

By: Carona

S.B. No. 451

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 or blend wine in sufficient quantities as to make the winery a bona fide manufacturing operation before 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 or blend wine in sufficient quantities as to make the winery a bona fide manufacturing operation before September 1, 2016. This subsection expires September 1, 2017.

(b) Proof that the winery has sold wine that it has produced or blended, bottled, and labeled is prima facie evidence that the winery is a bona fide manufacturing operation.

(c) 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.

(d) Failure to comply with this section constitutes grounds

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1 to cancel or suspend a winery permit or deny an application for
2 renewal of a winery permit.

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