

- SUBJECT:** Increasing amount some wineries may sell directly to consumers
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 6 ayes — Kuempel, Chisum, Gutierrez, Hamilton, Jones, Quintanilla  
0 nays  
3 absent — Thompson, Geren, Menendez
- SENATE VOTE:** On final passage, March 30 — 31-0
- WITNESSES:** For — Gabriel Parker, Texas Wine and Grape Growers Association; (*Registered, but did not testify:* Gene Estes, Texas Wine and Grape Growers Association; Dacota Haselwood, Texas Wine and Grape Growers Association; David Hayes; Mark Penna)  
Against — None
- BACKGROUND:** Under Alcoholic Beverage Code, sec. 16.01, a permitted winery may sell wine to ultimate consumers for consumption on the winery premises or in unbroken packages for off-premises consumption in an amount of no more than 35,000 gallons annually, except as provided under sec. 16.011 provisions governing dry areas. Under sec. 54.02, a holder of an out-of-state winery direct shipper's permit may sell no more than 35,000 gallons annually to ultimate consumers.
- DIGEST:** SB 538 would amend Alcoholic Beverage Code, sec. 16.01 to allow a permitted winery to sell up to 55,000 gallons annually in unbroken packages for off-premises consumption, except under sec. 16.011 provisions governing dry areas. It also would amend sec. 54.02 to allow a holder of an out-of-state winery direct shipper's permit to sell up to 55,000 gallons of wine annually to ultimate consumers.  
  
The bill would take effect September 1, 2009.

NOTES:

The companion bill, HB 1185 by Homer, was considered in a public hearing by the Licensing and Administrative Procedures Committee on April 1 and left pending.