

Amend CSHB 2233 by adding the following SECTION to the bill, appropriately numbered, and renumbering existing SECTIONS accordingly:

SECTION ____ . Chapter 205, Alcoholic Beverage Code, is amended by adding Section 205.03 to read as follows:

Sec. 205.03. EXCEPTION FOR CERTAIN WINE-RELATED REVENUE.

(a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) Notwithstanding Section 205.02, the following revenue may be appropriated for each state fiscal year only as specified by this section:

(1) the lesser of:

(A) the amount, if any, by which the amount of revenue derived from excise taxes on wine produced in a state other than Texas and any sales taxes collected from holders of out-of-state winery direct shipper's permits as a result of the passage of Senate Bill No. 877 by the 79th Legislature, Regular Session, 2005, according to the most recent projection, as of the beginning of the fiscal year, by the comptroller for the fiscal year exceeds the amount of revenue from those sources for fiscal year 2004, compounded annually for fiscal years 2005-2015 by the average percentage by which revenue from those sources increased from one fiscal year to the next between September 1, 1999, and August 31, 2003; or

(B) \$1 million; and

(2) the lesser of:

(A) the amount, if any, by which revenue derived from excise taxes on wine produced in this state and sales taxes remitted by holders of winery permits in this state, according to the most recent projection, as of the beginning of the fiscal year, by the comptroller for the fiscal year exceeds the amount of revenue from those sources for fiscal year 2004, compounded annually for fiscal years 2005-2015 by the average percentage by which revenue from those sources increased from one fiscal year to the next between September 1, 1999, and August 31, 2003; or

(B) \$1 million.

(c) Out of the amounts available under Subsections (b)(1)

and (2) for a fiscal year, the lesser of \$50,000 or the total amount available under those subdivisions may be appropriated only to the Texas Cooperative Extension for extension viticulture operations.

(d) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds \$50,000, the lesser of \$50,000 or the total amount available under those subdivisions may be appropriated only to the Texas Agricultural Experiment Station for viticulture research.

(e) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds \$100,000, the lesser of the amount remaining under Subsection (b)(2) or \$65,000 may be appropriated only to the Texas Wine Marketing Research Institute at Texas Tech University.

(f) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds the amounts that may be appropriated under Subsections (c), (d), and (e), the lesser of the amount remaining under Subsections (b)(1) and (2) or \$280,000 may be appropriated only to the Department of Agriculture for distribution as provided by Subsections (g), (h), and (i).

(g) Except as provided by Subsections (h) and (i), money appropriated to the Department of Agriculture under Subsection (f) may be distributed only as follows:

(1) the lesser of the total amount appropriated to the department under Subsection (f) or \$50,000 shall be distributed to an appropriate institution of higher education to fund a new part-time extension faculty position in enology;

(2) if the amount appropriated under Subsection (f) exceeds \$50,000, the lesser of the remaining amount or \$50,000 shall be distributed to an appropriate institution of higher education for extension enology operations;

(3) if the amount appropriated under Subsection (f) exceeds \$100,000, the lesser of the remaining amount or \$50,000 shall be distributed to the institution of higher education designated under Subdivision (1) to fund a new part-time faculty position in enology research;

(4) if the amount appropriated under Subsection (f) exceeds \$150,000, the lesser of the remaining amount or \$50,000

shall be distributed to an appropriate institution of higher education to fund enology research program operations;

(5) if the amount appropriated under Subsection (f) exceeds \$200,000, the lesser of the remaining amount or \$30,000 shall be distributed to an appropriate institution of higher education for technical support personnel for enology research; and

(6) if the amount appropriated under Subsection (f) exceeds \$230,000, the lesser of the remaining amount or \$50,000 shall be distributed to an appropriate institution of higher education to fund two graduate internships in enology.

(h) If the maximum amount that may be distributed for a purpose provided by Subsection (g) is not available and the commissioner of agriculture determines that the amount available for that purpose is insufficient to achieve that purpose, the commissioner of agriculture may deposit the lesser amount into the wine industry development fund to be used for a purpose described by Subsection (l).

(i) Money appropriated under Subsection (f) derived from Subsection (b)(1) may be used only for a purpose described by Subsection (m).

(j) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds the amount that may be appropriated under Subsections (c)-(g), the lesser of the amount remaining under Subsections (b)(1) and (2) or \$50,000 may be appropriated only for distribution to the T. V. Munson Viticulture and Enology Center at Grayson Community College to fund the associate degree program at the center.

(k) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds the amount that may be appropriated under Subsections (c)-(j):

(1) the lesser of the amount remaining under Subsection (b)(2) or \$250,000 may be appropriated only to the commission; and

(2) the commission shall reduce the amount of the surcharge imposed during the following fiscal year under Section 5.55, as added Chapter 101, Acts of the 78th Legislature, Regular Session, 2003, on permit and license holders who are not authorized

to sell wine by an amount that will reduce the total amount collected under that section by the amount appropriated to the commission under Subdivision (1).

(1) If the amount available for a fiscal year under Subsections (b)(1) and (2) exceeds the amounts that may be appropriated under Subsections (c)-(k), the remaining amount shall be deposited in the general revenue fund to the credit of the wine industry development fund and may be appropriated only to the Department of Agriculture. Money appropriated under this subsection may be used only for the purpose of providing funding to public or private entities to conduct surveys, research, and other projects related to a purpose described by Subsection (m) or (n).

(m) Revenue derived under Subsection (b)(1) and not otherwise appropriated under Subsections (c)-(k) may be appropriated only for the purpose of:

(1) developing viticulture-related and enology-related education programs;

(2) eliminating and eradicating Pierce's disease, the glassy-winged sharpshooter, and other diseases and pests that negatively impact the production of grapes and wine in the United States; or

(3) developing technologies, strategies, or practices that could benefit the production of grapes and wine in the United States.

(n) Revenue derived under Subsection (b)(2) and not otherwise appropriated under Subsections (c)-(k) may be appropriated only for the purposes of increasing the economic impact of the Texas wine producing industry on the state.

(o) The comptroller shall provide the Department of Agriculture information necessary to allow the department to identify the amount of revenue appropriated to the department that is derived under Subsection (b)(1) and the amount of that revenue that is derived under Subsection (b)(2) so that the department may distribute the revenue in accordance with this section.

(p) This section expires September 1, 2015.