

By: Zwiener

H.B. No. 4027

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain holders of winery permits to sell liquor for on-premises consumption.

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

SECTION 1. The legislature finds that:

(1) the state is authorized under the Twenty-first Amendment to the United States Constitution to promote the public's interest in the fair, efficient, and competitive marketing of wine in this state;

(2) the Texas wine industry operates within the traditional three-tier system of alcoholic beverage regulation that has been recognized as unquestionably legitimate by the United States Supreme Court in Granholm v. Heald, 544 U.S. 460 (2005);

(3) within the state statutes that are the basis of the three-tier system there are occasional exceptions, some of which have been in place for years, that do not undermine or compromise the three-tier system of alcoholic beverage regulation or threaten the welfare, health, peace, temperance, or safety of the people of Texas;

(4) the Texas wine industry is a growing segment of the Texas economy, expanding opportunities for grape growers, winemakers, wine wholesalers, and wine retailers, while generating more excise tax and sales tax revenue every year; and

(5) it is in the state's interest to encourage

entrepreneurial and small business development opportunities in the state that will lead to new capital investment in the state, create new jobs in the state, and expand the state and local tax base.

SECTION 2. Chapter 16, Alcoholic Beverage Code, is amended by adding Section 16.010 to read as follows:

Sec. 16.010. SALE OF LIQUOR FOR ON-PREMISES CONSUMPTION BY CERTAIN PERMIT HOLDERS. (a) This section applies only to the holder of a winery permit whose premises:

(1) contains a restaurant having permanent food service facilities for the preparation and service of multiple entrees for consumption at the location; and

(2) is located in a county that:

(A) contains the Fredericksburg in the Texas Hill Country American Viticultural Area;

(B) is located entirely in the Texas Hill Country American Viticultural Area and:

(i) borders a county described by Paragraph (A); and

(ii) has a population of more than 5,000 and less than 19,000; or

(C) contains a portion of the Texas Hill Country American Viticultural Area and has a population of more than 150,000 and less than 400,000.

(b) Notwithstanding the tied house provisions of this code, a holder of a permit under this chapter may engage in any activity authorized under Chapter 28.

1 (c) The holder of a permit who engages in the activities
2 authorized under this section shall be considered a "retailer" for
3 purposes of Section [102.01](#).

4 SECTION 3. This Act takes effect September 1, 2019.