

BILL ANALYSIS

Senate Research Center
81R3745 MCK-D

S.B. 529
By: Nelson
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there are two options Texas wineries can use for brandy procurement. A Texas winery can purchase brandy through an out-of-state non-resident seller, or distill brandy as allowed by current winery licenses. Once procured or produced, the only thing a Texas winery can do with the brandy is blend it with wine.

As proposed, S.B. 529 authorizes the holder of a winery permit to manufacture fruit brandy and use that brandy for fortifying purposes or sell brandy to the holder of a winery permit.

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. Amends Sections 16.01(a) and (b), Alcoholic Beverage Code, as follows:

(a) Authorizes the holder of a winery permit, except as provided by Section 16.011 (Premises in Dry Area), to manufacture fruit brandy and use that brandy on the winery permit holder's permitted premises for fortifying purposes only or sell that brandy to other winery permit holders; and to import or buy fruit brandy from a permit holder authorized to manufacture fruit brandy and use that brandy on the winery permit holder's permitted premises for fortifying purposes only. Deletes existing text authorizing the holder of a winery permit to import grape brandy for fortifying purposes only and to be used only on his licensed premises. Makes nonsubstantive changes.

(b) Makes a conforming and nonsubstantive change.

SECTION 2. Effective date: September 1, 2009.