

By: Geren

H.B. No. 2537

Substitute the following for H.B. No. 2537:

By: Smith

C.S.H.B. No. 2537

A BILL TO BE ENTITLED

AN ACT

relating to production requirements for holders of winery permits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 16, Alcoholic Beverage Code, is amended by adding Section 16.012 to read as follows:

Sec. 16.012. PRODUCTION REQUIREMENTS. (a) The holder of a winery permit must produce, bottle, or blend at least 200 gallons of wine or fruit brandy annually beginning in the 12-month period preceding the third anniversary of the date the winery's original permit is issued.

(a-1) Notwithstanding Subsection (a), the holder of a winery permit issued before September 1, 2013, must produce, bottle, or blend at least 200 gallons of wine or fruit brandy annually beginning in the 12-month period preceding September 1, 2016. This subsection expires September 1, 2017.

(b) The winery activities required by this section may be done through an agreement authorized by Section 16.05 or through an agreement with another winery in this state for a bottling brand under an Alcohol and Tobacco Tax and Trade Bureau Basic Permit trade name application.

(c) Failure to comply with this section constitutes grounds to cancel or suspend a winery permit or deny an application for renewal of a winery permit.

SECTION 2. This Act takes effect September 1, 2013.