Texas Alcoholic Beverage Commission

Updates for Texas Retailers

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Looking Ahead

• Reforms to Improve Customer Service
• Efforts to Implement New Laws / Rules
• News Laws / Rules Impacting Your Business Now
• Commission Meetings Across Texas
• Industry Advisory Committee
• Human Trafficking Initiative
TABC Transformation
Alcohol Industry Management System

• FASTER SERVICE ONLINE.
  • Licensing. Label Approval. Excise Tax Reporting.
• Submit applications, reports, and payments.
• Get real-time status updates on applications.
• Receive electronic notices specific to you
  • Issues with application, renewals, etc.
• Beta testing to begin Fall 2020.
• Officially launches Fall 2021.
TABC Transformation

New Website

• Connect with TABC more easily.
• Intuitive experience.
• Quickly find information you want.
• Avoid information you don’t want.
• Beta testing to begin this Spring.
• Officially launches this Fall.
Licensing Reforms Coming 9/1/2021

- **License/Permit Consolidation**
  - 64 licenses/permits → 38
  - Goal: only need 1 license/permit

- **Beer/Ale Consolidation**
  - Beer + ale = new “malt beverage” category
  - Beer excise taxes & marketing laws/rules apply
  - Cash law applies to all malt beverages

Will implement changes in phases
Licensing Reforms Coming 9/1/2021

- License/Permit Fees Set by TABC Rule (not statute)
  - One, consolidated fee for each license/permit
  - Fees adjusted for broader privileges among licenses/permits
  - Fees proportional to resources required to enforce regulations
  - Fees proportional to resources required to ensure public safety

- Process for Adopting New Fees
  - Stakeholder Meeting – April 2020
  - Rules Published by Commission – May 2020
  - Rules Adopted by Commission – July 2020
  - New Fee Rules Become Effective – September 2021
Penalty Reforms

• Non-compliance with TABC orders = a statutory violation
• Repeat Violations: TABC may consider profits earned from violation
• Continuing Threat to Public Welfare = emergency suspension
• Fines for Market Practices & Cash/Credit Violations (Summer 2020)
  • 1st offense = warning (typically)
  • Additional offenses = start with base amount for the violation, then consider
    • The number of times the offense has occurred
    • Aggravating circumstances
    • Profits earned from the violation
Inspection Reforms in February 2020

• TABC to Inspect All Locations
  • In-person inspections every 8 years (Rule 35.50).
  • TABC to use a risk-based approach.
  • “Priority” location inspections every 6 months (Rule 35.51).

• Annual Self-Inspections via Compliance Reporting
  • FASTER way to meet inspection requirements.
  • Reporting period is Sept. 1 – Dec. 1 each year.
  • Help & details are available on TABC’s website.
  • Click “Compliance Reporting” at the top of the page.
New Permit Impacting Retailers

• Consumer Delivery Permit (CD)
  • Allows permittees to transport alcohol from an authorized retailer and deliver it to an adult who purchased it remotely.
  • The retailer is not liable once the alcohol is transferred to the Consumer Delivery permit holder or their delivery driver.
  • The CD Permit holder is not liable for the actions of their drivers IF:
    • driver is certified by TABC’s alcohol delivery training program, OR
    • their delivery app complies with standards set by TABC.

New Rule 50.32, Driver Training Program (pending adoption)
New Rule 35.7, Delivery App Standards (drafting)
Expanded Abilities for Retailers

• Ale & Wine Deliveries
  • On-premise wine and beer retailers (BG) may deliver ale and wine directly to consumers if they have a local cartage permit.

• Expanded Outdoor Advertising
  • Repeals most outdoor ad restrictions: font sizes, brand names, & distance requirements.
  • Amended Rule 45.105

• Distiller Samples/Tastings for Retailers
  • Distillers may provide samples or conduct tastings of their products for retailers (if the product has not yet been purchased by the retailer).
  • New Rules 41.18 and 41.19
Expanded Abilities for Retailers

- **Package Store Expansion**
  - A person can have up to 250 package store permits but can only get 15 annually.

- **Malt Beverage Replacement Due to Natural Disaster**
  - Applies to *uninsured* malt beverage products.
  - Retailer pays for removal, destruction, & disposal.
  - Producer pays for replacement.
  - Distributor pays for delivering the replacement.
  - *New Rule 41.541 (pending adoption)*
Commission Meetings Across Texas

• Schedule
  • March 24 – San Antonio at UT San Antonio
  • May – Houston
  • July – Arlington
  • September – El Paso
  • November - Austin

• Agenda
  • 9:00 – 10:00 AM: Coffee with the Commissioners
  • 10:30 AM: Commission Meeting

• Get Updates: TABC’s website, social media feeds, and emails
Industry Advisory Committee

• **Purpose**: provide TABC with input and expertise on issues such as human trafficking and various emerging regulatory issues

• **Membership**: representation from all three tiers, public member, TABC General Counsel, and a TABC Commissioner or Staff

• **Time Commitment**: members serve a 2-year term and will meet in Austin up to 4 times per year

• **Applications**: available on TABC’s website (soon)

New Rule 31.6
Ending Human Trafficking

• Mandate to prevent human trafficking.
• Texas is #2 in U.S. for reported cases.
• Occurs in hotels, restaurants, bars, etc.
• TABC and the alcohol industry are uniquely positioned to identify and end this activity.
• Be the solution – get training to:
  • recognize the signs, and
  • report suspected activity.
Public Awareness & Training

• Resources for Businesses
  • In-Person Training
  • Education Materials

• Resources Available to the Public
  • “Be the One” Video
  • Web content on the “signs of human trafficking”

TEXAS ALCOHOLIC BEVERAGE COMMISSION
February 21, 2020
Impact of Public Awareness & Training

• Since TABC initiated human trafficking training in 2018:
  • **175% increase** in trafficking complaints to TABC (2017 vs. 2019).
  • **92% increase** in license cancellations, suspensions, or civil penalties due to TABC trafficking-related investigations (2017 vs. 2019).
Stay Connected

• Means of Engagement
  • Roundtables
  • Stakeholder Meetings
  • Advisory Committee* 
  • Commission Meetings
  • TABC Participation at Industry Events

• Means of Communication
  • Industry Notification Emails
  • Compliance Reporting App
  • TABC Talks
  • Industry Brief
  Social Media