

1-1 By: King, et al. (Senate Sponsor - Hancock) H.B. No. 3385
1-2 (In the Senate - Received from the House April 30, 2025;
1-3 May 15, 2025, read first time and referred to Committee on State
1-4 Affairs; May 27, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 6, Nays 4;
1-6 May 27, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10		X		
1-11	X			
1-12		X		
1-13		X		
1-14	X			
1-15		X		
1-16			X	
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 3385 By: Zaffirini

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the promotion and sale of wine produced in this state;
1-24 creating a farm winery permit; authorizing a fee.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, is
1-27 amended by adding Chapter 17 to read as follows:

1-28 CHAPTER 17. FARM WINERY PERMIT

1-29 Sec. 17.001. DEFINITION. In this chapter, "Texas wine"
1-30 means wine that is at least 75 percent by volume fermented juice of
1-31 grapes or other fruit grown in this state or a lesser percentage
1-32 established by the commissioner of agriculture under Section
1-33 12.039, Agriculture Code.

1-34 Sec. 17.002. QUALIFICATION FOR PERMIT. A farm winery
1-35 permit may be issued only to the holder of a winery permit who:

- 1-36 (1) produces only Texas wine; or
1-37 (2) produces at least 50,000 gallons of Texas wine
1-38 annually if the winery permit holder produces wine that is not Texas
1-39 wine.

1-40 Sec. 17.003. AUTHORIZED ACTIVITIES. In addition to the
1-41 activities authorized for a winery permit holder under Chapter 16,
1-42 the holder of a farm winery permit may:

- 1-43 (1) operate up to five locations off of the winery
1-44 premises where the permit holder may sell Texas wine to ultimate
1-45 consumers for consumption on the location's premises; and
1-46 (2) sell on the winery premises or at a location
1-47 described by Subdivision (1) Texas wine to ultimate consumers in
1-48 unbroken packages for consumption off the winery's or location's
1-49 premises in an amount not to exceed 250,000 gallons annually.

1-50 Sec. 17.004. SALES AT OFF-SITE LOCATION. (a) The
1-51 commission shall adopt rules to implement Section 17.003, including
1-52 rules that:

- 1-53 (1) require the farm winery permit holder to notify
1-54 the commission of each location operated by the permit holder under
1-55 Section 17.003(1);
1-56 (2) establish a procedure to verify the wet or dry
1-57 status of each location described by Subdivision (1); and
1-58 (3) require the farm winery permit holder to provide
1-59 any other information the commission determines necessary.
1-60 (b) The provisions of this code applicable to the sale of

Texas wine on the permitted premises of the holder of a farm winery permit apply to the sale of Texas wine at a location authorized by Section 17.003(1).

Sec. 17.005. TEMPORARY EXEMPTION. The commission may temporarily exempt a farm winery permit holder from a requirement of this chapter and temporarily allow the permit holder to continue to perform the activities authorized under this chapter. The commission shall adopt rules to implement this section, including rules establishing:

(1) the process for requesting an exemption under this section;

(2) the circumstances under which an exemption may be granted, including:

(A) crop scarcity;
 (B) equipment damage;
 (C) natural disaster; or
 (D) another reasonable business necessity, as determined by the commission;

(3) the maximum length of an exemption granted under this section; and

(4) any additional requirement the commission determines necessary for the holder of a farm winery permit to operate under an exemption.

Sec. 17.006. PERMIT FEE. (a) The fee for a farm winery permit may not exceed \$500 annually.

(b) The revenue attributable to the fees collected under Subsection (a) shall be deposited as follows:

(1) 50 percent to the credit of the farm winery marketing assistance fund; and

(2) the remainder to the credit of the general revenue fund.

Sec. 17.007. RULES. The commission shall adopt rules to administer this chapter.

SECTION 2. Chapter 110, Alcoholic Beverage Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. FARM WINERY MARKETING ASSISTANCE FUND

Sec. 110.101. FARM WINERY MARKETING ASSISTANCE FUND. (a) The farm winery marketing assistance fund is a dedicated account in the general revenue fund.

(b) The fund consists of:

(1) legislative appropriations to the commission or the Department of Agriculture for a purpose of the fund;

(2) money from farm winery permit fees;

(3) interest or other earnings on money credited to or allocable to the fund; and

(4) gifts, grants, including grants from the federal government, and donations received for the fund.

(c) The Department of Agriculture may use money in the fund only to promote and market farm wineries permitted under Chapter 17.

(d) The commission may use money in the fund necessary to implement and administer Chapter 17, including money necessary for the initial implementation of the chapter.

SECTION 3. (a) As soon as practicable after the effective date of this Act, the Texas Alcoholic Beverage Commission shall adopt rules necessary to implement the changes in law made by this Act.

(b) Chapter 17, Alcoholic Beverage Code, as added by this Act, takes effect on the effective date of the rules adopted by the Texas Alcoholic Beverage Commission under Section 17.007, Alcoholic Beverage Code, as added by this Act.

(c) Rules adopted under Section 17.007, Alcoholic Beverage Code, as added by this Act, must provide a reasonable amount of time after the effective date of the rules for a holder of a farm winery permit issued before the effective date of the rules to begin manufacturing wine and otherwise come into compliance with the rules.

(d) The Texas Alcoholic Beverage Commission may not issue a farm winery permit under Chapter 17, Alcoholic Beverage Code, as

3-1 added by this Act, until September 1, 2026.

3-2 SECTION 4. This Act takes effect immediately if it receives
3-3 a vote of two-thirds of all the members elected to each house, as
3-4 provided by Section 39, Article III, Texas Constitution. If this
3-5 Act does not receive the vote necessary for immediate effect, this
3-6 Act takes effect September 1, 2025.

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