



OFFICE OF THE ATTORNEY GENERAL OF TEXAS  
AUSTIN

GERALD C. MANN  
ATTORNEY GENERAL

April 24, 1939

Hon. Bert Ford  
Administrator  
Texas Liquor Control Board  
Austin, Texas

Dear Sir:

Opinion No. O-618

Re: Distributor of beer owning interest  
in real estate and premises on which  
a retail dealer in beer operates a  
beer business.

Your request for an opinion on the following  
question:

"Does Section 24, 1(a) of Article 2 of  
the Texas Liquor Control Act prohibit a beer  
distributor from owning an interest in the  
premises of a retail dealer in beer under the  
facts set forth?"

has been received by this office.

The facts as we understand them are as follows:

On December 14, 1938 the holder of a  
Local Distributor License applied for and  
received a license to sell beer at whole-  
sale. On or about the 1st day of July,  
1938 the holder of this license, being the  
owner theretofore of some property in the  
same city where his wholesale beer business  
was located, made a lease for a period of  
five years of this business property. Sub-  
sequently the lessee began the operation of  
retail beer business on the premises. The  
holder of the Local Distributor License has  
been cited to appear before the Texas Liquor

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Control Board to show cause why his license should not be cancelled because of this interest in a retail beer premises.

Section 24 (1)a of Article 2 of the Texas Liquor Control Act reads as follows:

"It shall be unlawful for any manufacturer or distributor directly or indirectly or through a subsidiary or affiliate, any agent or any employee, or by any officer, director, or firm member; (a) ownership of interest or real estate; to own any interest in the business of any retail dealer in beer, or any interest of any kind in the premises in which any such retail dealer conducts his or its business."

As we understand the facts, this beer distributor, not only owns an interest in the premises, on which there is a retail beer business, but he owns the real estate on which these premises and business are located.

Clearly, we think, under section 24 of article 2 of the Texas Liquor Control Act, a distributor of beer cannot continue to hold his license while he owns property leased to a person who is in the retail beer business and is carrying on such business on the leased premises.

We trust that the foregoing clearly answers your question.

Very truly yours

ATTORNEY GENERAL OF TEXAS

By *Fred C. Chandler*

Fred C. Chandler  
Assistant

FCC:AW

APPROVED:

*George M. ...*

ATTORNEY GENERAL OF TEXAS