

By: Isaac

H.B. No. 1429

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain holders of a wine and beer retailer's permit to manufacture and sell wine and engage in certain related activities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The legislature finds that:

(1) the state is authorized under the Twenty-first Amendment of the United States Constitution to promote the public's interest in the fair, efficient, and competitive marketing of wine in this state;

(2) the Texas wine industry operates within the traditional three-tier system of alcoholic beverage regulation that has been recognized as unquestionably legitimate by the United States Supreme Court in Granholm v. Heald, 544 U.S. 460 (2005);

(3) within the state statutes that are the basis of the three-tier system there are occasional exceptions, some of which have been in place for years, that do not undermine or compromise the three-tier system of alcoholic beverage regulation or threaten the welfare, health, peace, temperance, or safety of the people of Texas;

(4) the Texas wine industry is a growing segment of the Texas economy, expanding opportunities for grape growers, wine makers, wine wholesalers, and wine retailers, while generating more excise tax and sales tax revenue every year; and

1 (5) it is in the state's interest to encourage
2 entrepreneurial and small business development opportunities in
3 the state that will lead to new capital investment in the state,
4 create new jobs in the state, and expand the state and local tax
5 base.

6 SECTION 2. Chapter 25, Alcoholic Beverage Code, is amended
7 by adding Section 25.15 to read as follows:

8 Sec. 25.15. MANUFACTURE AND SALE OF WINE BY CERTAIN PERMIT
9 HOLDERS. (a) This section applies only to the holder of a wine and
10 beer retailer's permit whose premises is located in the territory
11 described by Section 3858.005, Special District Local Laws Code.

12 (b) Notwithstanding any other law, a holder of a permit
13 under this chapter may engage in any activity authorized under
14 Chapter 16 except that the permit holder may not:

15 (1) ship wine under Section 16.09 unless the wine is:
16 (A) bottled by the permit holder; and
17 (B) produced from grapes or other fruit grown in
18 this state; or

19 (2) sell wine to the holder of a winery permit or the
20 holder of any permit authorizing the retail sale of wine.

21 (c) The holder of a permit who engages in the activities
22 authorized under this section shall be considered a "retailer" for
23 purposes of Section 102.01.

24 SECTION 3. This Act takes effect September 1, 2017.