

## **BILL ANALYSIS**

Senate Research Center  
80R14820 AJA-F

H.B. 3123  
By: Miles (Gallegos)  
Business & Commerce  
5/12/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Alcoholic Beverage Code restricts upper tier members from giving things of value to a lower tier member. This should remain the case as it pertains to commercial transactions, but current law as enforced by the Texas Alcoholic Beverage Commission also includes charitable events that would have all the proceeds going directly to a charity.

H.B. 3123 authorizes holders of alcoholic beverage licenses and permits at different levels to simultaneously or jointly sponsor a civic, religious, or charitable event, including providing or lending money, services or other things of value directly to a civic, religious, or charitable entity in conjunction with the event, provided that any license or permit to sell or serve alcoholic beverage at the event is held by a retailer who is independent of the sponsors and none of the retail sponsors of the event receive any direct benefit or service because of joint sponsorship by a wholesaler or manufacturer of alcoholic beverages.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Alcoholic Beverage Commission is modified in SECTION 1 (Section 109.58, Alcoholic Beverage Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 109.58, Alcoholic Beverage Code, as follows:

Sec. 109.58. RELAXATION OF RESTRICTIONS AS TO CHARITABLE EVENTS. Provides that this code does not prohibit permit and license holders in the alcoholic beverage industry at different levels from simultaneously or jointly sponsoring a civic, religious, or charitable event, including by providing or lending money, products, or certain things of value directly to a civic, religious, or charitable entity in conjunction with the event, provided that any license or permit to sell or serve alcoholic beverages at the event is held by a retailer who is independent of the sponsors, and none of the retailers who sponsor the event, if any, receive any direct benefit or service because of joint sponsorship by a wholesaler or manufacturer of alcoholic beverages.

(b) Creates this subsection from existing text. Authorizes the Texas Alcoholic Beverage Commission by rule to set definite limitations that relax the restrictions of this code with respect to the sponsoring of an event for or making a gift to a civic, religious, or charitable organization by permit holders in the alcoholic beverage industry at different levels, rather than by the liquor or the wine industry.

SECTION 2. Effective date: September 1, 2007.