

- SUBJECT:** Requiring public warehouse operators to provide receipts for grapes
- COMMITTEE:** Agriculture and Livestock — committee substitute recommended
- VOTE:** 9 ayes — Springer, Anderson, Beckley, Buckley, Burns, Fierro, Meza, Raymond, Zwiener
- 0 nays
- WITNESSES:** For — Don Hutchings, AgTexas Farm Credit Services; Bree Nelson, AgTexas Farm Credit Services and High Plains Winegrowers Association; Katy Jane Seaton, High Plains Winegrowers Association; Todd Kercheval, Wine and Spirits Wholesalers of Texas; (*Registered, but did not testify*: Kody Bessent, Plains Cotton Growers Inc.; Robert Floyd, Southern Glazers Wine And Spirits; Kyle Frazier, Texas Wine and Grape Growers; Matthew Bentley, Texas Wine Growers, William Chris Vineyards: Kenneth Hodges)
- Against — None
- On — (*Registered, but did not testify*: Mandi Hughes, COCW; Dan Hunter, Texas Department of Agriculture)
- BACKGROUND:** Agriculture Code sec. 14A.001 defines a public warehouse as a building used to store certain goods including cotton, wheat, rye, oats, and rice in order to protect them from damage by the elements
- Sec. 14A.005 allows the owner or depositor of property stored in a warehouse to request from the public warehouse operator a receipt for the property stored in the warehouse.
- Concerned parties have noted that grape producers' inability to retain title to their grapes that are stored and processed in a public warehouse is an impediment to the development of the industry.
- DIGEST:** CSHB 3766 would require public warehouse operators to issue receipts

for grapes to any person who stores grapes in their warehouse and requests a receipt. This receipt would be required to state:

- that the receipt was issued by the warehouse;
- the date of its issuance;
- the name and location of the warehouse in which the property was stored;
- the description, quantity, number and marks of the property stored;
- the date on which the grapes were received;
- a statement that the grapes represented by the receipt were deliverable on return of the receipt with payment for storage and insurance stated on the receipt; and
- a statement of the varietal of the grapes.

Failure by the public warehouse operator to provide a receipt described in this bill would be grounds for the revocation of a certificate to operate as a public warehouse operator.

The bill would establish that a natural byproduct of grapes stored in the warehouse was an agricultural commodity and not subject to regulation under any other law, regardless of the byproduct's alcohol content, until the byproduct was removed from the warehouse or mixed with another ingredient.

The requirements and exemptions of this bill would not apply to producers who used their own warehouse to store grapes they produced.

The bill would take effect September 1, 2019.