

By: King of Uvalde

H.B. No. 3664

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

Sec. 41.251. DEFINITIONS. In this subchapter:

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

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

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

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

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

Sec. 41.252. DECLARATION OF POLICY. (a) The legislature intends that the marketing, promotion, research, and education 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) three vineyard growers from the Texas High Plains  
17 American Viticultural Area elected by vineyard growers in that  
18 region;

19 (2) one vineyard grower from the Texas Hill Country  
20 American Viticultural Area elected by vineyard growers in that  
21 region;

22 (3) one vineyard grower from a region other than the  
23 regions described by Subdivisions (1) and (2) elected by vineyard  
24 growers from regions other than the regions described by  
25 Subdivisions (1) and (2);

26 (4) one winery from the region described by  
27 Subdivision (2) elected by wineries in that region that purchase

1 wine grapes grown in this state;

2 (5) four wineries from regions other than the region  
3 described by Subdivision (2) elected by wineries in regions other  
4 than the region described by Subdivision (2) that purchase wine  
5 grapes grown in this state; and

6 (6) the immediate past president of the Texas Wine and  
7 Grape Growers Association.

8 (c) Board members serve staggered terms of four years with  
9 five or six members' terms expiring every two years, as  
10 appropriate. The initial members elected under Subsection (a)  
11 shall establish the staggered terms of each initial director by lot  
12 such that the positions of two or three vineyard growers and two or  
13 three wineries expire at the same time.

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

18 Sec. 41.256. DONATIONS. The foundation may accept gifts,  
19 donations, and grants of money, including appropriated funds, from  
20 the state government, the federal government, local governments,  
21 private corporations, or other persons, to be used for the purposes  
22 of this subchapter.

23 Sec. 41.257. ASSESSMENTS. (a) The commissioner, on the  
24 recommendation of the foundation, shall propose a maximum  
25 assessment amount on vineyard growers and wineries in a referendum  
26 under Section 41.258.

27 (b) If an assessment referendum is approved, the foundation

1 shall recommend to the commissioner an assessment amount not  
2 greater than the maximum amount approved in the referendum. After  
3 the assessment is approved by the commissioner, the foundation  
4 shall collect the assessment.

5 (c) An assessment levied on vineyard growers and wineries  
6 shall be applied by the foundation to the marketing, promotion,  
7 research, and education efforts regarding Texas wine in this state,  
8 the United States, and international markets, including the  
9 foundation's administrative costs and the cost of conducting an  
10 assessment referendum.

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

13 Sec. 41.258. CONDUCT OF REFERENDUM; BALLOTING. (a) On the  
14 recommendation of the foundation, the commissioner shall conduct a  
15 referendum on a maximum assessment amount proposed under Section  
16 41.257.

17 (b) Only a vineyard grower or winery who has sold or  
18 processed wine grapes in the last 12 months before the date of the  
19 referendum is eligible to vote in the referendum.

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

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

25 (e) Each vineyard grower's vote is weighted according to the  
26 weight of the wine grapes produced by the grower. Each winery's  
27 vote is weighted according to the weight of the grapes processed by

1 the winery. In calculating the weight of wine grapes produced by a  
2 vineyard grower, wine grapes sold outside this state may not be  
3 considered.

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

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

10 (h) The foundation shall pay all expenses incurred in  
11 conducting a referendum with funds collected from the wine  
12 industry. The foundation may recoup those expenses from  
13 assessments if the referendum is approved.

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

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

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

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