

BILL ANALYSIS

Senate Research Center
88R3080 SCP-F

S.B. 926
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the 79th Regular Session in 2005, S.B. 1331 (Senator Nelson and Representative Denny) allowed the Texas Alcoholic Beverage Commission (TABC) to issue up to four temporary wine and beer retailer's permits per year to the Texas Motor Speedway in Denton County.

The Speedway hosts major NASCAR and other significant events in the community. They hold a mixed beverage permit to sell alcohol. However, prior to 2005, the Dallas Motor Speedway could not sell alcohol in the general seating and common areas. With the passing of S.B. 1331, the sale of alcohol in the common areas and in general seating was allowed and extended to include guests being able to bring in their own alcohol in their personal coolers.

During the 86th Regular Session in 2019, the TABC was in the process of sunset review and H.B. 1545 reauthorized the agency. This process consolidated many of the alcohol permits in an attempt to reduce the number of the permits that the agency had to issue. This resulted in the specific language granting temporary permits for the Speedway not being added to another section of code and the chapter granting the permits repealed.

S.B. 926 puts the original statute that grants the Texas Motor Speedway the ability to apply for the temporary four-day beer and wine permits and allow patrons to bring alcohol into the Speedway in their personal coolers, into statute.

As proposed, S.B. 926 amends current law relating to certain temporary sales by a mixed beverage permit holder.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 4 (Section 28.20, Alcoholic Beverage Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 25.16(b), Alcoholic Beverage Code, as follows:

(b) Deletes existing text authorizing the holder of a wine and malt beverage retailer's permit to temporarily sell wine and malt beverages for not more than five consecutive days at an event under Subsection (d) (relating to authorizing the holder of a wine and malt beverage retailer's permit to temporarily sell wine and malt beverages in an area of certain facilities during a motor vehicle racing event) or six days if necessary to accommodate the postponement of scheduled racing events due to an act of nature.

SECTION 2. Amends Sections 28.06(a) and (c), Alcoholic Beverage Code, to create exceptions under Section 28.20.

SECTION 3. Amends Sections 28.10(a) and (b), as follows:

(a) Creates an exception under Section 28.20 and makes a nonsubstantive change.

(b) Prohibits a mixed beverage permittee from permitting any person to take any alcoholic beverage purchased on the licensed premises from the premises where sold, except that:

(1)-(2) makes nonsubstantive changes to these subdivisions; and

(3) a person who purchases wine or malt beverages from a holder of a mixed beverage permit selling the beverages under Section 28.20 is authorized to remove the beverages from the premises.

SECTION 4. Amends Chapter 28, Alcoholic Beverage Code, by adding Section 28.20, as follows:

Sec. 28.20. TEMPORARY SALES AT CERTAIN RACING FACILITIES. (a) Authorizes the holder of a mixed beverage permit to temporarily sell wine and malt beverages in an area of a facility with a seating capacity of more than 40,000 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.

(b) Authorizes the holder of a mixed beverage permit to, under this section, 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.

(c) Authorizes the holder of a mixed beverage permit to temporarily sell wine and malt beverages for not more than five consecutive days at an event under this section or six days if necessary to accommodate the postponement of scheduled racing events due to an act of nature.

(d) Prohibits the holder of a mixed beverage permit who temporarily sells wine and malt beverages under this section from:

(1) selling under this section at the facility more than four times in a calendar year;

(2) selling alcoholic beverages in factory-sealed containers;

(3) selling more than two drinks to a single consumer at one time;

(4) selling alcoholic beverages at more than 50 percent of the food and beverage concession stands that are open for business at any one time; or

(5) selling alcoholic beverages after:

(A) 75 percent of the feature race is complete on the day that race is held; or

(B) one hour before the scheduled completion of the last spectator event on a day other than the feature race day.

(e) Requires a holder of a mixed beverage permit who sells wine or malt beverages under that permit in a county other than the county in which the premises covered by the permit is located to:

(1) purchase the beverages from a distributor or wholesaler authorized under this code to sell the beverages in the county in which the permit holder sells the beverages under this section; and

(2) report to the Texas Alcoholic Beverage Commission (TABC), in the manner prescribed by TABC by rule, the amount of beverages purchased and sold under this section, by type.

(f) Authorizes the holder of a mixed beverage permit who temporarily sells wine and malt beverages under this section, or any officer, agent, or employee of the permit holder, to allow a person to:

(1) possess and consume alcoholic beverages brought onto the premises by the person; and

(2) remove from the premises any alcoholic beverages brought onto the premises by the person.

(g) Requires TABC to adopt rules to implement this section.

SECTION 5. Repealers: Sections 25.16(d) (relating to authorizing the holder of a wine and malt beverage retailer's permit to temporarily sell wine and malt beverages in an area of certain facilities during a motor vehicle racing event) and (e) (relating to prohibiting the holder of a wine and malt beverage retailer's permit who temporarily sells alcoholic beverages under Subsection (d) from certain sales), Alcoholic Beverage Code.

SECTION 6. Effective date: upon passage or September 1, 2023.