

## **BILL ANALYSIS**

S.B. 770  
By: Madla  
Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, Texas law regarding direct importation of out-of-state wine is ambiguous. On August 29, 2002, the statutory ban on the direct importation of out-of-state wine was declared unconstitutional. S.B. 770 authorizes the direct shipment of wine to the purchaser for personal use, with certain restrictions. The bill also establishes a direct wine shipper's permit and the related qualifications, fees, and reports, under the authority of the Texas Alcoholic Beverage Commission (TABC).

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 3 (Section 54.05 , Alcoholic Beverage Code) of this bill.

### **ANALYSIS**

SB 770 amends the Alcoholic Beverage Code to authorize the direct shipment of up to three gallons of wine a month to a purchaser, provided the purchaser does not live in a dry area and is not a minor.

SB 770 amends the Alcoholic Beverage Code to authorize a holder of a direct wine shipper's permit to ship wine to a resident of this state for their personal use, providing certain restrictions. The bill also requires the holder of a direct wine shipper's permit to pay all taxes that would otherwise be collected if the sale was made in Texas. The bill also requires a direct wine shipper's permit holder to submit a report, not later than January 15 annually, to the Texas Alcoholic Beverage Commission (TABC) showing the amounts and prices of wine shipped into the state the preceding calendar year, and any other information TABC requires.

SB 770 amends the Alcoholic Beverage Code to make conforming changes to the Texas Wine Marketing Assistance Program.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.