

BILL ANALYSIS

Senate Research Center
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S.B. 1490
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1490 amends current law to allow the holder of a wine and beer retailer's permit in a certain district, to exercise some of the privileges of a winery permit. The permittee would not be authorized to sell wine to other retailers or wineries, but would be allowed to sell wine to other permittees only through a Texas wholesaler. Further, unlike conventional wineries, the permittee could only ship wine to consumers that the permittee had made itself out of fruit grown in Texas.

As proposed, S.B. 1490 amends current law relating to the authority of certain holders of a wine and beer retailer's permit to manufacture and sell wine and engage in certain related activities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Sets forth legislative findings.

SECTION 2. Amends Chapter 25, Alcoholic Beverage Code, by adding Section 25.15, as follows:

Sec. 25.15. MANUFACTURE AND SALE OF WINE BY CERTAIN PERMIT HOLDERS. (a) Provides that this section applies only to the holder of a wine and beer retailer's permit whose premises is located in the territory described by Section 3858.005 (District Territory), Special District Local Laws Code.

(b) Authorizes a holder of a permit under this chapter (Wine and Beer Retailer's Permit), notwithstanding any other law, to engage in any activity authorized under Chapter 16 (Winery Permit) except that the permit holder is prohibited from:

(1) shipping wine under Section 16.09 (Direct Shipment to Consumers) unless the wine is bottled by the permit holder and produced from grapes or other fruit grown in this state; or

(2) selling wine to the holder of a winery permit or the holder of any permit authorizing the retail sale of wine.

(c) Requires the holder of a permit who engages in the activities authorized under this section to be considered a "retailer" for purposes of Section 102.01 (Tied House Prohibited).

SECTION 3. Effective date: September 1, 2019.