

BILL ANALYSIS

Senate Research Center
81R3676 MCK-F

S.B. 711
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the only avenues through which Texas wineries can provide wine to consumers in a festival format is when a civic or local festival host organizer applies for and is granted a temporary beer and wine retailers permit. Under this system, the festival then must purchase the wine wholesale, provide the sales operations, and take on the liability of selling alcohol.

As proposed, S.B. 711 creates a winery festival permit and authorizes the holder of a winery festival permit to sell wine at a civic or wine festival, farmers' market, celebration, or similar event under certain conditions. S.B. 711 prohibits the holder of a winery festival permit from offering a wine for sale for more than five days in a 30-day period or on more than three consecutive days in one location.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Alcoholic Beverage Commission is modified in SECTION 1 (Section 17.03, Alcoholic Beverage Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle A, Title 3, Alcoholic Beverage Code, by adding Chapter 17, as follows:

CHAPTER 17. WINERY FESTIVAL PERMIT

Sec. 17.01. AUTHORIZED ACTIVITIES. (a) Authorizes the holder of a winery festival permit to sell wine at a civic or wine festival, farmers' market, celebration, or similar event.

(b) Prohibits the holder of a winery festival permit from offering wine for sale under this chapter for more for more than five days within any 30-day period or on more than three consecutive days at the same location.

Sec. 17.02. QUALIFICATION FOR PERMIT. Authorizes a winery festival permit to be issued only to the holder of a winery permit.

Sec. 17.03. NOTICE OF SALES; PROCEDURES. (a) Requires the holder of a winery festival permit, before the permit holder offers wine for sale under this chapter, in accordance with any rules adopted or procedures established by the Texas Alcoholic Beverage Commission, to notify the commission of the date on which and location where the permit holder will offer wine for sale under this chapter.

[Note: This bill as drafted does not contain a Section 17.03(b).]

Sec. 17.04. PERMIT FEE. Provides that the fee for a winery festival permit is \$50.

Sec. 17.05. APPLICABILITY OF OTHER LAW. (a) Provides that the provisions of this code applicable to the sale of wine on the permitted premises of the holder of a winery permit apply to the sale of wine under this chapter.

(b) Authorizes the winery permit of the holder of a winery festival permit to be cancelled or suspended for a violation occurring in connection with activities conducted under this chapter.

SECTION 2. Effective date: September 1, 2009.