Amend **SB 1952** on third reading (house committee printing) by inserting the following appropriately numbered ARTICLE to Part 1 of the bill and renumbering the remaining ARTICLES in Part 1 appropriately:

ARTICLE _____. ALCOHOLIC BEVERAGE REGULATION

SECTION __.01. Subsection (f), Section 107.07, Alcoholic Beverage Code, is amended to read as follows:

(f) Except as provided by Section 107.13, any [Any] person in the business of selling alcoholic beverages in another state or country who ships or causes to be shipped any alcoholic beverage directly to any Texas resident under this section is in violation of this code.

SECTION __.02. Chapter 107, Alcoholic Beverage Code, is amended by adding Section 107.13 to read as follows:

Sec. 107.13. DIRECT SHIPMENT OF WINE. (a) Notwithstanding Section 107.07, a purchaser may have wine shipped directly to the purchaser for the purchaser's personal use from a person holding a direct wine shipper's permit.

(b) A purchaser may not have more than three gallons of wine shipped to the purchaser under this section in any 30-day period.

(c) A purchaser may not have wine shipped into a dry area.

(d) A minor may not have wine shipped under this section.

SECTION __.03. Subtitle A, Title 3, Alcoholic Beverage Code, is amended by adding Chapter 54 to read as follows:

CHAPTER 54. DIRECT WINE SHIPPER'S PERMIT

Sec. 54.01. AUTHORIZED ACTIVITIES. (a) The holder of a direct wine shipper's permit may ship wine manufactured by the permit holder from the holder's state or country directly to a resident of this state for the resident's personal use.

(b) The holder of a direct wine shipper's permit may not:

(1) ship more than three gallons of wine within any 30-day period to a resident or an address in this state;

(2) ship wine to a minor;

(3) ship wine in this state using a carrier that does not hold a carrier's permit under this code; or

(4) ship wine into a dry area.

(c) The holder of a direct wine shipper's permit shall

ensure that each package of wine shipped under this section is clearly labeled as containing alcohol and requiring the signature of a person 21 years of age or older for delivery.

(d) The holder of a direct wine shipper's permit shall pay annually:

(1) all taxes, including sales and use taxes, that would be due on the wine shipped if the sale were made in the location where the wine was delivered; and

(2) the administrative fee required to be paid under Section 107.07 or any other provision of this code relating to the importation of wine.

Sec. 54.02. QUALIFICATION FOR PERMIT. To hold a direct wine shipper's permit, a person must hold a license or permit that authorizes the person to sell wine directly to a consumer in the state or country from which the wine is shipped.

Sec. 54.03. FEE. The initial fee for a direct wine shipper's permit is \$100. The holder of a direct wine shipper's permit may renew the permit annually by paying a \$25 renewal fee and providing the commission with proof of compliance with Section 54.02.

Sec. 54.04. REPORTS. The holder of a direct wine shipper's permit shall, not later than January 15 of each year, file a report with the commission showing the amounts and the sale prices of wine shipped into the state during the preceding calendar year and any other information that the commission by rule requires.

Sec. 54.05. RULES. The commission shall adopt rules regarding:

(1) the manner in which taxes and fees required under Section 54.01(d) will be computed and collected;

(2) records that the holder of a direct wine shipper's permit shall maintain; and

(3) the audit of records maintained by the holder of a direct wine shipper's permit.

Sec. 54.06. ALTERNATIVES TO SUSPENSION OR CANCELLATION. Section 11.64 applies to a permit issued under this chapter.

SECTION __.04. Section 110.051, Alcoholic Beverage Code, is amended to read as follows:

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Sec. 110.051. PROMOTION, MARKETING, AND EDUCATION. The program shall:

(1) organize a network of package stores to participate in a program promoting wines produced in this state [and to deliver wine to consumers under Section 110.053];

(2) develop and maintain a database of wineries in this state and package stores that sell wines produced in this state that allows the program's staff to identify the winery in this state that produces a particular wine;

(3) operate a toll-free telephone number to:

(A) receive inquiries from persons who wish to purchase a particular wine produced in this state;

(B) make information about the wineries in this state and the package stores participating in the program available to the public; and

(C) refer a person who wishes to purchase a Texas wine to the winery that produces the wine <u>and package stores that</u> <u>sell the wine</u> and inform the person of arrangements that the person can make under Section <u>107.13</u> [110.053] to [pick up the wine at a package store or] have the wine delivered to the person's address;

(4) use market research to develop a wine industry marketing plan to increase the consumption of and access to Texas wine;

(5) educate the public about wines produced in the state by providing publicity about the information in the program's database to the public and making the information available to the public through the department's toll-free telephone number and electronically available through the Internet;

(6) promote wineries in this state and package storesthat participate in the program; and

(7) promote and market, and educate consumers about, the wines produced in this state using any other method the commissioner determines is appropriate.

SECTION __.05. Sections 107.12, 110.052, 110.053, 110.054, and 110.055, Alcoholic Beverage Code, are repealed.

SECTION __.06. This article applies only to the direct shipment of wine on or after the effective date of this article.

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The direct shipment of wine before the effective date of this article is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.