

BILL ANALYSIS

C.S.H.B. 1084
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law authorizes the holder of a winery permit or an out-of-state winery direct shipper's permit to deliver only three gallons of wine every 30 days to a consumer, which creates a de facto cap on wine shipments of 36 gallons of wine per year. Because the hot Texas weather creates challenges to delivering wine during certain times of the year, it is difficult for wine permit holders to exercise their ability to deliver the full amount of wine under the statute. Given that the business of direct-to-consumer shipment is a growing part of the Texas economy, the issue should be addressed.

C.S.H.B. 1084 fulfills the intent of current law by expressly limiting the amount of wine that may be shipped by a holder of a winery permit or an out-of-state winery direct shipper's permit to 36 gallons of wine per year, but enables permit holders to ship up to nine gallons of wine in a single month as long as the 36-gallon limit is not exceeded for that year.

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

C.S.H.B. 1084 amends the Alcoholic Beverage Code to increase from three gallons to nine gallons the maximum amount of wine the holder of a winery permit or an out-of-state winery direct shipper's permit may deliver to the same consumer in Texas within any 30-day period and to establish 36 gallons as the maximum amount of wine the holder of such a permit may deliver to the same consumer in Texas within any 12-month period.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1084 increases the maximum amount of wine the holder of a winery permit or an out-of-state winery direct shipper's permit may deliver to the same consumer in Texas within any 30-day period from three gallons to nine gallons, rather than from three gallons to 18 gallons as in the original.