

By: Campbell

S.B. No. 590

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

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

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

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

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

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

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

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

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