

BILL ANALYSIS

S.B. 923

By: Deuell

Licensing & Administrative Procedures

Committee Report (Unamended)

BACKGROUND AND PURPOSE

Section 16.04, Alcoholic Beverage Code, requires all holders of winery permits to also hold a winemaker's and basic blender's permit from the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury (TTB). Under current circumstances, the federal bureau allows wineries to hold one federal permit for two non-contiguous premises.

S.B. 923 creates a new permit: the branch winery permit. This permit would only be available to wineries that have received a non-contiguous permit from the TTB, and would only cover the second premises regulated by the federal permit.

S.B. 923 amends current law relating to creating a branch winery permit.

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

SECTION 1. Amends Section 11.39(d), Alcoholic Beverage Code, to provide that this section does not apply to an applicant for a daily temporary mixed beverage permit, a branch winery permit, or a caterer's permit.

SECTION 2. Redesignates Sections 16.01, 16.011, 16.02, 16.03, 16.04, 16.05, 16.06, 16.07, 16.08, and 16.09, Alcoholic Beverage Code, as Subchapter A, Chapter 16, Alcoholic Beverage Code, and adds a heading to Subchapter A, to read as follows:

SUBCHAPTER A. WINERY PERMIT

SECTION 3. Amends Chapter 16, Alcoholic Beverage Code, by adding Subchapter B, as follows:

SUBCHAPTER B. BRANCH WINERY PERMIT

Sec. 16.21. AUTHORIZED ACTIVITIES. Authorizes the holder of a branch winery permit to engage in the same activities as the holder of a winery permit.

Sec. 16.22. FEE. Provides that the annual state fee for a branch winery permit is \$75.

Sec. 16.23. BOND NOT REQUIRED. Provides that an applicant for a branch winery permit is not required to file a bond.

Sec. 16.24. ISSUANCE OF LICENSE. Authorizes a winery permit to be issued only:

- (1) to the holder of a winery permit who also holds a federal winemaker's and blender's basic permit that regulates noncontiguous premises; and

(2) for the noncontiguous premises regulated by the federal winemaker's and blender's basic permit that are not the winery permit holder's primary place of business.

Sec. 16.25. EXPIRATION OF PERMIT. Provides that a branch winery permit expires on the same date as the holder's winery permit.

Sec. 16.26. APPLICATION. Authorizes an application for an original or renewal branch winery permit to be made concurrently with the application for an original or renewal winery permit or at any other time.

SECTION 4. Effective date: September 1, 2011.

EFFECTIVE DATE

September 1, 2011.