

BILL ANALYSIS

C.S.H.B. 1957
By: Kuempel
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

An American viticultural area (AVA) is a delineated grape-growing region with specific geographic or climatic features that distinguish it from the surrounding regions and affect how grapes grow there. Using an AVA, or county, or vineyard designation on a wine label allows wineries to more accurately protect and market the origin of their wines and educates consumers about the place their wine comes from. There have been calls for more stringent standards surrounding the appellation of Texas wines in order to strengthen the image, integrity, and pricing power of Texas as a formidable winemaking region, which would allow the state to command a greater share of the overall wine consumer market. C.S.H.B. 1957 seeks to strengthen labeling standards for Texas grown wines.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1957 amends the Alcoholic Beverage Code to restrict the use of an appellation of origin indicating that a wine's origin is an American viticultural area or county located in Texas, and to restrict the use of the name of a specific vineyard in Texas on a wine's label, to a wine that is otherwise entitled to use the appellation or vineyard name under federal law and that is 100 percent by volume fermented juice of grapes or other fruit grown in Texas. The bill applies only to a wine made from grapes or other fruit harvested on or after January 1, 2022.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1957 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

With respect to the bill's restriction on the use of appellation of origin, the substitute does not include the following requirements:

- that not less than 90 percent of the wine be derived from grapes grown within the boundaries of the labeled American viticultural area or county; and
- that the wine be fully produced in Texas.

The substitute includes a provision restricting the use of the name of a specific vineyard in Texas on the label of wine.

The substitute changes the applicability of the bill's provisions from wines labeled on or after September 1, 2021, to wines made from grapes or other fruit harvested on or after January 1, 2022.