

By: King, González of El Paso

H.B. No. 3385

Substitute the following for H.B. No. 3385:

By: Phelan

C.S.H.B. No. 3385

A BILL TO BE ENTITLED

AN ACT

relating to the promotion and sale of wine produced in this state;  
creating a farm winery permit; authorizing a fee.

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

SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, is  
amended by adding Chapter 17 to read as follows:

CHAPTER 17. FARM WINERY PERMIT

Sec. 17.001. DEFINITION. In this chapter, "Texas wine"  
means wine that is:

(1) at least 75 percent by volume fermented juice of  
grapes or other fruit grown in this state or a lesser percentage  
established by the commissioner of agriculture under Section  
12.039, Agriculture Code; and

(2) bottled in this state.

Sec. 17.002. QUALIFICATION FOR PERMIT. A farm winery  
permit may be issued only to the holder of a winery permit who  
produces Texas wine.

Sec. 17.003. AUTHORIZED ACTIVITIES. In addition to the  
activities authorized for a winery permit holder under Chapter 16,  
the holder of a farm winery permit may:

(1) operate up to five locations off of the winery  
premises where the permit holder may sell Texas wine to ultimate  
consumers for consumption on the location's premises; and

(2) sell on the winery premises or at a location

1 described by Subdivision (1) Texas wine to ultimate consumers in  
2 unbroken packages for consumption off the winery's or location's  
3 premises in an amount not to exceed 250,000 gallons annually.

4 Sec. 17.004. SALES AT OFF-SITE LOCATION. (a) The  
5 commission shall adopt rules to implement Section 17.003, including  
6 rules that:

7 (1) require the farm winery permit holder to notify  
8 the commission of each location operated by the permit holder under  
9 Section 17.003(1);

10 (2) establish a procedure to verify the wet or dry  
11 status of each location described by Subdivision (1); and

12 (3) require the farm winery permit holder to provide  
13 any other information the commission determines necessary.

14 (b) The provisions of this code applicable to the sale of  
15 Texas wine on the permitted premises of the holder of a farm winery  
16 permit apply to the sale of Texas wine at a location authorized by  
17 Section 17.003(1).

18 Sec. 17.005. PERMIT FEE. (a) The fee for a farm winery  
19 permit may not exceed \$500 annually.

20 (b) The revenue attributable to the fees collected under  
21 Subsection (a) shall be deposited as follows:

22 (1) 50 percent to the credit of the farm winery  
23 marketing assistance fund; and

24 (2) the remainder to the credit of the general revenue  
25 fund.

26 Sec. 17.006. RULES. The commission shall adopt rules to  
27 administer this chapter.

1 SECTION 2. Chapter 110, Alcoholic Beverage Code, is amended  
2 by adding Subchapter C to read as follows:

3 SUBCHAPTER C. FARM WINERY MARKETING ASSISTANCE FUND

4 Sec. 110.101. FARM WINERY MARKETING ASSISTANCE FUND. (a)

5 The farm winery marketing assistance fund is a dedicated account in  
6 the general revenue fund.

7 (b) The fund consists of:

8 (1) legislative appropriations to the commission or  
9 the Department of Agriculture for a purpose of the fund;

10 (2) money from farm winery permit fees;

11 (3) interest or other earnings on money credited to or  
12 allocable to the fund; and

13 (4) gifts, grants, including grants from the federal  
14 government, and donations received for the fund.

15 (c) The Department of Agriculture may use money in the fund  
16 only to promote and market farm wineries permitted under Chapter  
17 17.

18 (d) The commission may use money in the fund necessary to  
19 implement and administer Chapter 17, including money necessary for  
20 the initial implementation of the chapter.

21 SECTION 3. (a) As soon as practicable after the effective  
22 date of this Act, the Texas Alcoholic Beverage Commission shall  
23 adopt rules necessary to implement the changes in law made by this  
24 Act.

25 (b) Chapter 17, Alcoholic Beverage Code, as added by this  
26 Act, takes effect on the effective date of the rules adopted by the  
27 Texas Alcoholic Beverage Commission under Section 17.006,

1 Alcoholic Beverage Code, as added by this Act.

2 (c) Rules adopted under Section 17.006, Alcoholic Beverage  
3 Code, as added by this Act, must provide a reasonable amount of time  
4 after the effective date of the rules for a holder of a farm winery  
5 permit issued before the effective date of the rules to begin  
6 manufacturing wine and otherwise come into compliance with the  
7 rules.

8 SECTION 4. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2025.