

Amendment No. 1 to HB1075

Keisling  
Signature of Sponsor

**AMEND Senate Bill No. 302\***

**House Bill No. 1075**

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 4-29-240(a), is amended by deleting subdivision (56).

SECTION 2. Tennessee Code Annotated, Title 43, is amended by deleting chapter 30.

SECTION 3. Tennessee Code Annotated, Title 57, Chapter 3, is amended by adding the following new part:

**57-3-1101.**

(a) The Tennessee wine and grape board is hereby created, referred to in this part as the "board", for the purpose of supporting the growth of the wine industry in this state.

(b) For administrative purposes only, the board is attached to the department of agriculture.

(c) The board is composed of seven (7) members, appointed by the governor, as follows:

(1) The commissioner of the department of agriculture, or the commissioner's designee;

(2) The commissioner of tourism, or the commissioner's designee;

(3) A Tennessee wine producer;

(4) A Tennessee grape or fruit producer;

(5) A person in higher education with a background in fermentation or viticulture; and

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(6) Two (2) members who are involved, with respect to the wine industry in this state, in production, marketing, sales, journalism, or education.

(d) Members appointed under subdivisions (c)(3)-(6) serve at the pleasure of the governor.

(e)

(1) The members of the board do not receive any compensation for their services but must be reimbursed for actual and necessary expenses incurred in the performance of their duties as members of the board.

(2) All reimbursement for travel expenses must be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(f) The commissioner of agriculture shall call the first meeting of the board. The board shall elect its chair and other officers at the first meeting of the board and annually thereafter.

(g) For the initial appointments of members under subdivisions (c)(3)-(6), the governor shall appoint two (2) members to four-year terms, two (2) members to three-year terms, and one (1) member to a two-year term.

(h) After the initial appointments, each appointed member shall serve a term of four (4) years. Vacancies on the board must be filled in the same manner as the initial appointment.

(i) For purposes of conducting the official business of the board, a quorum consists of no less than four (4) members.

(j) The board shall issue an annual report on the wine industry and viticulture in this state and on the current and future activities of the board, and shall submit the report to the commissioner of agriculture and the commissioner of finance and administration.

**57-3-1102.**

(a) A separate fund within the general fund is hereby created to be known as the "wine and grape fund". Moneys in the wine and grape fund must be available for use by the board in accordance with § 57-3-1103. Unexpended funds in the wine and grape fund do not revert to the general fund, but must carry forward into the subsequent fiscal year.

(b) The board may receive gifts, donations, grants, and funds from other non-state sources for purposes of carrying out its duties. Any funds received pursuant to this subsection (b) must be deposited in the wine and grape fund.

(c) It is the legislative intent to fund the wine and grape fund and the Tennessee commercial wineries growth and support program by providing a sum-sufficient appropriation in each fiscal year's annual appropriation bill.

**57-3-1103.**

(a) The board must use funds in the wine and grape fund created under § 57-3-1102 to support the commercial wine industry in this state, including, but not limited to, by:

(1) Increasing the number of Tennessee wineries in accordance with the program established in § 57-3-1104;

(2) Improving the quality of wine produced by Tennessee wineries;

(3) Promoting the wine industry and viticulture in this state;

(4) Hiring staff as necessary to carry out the duties of the board; and

(5) Issuing grants for purposes of promoting the wine industry and viticulture in this state.

**57-3-1104.**

(a) The Tennessee commercial wineries growth and support program is hereby created, to be overseen by the board.

(b) The purpose of the program is to promote the growth of the commercial wine industry in this state and the quality of wine produced and manufactured in this state.

(c) Under the program, a licensed wholesaler may apply to qualify for participation in the program and, upon qualification, receive disbursements from the wine and grape fund for distributing wine produced from and manufactured by Tennessee wineries.

(d)

(1) If the board approves a wholesaler for participation in the program, the board may disburse to the wholesaler ten dollars (\$10.00) per case of wine, not to exceed one thousand (1,000) cases per Tennessee winery per year, for purposes of distribution. The board shall not make a disbursement under this section until the wine for which the disbursement is intended is distributed by the wholesaler. A disbursement must not exceed twenty-five percent (25%) of the sum-sufficient appropriation to the wine and grape fund for the current fiscal year.

(2) Disbursements under subdivision (d)(1) must be made only for Tennessee wineries that produced twenty-five thousand gallons (25,000 gal.) of wine or less in the immediately preceding calendar year.

(e) If an approved wholesaler receives a disbursement under subsection (d), the reduction in cost per case to the wholesaler must be reflected in the retail price.

(f) The board may approve disbursements under the program to the extent that funds are available for such purpose.

**57-3-1105.**

The board may promulgate rules for the purpose of carrying out this part.

SECTION 4. This act shall take effect July 1, 2019, the public welfare requiring it.