

BILL ANALYSIS

S.B. 411
By: Estes
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to certain sources, the economic impact of the Texas wine industry has grown considerably in the last few years and is still growing. Consumers across the nation are seeking out and purchasing local products, and Texas is no exception. Interested parties note, however, that winery sales to consumers for off-premises consumption are currently capped at 35,000 gallons of wine per year, and these parties assert that Texas is the only state among the top wine-producing states to impose a cap on such sales. The parties contend that this will harm further development of certain wineries and result in tasting rooms being unable to meet the needs of Texas consumers. The cap will also discourage future investment in large-scale winery and tasting room operations across the state, seriously hindering the growth of the Texas wine and grape industry.

S.B. 411 seeks to lessen that impediment to the continued growth of the Texas wine industry by raising the cap on the amount of wine certain wineries may sell directly to consumers.

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. 411 amends the Alcoholic Beverage Code to increase from 35,000 gallons to 55,000 gallons the maximum amount of wine the holder of a winery permit may sell annually to ultimate consumers in unbroken packages for off-premises consumption and the maximum amount of wine the holder of an out-of-state winery direct shipper's permit may sell annually to ultimate consumers.

EFFECTIVE DATE

September 1, 2011.