

On-Demand Alcohol Delivery



October 15, 2018

TEXAS ALCOHOLIC BEVERAGE COMMISSION

Permits Authorizing Alcohol Delivery

- **Local Cartage Permit – Code §43.01**
 - Issued to a package store
 - Limited to deliveries within county (of package store) (§22.03 and § 24.03)
 - Delivery vehicles marked with permit number and registered with TABC
- **Carrier Permit – Code §41.01**
 - Issued to a registered motor carrier
 - If delivery are made on behalf of a package store, then limited to deliveries within county of package store
 - If delivery is not associated with a package store, deliveries can be made throughout Texas with one Carrier Permit
 - Delivery vehicles do not require permit # on vehicle or registration with TABC
- **Note: Package store = liquor store and wine-only package store e.g., grocery store**



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Authorized Delivery Models

- **Delivery by Package Store**
- **Delivery by Carriers**



Delivery by Package Store

- Package store makes deliveries or contracts with a delivery company to make delivery to consumer; both scenarios utilize the package store's Local Cartage Permit
- All vehicles used to make delivery must be marked with permit number and registered with TABC
- May be facilitated by a third party payment processing/portal company



Delivery by Carriers

- Entity responsible for delivery has a Carrier Permit
- Vehicles are not required to be marked or registered with TABC
- Carrier delivers in own vehicles or subcontracts with another party to conduct deliveries
- Delivery may be statewide or limited to county of package store if contracted by package store to make deliveries



Models Not Authorized

- On-premise retailers delivering liquor to a consumer or contracting with an entity to deliver liquor to a consumer
- Carriers, delivery companies operating under a Local Cartage Permit, or unlicensed delivery companies/individuals who collect proceeds for alcohol purchases with intent to purchase those products from a retailer to resale to a consumer.
- Any off-premise retailer, other than a package store, delivering liquor to a consumer or contracting with an entity for the delivery of liquor products



Public Safety/Regulatory Concerns

- Public safety -- delivery of alcohol to minors or intoxicated persons
- Unlicensed delivery companies/individuals delivering alcohol
- Illegal financial transactions between a consumer, portal company, and permit holder
- Retailers with no authority to deliver alcohol delivering or causing alcohol to be delivered
- Age of individuals delivering alcohol
- Expanded application of Carrier Permit
- Conflicting state and federal licensing issues regarding Carrier Permit qualifications



Summary

- Current law makes a distinction on requirements for alcohol delivery: liquor requires a permit and beer does not
- The only **retailer** authorized to deliver liquor to consumers in Code are package stores
- Unlicensed entities are not authorized to make deliveries of liquor
- There are various lawful models throughout the industry surrounding internet-based alcohol ordering and delivery
- There are public safety and regulatory concerns with alcohol delivery
- Legislation or rulemaking is recommended to address concerns





Q & A

