and costly step. Texas distilled spirits are a growing industry, and festivals are one of the most effective uses of marketing time and money for emerging brands.

The bill would not pose additional safety risks, as HB 3171 would provide safeguards, including measures that would limit sample sizes and prohibit samples from leaving the premises of these events.

**CRITICS
SAY:**

No concerns identified.