

BILL ANALYSIS

S.B. 711
By: Nelson
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the only avenues through which Texas wineries can provide wine to consumers in a festival format is when a civic or local festival host organizer applies for and is granted a temporary beer and wine retailer's permit. Under this system, the festival then must purchase the wine wholesale, provide the sales operations, and take on the liability of selling alcohol.

S.B. 711 creates a winery festival permit, which authorizes the permit holder to sell wine at a civic or wine festival, farmers' market, celebration, or similar event under certain conditions. The bill prohibits the holder of a winery festival permit from offering wine for sale for more than five days within any 30-day period or on more than three consecutive days in the same location.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Alcoholic Beverage Commission in SECTION 1 of this bill.

ANALYSIS

S.B. 711 amends the Alcoholic Beverage Code to create a winery festival permit, which authorizes the permit holder to sell wine at a civic or wine festival, farmers' market, celebration, or similar event. The bill prohibits the holder of such a permit from offering wine for sale for more than five days within any 30-day period or on more than three consecutive days at the same location. The bill authorizes a winery festival permit to be issued only to the holder of a winery permit. The bill requires the holder of a winery festival permit, in accordance with any rules adopted or procedures established by the Texas Alcoholic Beverage Commission, to notify the commission of the date on which and location where the permit holder will offer wine for sale under these provisions. The bill provides that the fee for a winery festival permit is \$50. The bill makes provisions relating to the sale of wine on the permitted premises of a winery permit holder applicable to the sale of wine under these provisions. The bill authorizes the winery permit of the holder of a winery festival permit to be cancelled or suspended for a violation occurring in connection with activities conducted under these provisions.

EFFECTIVE DATE

September 1, 2009.