

By: King of Uvalde

H.B. No. 3664

Substitute the following for H.B. No. 3664:

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C.S.H.B. No. 3664

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of a program for marketing,
3 promotion, research, and education efforts regarding Texas wine;
4 authorizing assessments.

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

6 SECTION 1. Chapter 41, Agriculture Code, is amended by
7 adding Subchapter J to read as follows:

8 SUBCHAPTER J. TEXAS WINE MARKETING, PROMOTION, RESEARCH, AND
9 EDUCATION

10 Sec. 41.251. DEFINITIONS. In this subchapter:

11 (1) "Board" means the commodity producers board
12 elected under Section 41.254.

13 (2) "Foundation" means the Texas Wine Foundation.

14 (3) "Vineyard grower" means the owner, landlord,
15 tenant, or sharecropper who is entitled to wine grapes from a
16 vineyard.

17 (4) "Wine grapes" means grapes grown for the purpose
18 of producing wine.

19 (5) "Winery" means a person who annually produces not
20 less than 200 gallons of wine from grapes grown by the person or a
21 vineyard grower.

22 Sec. 41.252. DECLARATION OF POLICY. (a) The legislature
23 intends that the marketing, promotion, research, and education
24 efforts regarding Texas wine under this subchapter use existing

1 wine industry infrastructure to the extent possible.

2 (b) The foundation shall be the certified organization to
3 plan, implement, and operate marketing, promotion, research, and
4 education programs under this subchapter. If the board establishes
5 a state wine check off program under Section 41.255, the foundation
6 shall administer that program.

7 Sec. 41.253. CONFLICT WITH GENERAL COMMODITY LAW
8 PROVISIONS. To the extent that the provisions of this subchapter
9 conflict with other provisions of this chapter, the provisions of
10 this subchapter prevail.

11 Sec. 41.254. BOARD. (a) The foundation may petition the
12 commissioner for the election of a commodity producers board under
13 this subchapter.

14 (b) The board shall be composed of 11 members elected as
15 follows:

16 (1) five vineyard growers elected by vineyard growers
17 in this state with not more than three growers from a single
18 recognized American Viticultural Area;

19 (2) five winery owners that purchase wine grapes grown
20 in this state elected by winery owners in this state with not more
21 than three winery owners from a single recognized American
22 Viticultural Area; and

23 (3) the immediate past president of the Texas Wine and
24 Grape Growers Association.

25 (c) Board members serve staggered terms of four years with
26 five or six members' terms expiring every two years, as
27 appropriate. The initial members elected under this section shall

1 establish the staggered terms of each initial director by lot such
2 that the positions of two or three vineyard growers and two or three
3 wineries expire at the same time.

4 Sec. 41.255. STATE WINE CHECK OFF PROGRAM. The board may
5 establish and the foundation on the board's behalf may operate a
6 state wine check off program that is separate from any wine check
7 off program established by federal law.

8 Sec. 41.256. DONATIONS. The foundation may accept gifts,
9 donations, and grants of money, including appropriated funds, from
10 the state government, the federal government, local governments,
11 private corporations, or other persons, to be used for the purposes
12 of this subchapter.

13 Sec. 41.257. ASSESSMENTS. (a) The commissioner, on the
14 recommendation of the foundation, shall propose a maximum
15 assessment amount on vineyard growers and wineries in a referendum
16 under Section 41.258.

17 (b) If an assessment referendum is approved, the foundation
18 shall recommend to the commissioner an assessment amount not
19 greater than the maximum amount approved in the referendum. After
20 the assessment is approved by the commissioner, the foundation
21 shall collect the assessment.

22 (c) An assessment levied on vineyard growers and wineries
23 shall be applied by the foundation to the marketing, promotion,
24 research, and education efforts regarding Texas wine in this state,
25 the United States, and international markets, including the
26 foundation's administrative costs and the cost of conducting an
27 assessment referendum.

1 (d) Assessments collected by the foundation are not state
2 funds and are not required to be deposited in the state treasury.

3 Sec. 41.258. CONDUCT OF REFERENDUM; BALLOTING. (a) On the
4 recommendation of the foundation, the commissioner shall conduct a
5 referendum on a maximum assessment amount proposed under Section
6 41.257.

7 (b) Only a vineyard grower or winery who has sold or
8 processed Texas grown wine grapes in the last 12 months before the
9 date of the referendum is eligible to vote in the referendum.

10 (c) Except as provided by Subsection (d), an eligible
11 vineyard grower or winery may vote only once in a referendum.

12 (d) A person who is both a vineyard grower and a winery may
13 vote twice with each vote weighted accordingly under Subsection
14 (e).

15 (e) Each vineyard grower's vote is weighted according to the
16 weight of the wine grapes produced by the grower. Each winery's
17 vote is weighted according to the weight of the Texas grown grapes
18 processed by the winery. In calculating the weight of wine grapes
19 produced by a vineyard grower, wine grapes sold outside this state
20 may not be considered.

21 (f) A referendum is approved if votes associated with a
22 majority of the weight of grapes grown and processed are cast in
23 favor of the referendum.

24 (g) Individual voter information, including an individual's
25 vote in a referendum conducted under this section, is confidential
26 and not subject to disclosure under Chapter 552, Government Code.

27 (h) The foundation shall pay all expenses incurred in

1 conducting a referendum with funds collected from the wine
2 industry. The foundation may recoup those expenses from
3 assessments if the referendum is approved.

4 Sec. 41.259. EXEMPTIONS. A referendum conducted under
5 Section 41.258 may provide for exemptions from the assessment for:

6 (1) a vineyard with less than three acres that produce
7 wine grapes; and

8 (2) a winery that processes less than 20,000 pounds of
9 wine grapes grown in this state.

10 SECTION 2. This Act takes effect September 1, 2017.