

BILL ANALYSIS

S.B. 1669
By: Estes
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows a winery to operate in a dry area of the state, providing that the wine is "at least 75 percent by volume fermented juice of grapes or other fruit grown in this state." Without the ability to adjust this percentage, a drought or other catastrophic event that could affect grape production in this state would be disastrous to the growing Texas wine industry.

This bill requires the Texas Wine Marketing Research Institute, or another entity designated by the commissioner of agriculture, to conduct an annual study, as funding is available, to assess the quantities and varieties of grapes and other fruit grown in this state that are available on September 30 of the study year for use in winemaking and the needs of the wineries. Upon receiving this study, the commissioner has the authority to reduce the percentage required if necessary.

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

This bill requires the Texas Wine Marketing Research Institute (institute) or other qualified entity to conduct an annual study relating to the quantities and varieties of grapes and other fruit grown in the state and used for winemaking, as funds are available. The bill outlines the details of what the report should include and states when the report should be submitted to the commissioner of agriculture (commissioner).

This bill requires the commissioner to review the report and allows the commissioner to make a determination to reduce the percentage by volume of fermented juice of grapes or other fruit grown in this state that wine containing that particular variety of grape or other fruit must contain. If a winery can document that they are not able to obtain enough grapes from within the state to produce their wine, this bill allows a winery to ask the commissioner to lower the percentage of a certain grape to allow them to produce their wine.

This bill requires the commissioner to submit a determination to the Texas Alcoholic Beverage Commission, and publish the determination in the Texas Register. It also authorized the commissioner to take certain actions relating to establishing a voluntary registry for vineyards and other fruit growers. It also allows the commissioner to assess fees to cover the cost of administering the registry. The bill outlines how the registry will be posted and discusses how the fund will be set up.

This bill allows a winery permit holder in a dry area to sell or dispense wine only if the wine is bottled in this state and is at least 75 percent by volume fermented juice of grapes or other fruit grown in this state or a lesser percentage as established by the commissioner of agriculture.

EFFECTIVE DATE

This Act takes effect September 1, 2005.