

HOUSE BILL 1075

By Sanderson

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 43; Title 57 and Title 67, relative to wine.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 57, Chapter 3, is amended by adding the following new part:

57-3-1101.

(a) There is created the Tennessee wine and grape board, referred to in this part as the "board," for the purpose of supporting 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 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; and

(3) Five (5) members, appointed by the governor, who are involved, with respect to the wine industry in this state, in production, marketing, sales, journalism, or education.

(d) Members appointed under subdivision (c)(3) 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 purposes of conducting the official business of the board, a quorum consists of no less than four (4) members.

57-3-1102.

(a) The board may use funds in the wine and grape fund created under § 57-3-306(b)(1) for the following purposes:

- (1) To promote the wine industry and viticulture in this state;
- (2) To hire staff as necessary to carry out the duties of the board;
- (3) Marketing and education relating to grapes grown and wine produced in this state; and
- (4) Issuance of grants for purposes of promoting the wine industry and viticulture in this state.

(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) 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.

SECTION 2. Tennessee Code Annotated, Section 57-3-306, is amended by deleting subsection (b) and substituting instead the following:

- (b)
 - (1) Collections of the tax imposed by § 57-3-302(a) must be allocated to a separate fund within the general fund to be known as the "wine and grape

fund." Moneys in the wine and grape fund must be available for use by the Tennessee wine and grape board in accordance with § 57-3-1102. Unexpended funds in the wine and grape fund do not revert to the general fund, but must carry forward into the subsequent fiscal year.

(2) Except for the distribution as provided in subsection (a), collections of the tax imposed by § 57-3-302(b) must be distributed eighty-two and one-half percent (82.5%) to the general fund and seventeen and one-half percent (17.5%) to the counties. The amount distributed to the counties must be apportioned among the counties three-fourths (3/4) in proportion to their population and one-fourth (1/4) in proportion to their area.

(3) Before distributing to the counties any of the revenues described in subsection (a) and subdivision (b)(2), the commissioner of finance and administration shall deduct a sum measured at a rate of sixteen thousand dollars (\$16,000) per month, which sum together with an appropriation per annum from the general fund of this state must be apportioned and transmitted to the University of Tennessee for use by the university in operating the county technical advisory service (CTAS) within the institute for public service (IPS) created under § 49-9-402.

SECTION 3. This act shall take effect July 1, 2019, the public welfare requiring it.