

BILL ANALYSIS

S.B. 1370
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been shown by the world's major wine producing regions that investment into education and research is critical to the success of any state's wine industry and creates an unparalleled advantage for their grape and wine producers. Although a basic level of viticulture services is currently provided through Texas A&M and Texas Tech universities, that level is insufficient to adequately meet the needs of existing grape and wine producers, much less nurture and support the growth of these industries.

Additionally, expansion of the Texas wine industry will need an influx of professional talent and expertise, particularly in the specialized fields of wine production and vineyard development. Nationwide, only universities in California and Washington State offer four-year undergraduate degree programs in viticulture and/or enology, making it difficult for Texas students and students in neighboring states to acquire the education and expertise needed to grow the wine industry at home and for our universities to acquire research grants.

S.B. 1370 establishes a process by which revenues, generated from the growth of wine sales in this state, in excess of what would have been anticipated without the passage of recent legislation to stimulate that growth, will be captured for reinvestment into programs which will further stimulate the growth of the wine producing industry. Dedicating new revenues generated by the growth of the Texas wine industry for its support will incentivize accurate reporting, relieve demand on existing revenues, and provide a portion of the funds necessary to implement strategies to improve the Texas wine and grape industries statewide.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1370 authorizes certain revenue to be appropriated for each state fiscal year as specified by this section, notwithstanding Section 205.02 of the Alcoholic Beverage Code.

The bill authorizes certain revenue to be appropriated only to the Texas Cooperative Extension for extension viticulture operations, authorizes certain revenue to be appropriated only to the Texas Agriculture Experiment Station for viticulture research, authorizes certain revenue to be appropriated only to the Texas Wine Marketing Research Institute at Texas Tech University, and authorizes certain revenue to be appropriated only to the Department of Agriculture.

The bill sets forth the distribution of money appropriated to the Department of Agriculture.

The bill authorizes the commissioner of agriculture, if the maximum amount that may be distributed for a purpose provided by Subsection (g) is not available and the commissioner determines that the amount available for that purposes is insufficient to achieve that purpose, to deposit the lesser amount into the wine industry development fund.

The bill provides that money appropriated under Subsection (f) derived from Subsection (b)(1) may be used only for a purpose described by Subsection (m).

The bill authorizes certain revenue to be appropriated only to the T.V. Munson Viticulture and Enology Center at Grayson Community College to fund the associate degree program at the center.

The bill sets forth guidelines for appropriation of funding if the amount available under Subsection (b) exceeds the amount that may be appropriated under Subsections (c)-(i).

The bill requires that certain excess revenue to be deposited in the general revenue fund to the credit of the wine industry development fund and authorizes said revenue to be appropriated only to the Department of Agriculture and authorizes money appropriated under this subsection to 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).

The bill authorizes revenue derived under Subsection (b)(1) and not otherwise appropriated under Subsections (c)-(k) to be appropriated only for certain activities pertaining to the wine industry.

The bill authorizes certain revenue to be appropriated only for the purposes of increasing the economic impact of the Texas wine producing industry on the state.

The bill requires the comptroller to provide the Department of Agriculture information necessary to allow the department to identify the amount of revenue appropriated to the department under Subsections (b)(1) and (b)(2) so that the department may distribute the revenue in accordance with the bill.

The Act expires September 1, 2015.

EFFECTIVE DATE

September 1, 2005