



# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

SENATOR FRANK MADLA  
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SENATOR BOB DEUELL  
SENATOR MARIO GALLEGOS  
SENATOR JEFF WENTWORTH

December 8, 2004

The Honorable David Dewhurst  
Lieutenant Governor  
2E.13, Capitol Building  
Austin, Texas

Dear Governor Dewhurst:

The Senate Committee on Intergovernmental Relations hereby submits its 78th interim report. The report reflects extensive testimony and input from various state agencies, organizations and other interested and professional entities.

The Committee appreciates the opportunity to address these important charges. It is our sincere hope that the work of this committee will assist in resolving some of these challenging issues so that the members of the Seventy-Ninth Legislature may make use of our recommendations.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Frank Madla".

Senator Frank Madla  
Chairman

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Senator Kim Brimer  
Vice-Chairman

A handwritten signature in cursive script that reads "Bob Deuell".

Senator Bob Deuell

\_\_\_\_\_  
Senator Mario Gallegos

A handwritten signature in cursive script that reads "Jeff Wentworth".

Senator Jeff Wentworth



# TEXAS SENATE

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## MARIO GALLEGOS, JR.

December 8, 2004

The Honorable Frank Madla, Chair  
Senate Committee on Intergovernmental Relations  
P.O. Box 12068  
Austin, TX 78711-2068

Dear Chairman Madla:

I support the worthwhile endeavors of our committee and recognize the effort you and your staff contributed to the report of the Senate Committee on Intergovernmental Relations. The committee and staff have spent many hours studying the issues raised in Charges One, Two, and Three. I support the committee's recommendations under these charges. However, I cannot support the entire report because of the following concerns I must state for the record.

While I appreciate one of the goals of Charge Four was to study and recommend ways to increase the economic impact of the wine production industry in Texas, I feel the committee did not have ample time to study the numerous recommendations submitted in the committee report. Many of these recommendations are huge policy shifts that warrant intensive study and deliberation.

Recommendations such as the creation of new taxes, the dedication of existing tax revenues, the establishment of a new state agency or quasi-state agency, and the creation of a number of FTEs at public universities must be fully vetted before action can be taken. In addition, major changes to who may hold an alcoholic beverage permit and a broadening of the hours of sale and premises where alcohol may be sold represent drastic changes to established laws regarding the regulation of alcoholic beverages.

I appreciate the commitment of the members of the Senate Committee on Intergovernmental Relations to the promotion of the wine industry in Texas. In addition, your dedication to this valuable economic resource should be applauded. Yet, the major policy shifts suggested by the Committee warrant much more legislative and public scrutiny. Because many of the recommendations under Charge Four are so broad and were either never discussed or not discussed at length, I regret that I cannot support the committee's report.

Sincerely,

Mario Gallegos, Jr.



**Senate Committee on Intergovernmental Relations**  
**78th Interim Recommendations**

The Committee formulated the following findings and recommendations based on testimony, correspondence and research.

***Charge 1***

***Study and make recommendations on the need for statutory language relating to fees charged for copies of documents filed electronically or in paper format with a county clerk. Examine all state and local policies relating to document fees and analyze the impact of any recommended changes on local and state revenues.***

***Recommendation 1.1 - Amend Section 51.605, Government Code, to require all county clerks, or their designated appointee to include, as part of their continuing education, one hour of instruction on the rules established by the Texas Building and Procurement Commission (TBPC) for calculating charges to fulfill requests for public information.***

Currently, Section 51.605, Government Code, requires county clerks to complete twenty hours of continuing education courses, including at least one hour dedicated to registry funds and one hour dedicated to fraudulent court documents. County clerks should also be required to take at least one hour of training on the method established by the TBPC to calculate charges for electronic formatted data. A working knowledge of the subsequent use of this formula will allow county clerks to properly assess fees when information is requested from their office.

***Charge 2***

***As required by SB 264, 78th Legislature, jointly study with the House Urban Affairs Committee the effect of subdividing uniform state service regions into urban/exurban areas and rural areas and upon the provision of state and federal financial assistance to meet housing needs of rural areas.***

*Recommendation 2.1 - Direct the Texas Department of Housing and Community Affairs (TDHCA), in conjunction with appropriate stakeholders, to conduct, for presentation to the Senate Committee on Intergovernmental Relations and the House Committee on Urban Affairs by January 1, 2006, a needs-assessment study to determine whether establishment of an urban/exurban region is necessary for the purpose of allocating housing funds. If deemed necessary, the study shall:*

- clearly define the category of urban/exurban based on the most current geographical and demographical information available;*
- identify programs that will be administered by TDHCA for the purpose of funding urban/exurban, and rural housing projects; and*
- recommend safeguards, if necessary, to ensure funding for rural housing projects will not have to compete with urban/exurban projects.*

Currently, there is not sufficient data from the TDHCA substantiating the need to have an urban/exurban region or analyzing the fiscal impact of further subdividing the current regions.

### *Charge 3*

*Study the unique challenges and opportunities in rural areas from an economic development standpoint. Study the future and unmet needs of rural communities, residents and businesses and examine the quality of infrastructure, housing, health care, and community involvement. Make recommendations for promoting investment in growth industries in rural areas.*

*Recommendation 3.1 - Amend Section 487.051, Government Code, to require the Office of Rural and Community Affairs (ORCA) to develop programs to assist rural businesses.*

The establishment of new business is vital to economic development in rural communities. Businesses considering relocating or expanding in rural communities may need assistance and guidance to succeed. As the state agency "dedicated solely to serving rural Texas," ORCA should be responsible for developing new programs to assist rural businesses.

***Recommendation 3.2 - Amend Section 487.051, Government Code, to require ORCA to develop an easily accessible resource guide detailing available state and federal resources dedicated to rural communities.***

Currently, there is no clearinghouse or other central source of information detailing resources available to rural communities. As "the state agency dedicated solely to serving rural Texas," ORCA should develop a comprehensive guide detailing available state and federal resources dedicated to rural communities.

***Recommendation 3.3 - Amend Subchapter I, Chapter 487, Government Code, to require ORCA to set aside four percent of Community Development Block Grant program funds for rural housing.***

Currently, ORCA has some discretion regarding the allocation of Community Development Block Grant program funds. To provide for a guaranteed continuous source of funding available for rehabilitation and accessibility modifications of older homes in rural areas, a portion of available funds should be set aside to address rural housing needs.

***Recommendation 3.4 - Direct, by concurrent resolution, TDHCA's Office of Colonia Initiatives and ORCA to assess the current status and needs of non-border colonias and report their findings to the Legislature by January 1, 2007.***

While it is known that the number of non-border colonias has increased, an assessment of their prevalence and needs should be prepared to enable the state to act accordingly.

***Recommendation 3.5 - Recommend the Legislature increase appropriations to the state's Area Health Education Centers (AHEC) to better utilize and leverage their existing infrastructure.***

AHECs have begun to develop an extensive network to address the state's critical need for rural workforce development. The state's three AHECs will increase access to rural healthcare by assisting communities to 'grow their own' healthcare providers, increasing

access to healthcare education, assisting with provider recruitment, and providing professional support and community coordination.

***Recommendation 3.6 - Amend the Health and Safety Code to require the Department of State Health Services, in conjunction with stakeholders, to:***

- ***research and report on the current and potential use of non-physician healthcare practitioners in medically underserved areas and health professional shortage areas where efforts to recruit physicians have been unsuccessful; and***
- ***determine which practitioners could, within the scope of their license or certification, augment physician services.***

The Department of State Health Services should establish a method for determining which shortage areas have been unsuccessful in recruiting physicians and what other healthcare practitioners could be beneficial when physicians are not available to provide basic healthcare.

***Recommendation 3.7 - Amend the Development Corporation Act of 1979 to clarify that certain healthcare services are qualified for infrastructure and job training funding as allowable under the 4A/4B Economic Development Sales Tax.***

Currently, it is unclear whether economic development corporations may provide infrastructure or job training assistance for healthcare services. Data shows healthcare is a critical part of local rural economies and, therefore, should be an allowable use under the 4A/4B Economic Development Sales Tax.

***Recommendation 3.8 - Amend Chapter 487, Government Code, to require the Governor's state grant writing team, in conjunction with the State Office of Rural Health, to establish an easily accessible information resource to assist rural communities with research and basic grant writing instruction.***

Most small communities do not have the resources or expertise immediately available to properly research and develop a grant proposal. Increasing the access to grants for local communities will improve their ability to draw down both federal and private foundation funding.

***Recommendation 3.9 - Amend the Health and Safety Code to require the Department of State Health Services to evaluate and update health data reporting mechanisms in a manner that distinguishes rural health dynamics from urban health dynamics.***

Currently, data submitted to the Department of State Health Services regarding health status and access to care is not reported in a manner that identifies rural and urban differences. Distinguishing the differences in data could better help identify healthcare needs and thus expand rural communities' access to federal assistance programs.

***Recommendation 3.10 - Amend Subchapter F, Chapter 2308, Government Code to require Workforce Development Boards to have representation from the healthcare industry. Additionally, local chambers of commerce should be encouraged to have representation from the healthcare industry.***

Healthcare must be a consideration for workforce development boards to ensure the viability of rural communities.

#### ***Charge 4***

***Study and make recommendations relating to development of the Texas wine producing industry. Assess the impact of state and federal laws on the shipment and delivery of wine; and make recommendations for increasing the economic impact of the wine producing industry in Texas.***

***Recommendation 4.1 - Adopt, by concurrent resolution or statement in statutory amendment, that development of world-class wine grape-growing and wine-making industries is important to Texas as a whole; the vitality of the wine grape and wine producing industries affects the well-being of Texans and Texas economies; it is in the public interest to encourage the orderly growth and development of sustainable, labor-intensive, value-added agricultural industries, such as the wine grape-growing and wine-making; and that it is the policy of this state to support growth and development of Texas' wine grape-growing and wine-making industries.***

Previous studies and current expert opinion indicate that wine is an agricultural product that adds more value and keeps more of its profit margin inside the state economy than many other products. State policy-makers should formally recognize the importance of this industry to Texas. Successful wine industries in California, Washington and Oregon contribute billions of dollars to their state's economies each year. Without exception, the legislatures of these states have formally recognized and established, by legislative action, an interest in the growth and development of their respective state's wine industries. Texas has all the elements necessary to be a competitive force in the national and international wine industries and the Texas wine-producing industry, if allowed to compete on a level playing field with other wine-producing states and nations, could prove to be a significant economic generator for the state of Texas. Although Texas is currently 5<sup>th</sup> in the nation in wine production, recent statutory changes in other states place our industry in jeopardy of losing ground in the national rankings if we do not provide Texas wineries and grape-growers the tools they need to grow their industry.

***Recommendation 4.2 - Amend the Alcoholic Beverage Code to specifically authorize Texas wineries to utilize all delivery mechanisms, legally available to out-of-state and international wineries, to get their products to customers and grow their businesses.***

If state policy-makers want to maximize the economic impact of the Texas wine-producing industry, they must recognize that the opportunity for Texas wineries to fully participate in the state, national, and global wine markets is hindered by statutory provisions that do not provide for a seamless method of distribution of Texas wine to consumers. The wholesale distribution network is the cornerstone of a seamless method for large alcoholic beverage producers who have drawn the attention of consumers and the wholesale tier. The body of law that has evolved since the end of Prohibition to enhance and protect that wholesale tier has proven to be a roadblock for new and emerging Texas wineries. Laws that limit, restrict, or deter the delivery of Texas wine directly to consumers over the age of 21, who have legally purchased that wine for their personal consumption, unnecessarily impede the ability of the Texas wine producing industries to grow and deprive the state of the revenues that would be generated because of that growth.



***Recommendation 4.3 - Repeal Section 16.08(c), Alcoholic Beverage Code, to remove the four event annual limit currently imposed on the number of wine festivals that can be held on the winery premises by the holder of a winery permit.***

Wine fairs and festivals have become significant tourist attractions that benefit a broad range of local interests. Common outcomes are raised awareness and additional revenues for local wineries, other event sponsors, local non-profit organizations, and the community where the event is held. A state-imposed limit on the number of wine fairs and festivals serves no public interest and impedes the ability of wineries, communities, local non-profits, and other local businesses to promote themselves, generate revenue, and take full advantage of the world-wide interest in regional wines.

***Recommendation 4.4 - Amend Section 16.011, Alcoholic Beverage Code, to grant the Commissioner of Agriculture the authority, under certain conditions, to issue a variance to the requirement that wineries, located in an area in which the sale of wine has not been authorized by a local option election, utilize at least 75% by volume fermented juice of grapes or other fruit grown in this state in order to sell or dispense its wine.***

Current law vests permitted wineries located in dry areas with the authority to engage in any activity authorized for permitted wineries located in wet areas if their wine is manufactured in the state and 75% of the grapes or other fruit used to manufacture that wine are grown in the state. Climatic occurrences, pestilence, market conditions, or other factors could be devastating to Texas' wineries and the revenues they provide to the state if the Texas grape supply becomes insufficient to meet the demand by local wineries. Empowering the Commissioner of Agriculture to grant a variance to this requirement, if conditions warrant, would safeguard the interests of both Texas wineries and the state.

***Recommendation 4.5 - Amend the Alcoholic Beverage Code to establish operating hours for wineries that enable them to maximize revenues for themselves and the state by taking full advantage of the agri-tourism generated by the Texas wine and grape industries.***

Winery tourism is a significant economic generator for wineries, local economies, and the state. Such tourism is generally characterized by a concentration of visits to a number of facilities over a two to three-day period, especially during weekends. All interested parties forfeit revenue if a winery is prohibited from transacting a sale because the hours of operation do not coincide with tourist activity.

***Recommendation 4.6 - Amend Section 16.01(a)(4)(B), Alcoholic Beverage Code, to eliminate the 35,000 gallon limit imposed on the sale of wine from winery tasting rooms to consumers.***

The imposition of a statutory limit on sales makes it extremely difficult, if not impossible, for those in the wine production industry to acquire loans or other investment capital from financial institutions or traditional wine industry investors. There is no public interest served by maintaining this limit, and its retention will continue to impede the growth of the Texas wine industry and result in a loss of revenue for the state.

***Recommendation 4.7 - Amend Section 102.07, Alcoholic Beverage Code, to allow wineries to post or otherwise publicize where their products can be purchased in the retail sector.***

Currently, wineries may not “furnish, give, or lend any money, service, or thing of value to a retailer.” The Texas Alcoholic Beverage Commission (TABC) has determined, by rule, that publishing the location of retail outlets where a winery's product can be purchased is a prohibited act. This prohibition serves no public purpose, impedes ability of the winery to maximize sales through cost-effective advertising mediums, and reduces potential revenues to the state.

***Recommendation 4.8 - Amend the Alcoholic Beverage Code to expand the hours for receipt and delivery of wine between permit holders.***

Exposure to extreme temperatures, for periods as short as an hour, can change the character and otherwise impact the quality of wines. Temperature-controlled transportation is expensive and often impractical. Granting greater flexibility in scheduling the receipt and delivery of wine between permit holders, to take advantage of

more temperate hours of the day, will better protect the potential revenues of all parties in the transaction, including the state.

***Recommendation 4.9 - Amend the Alcoholic Beverage Code to authorize the creation of multi-winery co-ops.***

Allowing wineries to work in formal collaboration with one another will facilitate a more efficient use of capital, time, equipment, expertise, and other resources; generate additional economic growth of the industry; improve profit margins; and increase state revenue.

***Recommendation 4.10 - Amend Section 109.53, Alcoholic Beverage Code, to exempt winery permits from the 51% ownership requirement to allow for out-of-state investment in Texas wineries.***

Only four other states in the U.S. continue to require residency for the issuance of an alcoholic beverage permit. Maintaining the current 51% ownership requirement, serves no legitimate public purpose and is counter-productive to the long-term development and sustainability of the Texas wine industry by discouraging out-of-state and overseas investment.

***Recommendation 4.11 - Amend the Alcoholic Beverage Code to allow the holder of a winery permit to establish and directly provide the winery's product through a full-service restaurant on the winery premises and serve other alcoholic beverages for the sole purpose of providing an alternative beverage selection for the customers of that restaurant.***

Currently, the holder of a winery permit may own and serve the winery's products at a restaurant located on the winery grounds. However, the winery owner may not serve any other alcoholic beverage in that restaurant. Wineries are becoming popular for banquets, weddings, and other events. While the location and ambiance of a given winery may provide the perfect setting for a meal, banquet or other event, the wine produced by that facility may not be favored by all attendees. The inability of the winery to provide an

array of alcoholic beverages with food service could deter full patronage of the winery and result in a loss of revenues for the permittee and the state.

***Recommendation 4.12 - Amend the Alcoholic Beverage Code to eliminate label approval and testing for wine and, instead, authorize TABC to register federal certificates of approval for these products.***

TABC's wine-approval process duplicates federal processes, serves no clear public health purpose, and creates unnecessary delays in getting products to market. This recommendation was also included in TABC's Sunset Report.

***Recommendation 4.13 - Amend the Alcoholic Beverage Code to update TABC's mission and the Code to better reflect today's alcoholic beverage regulatory environment and its role in public safety issues.***

While TABC's mission, as defined in statute, has always focused on public safety, it does not fully reflect today's social concerns regarding alcohol consumption but, rather, supports a regulatory role reminiscent of the last century's post-prohibition area. This recommendation was also included in TABC's Sunset Report.

***Recommendation 4.14 - Request, by concurrent resolution, a study of the use of the herbicide 2, 4-D in Texas for the purpose of developing a plan to minimize or eliminate the negative impact of that chemical and increase the use of less harmful herbicides in Texas agriculture.***

The application of certain herbicides during the spring can significantly damage tender grape vines and devastate production, resulting in a loss of revenue to the vineyard and the state.

***Recommendation 4.15 - Enact legislation to enable the Texas Department of Transportation to broaden eligibility criteria for highway signage to allow wineries to effectively market themselves to highway travelers.***

Most Texas wineries are small and rely on tourist visits. Currently, the eligibility criteria for highway signage prevent the location of signs that could be beneficial to Texas wineries.

***Recommendation 4.16 - Create a Texas Wine and Grape Growers' board, commission, task force, departmental division, or other appropriate entity to:***

- *develop a long-term vision and marketable identity (Brand Texas) for the Texas wine industry;*
- *plan and coordinate future industry development, funding, research, educational programming, risk-management; and marketing; and*
- *make recommendations to future legislatures regarding funding, statutory changes, and state policies to benefit Texas grape and wine production.*

***The membership of this entity shall be appointed to provide equal representation from the various grape growing regions of the state, weighted to empower Texas vintners and grape-growers and, at a minimum, include representation from:***

- *wineries and vineyards located in both wet and dry areas;*
- *wineries selling through the distribution network;*
- *wineries not represented by a distributor;*
- *viticulture and enology faculty from Texas Colleges and Universities;*
- *Texas wine advocacy and support organizations;*
- *the distribution tier;*
- *the retail tier;*
- *the Governor's Office;*
- *the Texas House and Senate;*
- *the Texas Department of Agriculture;*
- *the Texas Alcoholic Beverage Commission;*
- *the Texas Economic Development Commission;*
- *the State Comptrollers Office;*
- *the Texas Commission on Environmental Quality; and*

- *other individuals, agencies, political subdivisions, chambers of commerce, and organizations as deemed appropriate.*

In order to initiate and build a sustainable long-term industry, it is important that all interested parties work together under a single and united vision. To achieve the objectives set out in the vision, the state and the Texas wine industry must bring together parties that have a stake or other relevant interest in the Texas wine industry. The legislatures of states with significant wine and grape industries have created some type of state entity to assist with the growth and development of those industries.

***Recommendation 4.17 - Enact legislation that will, for not less than ten years, dedicate, for development of the Texas wine-producing industry, no less than 90% of all new sales and excise tax revenues generated by the Texas wine and grape industries after August 31, 2005.***

The creation of new programs and mandates to support the Texas wine and grape industries will require the infusion of new funds. Dedicating new revenues generated by the growth in those industries will incentivize accurate reporting, relieve demand on existing revenues, and provide a portion of the funds necessary to implement strategies to improve the Texas wine and grape industries statewide.

***Recommendation 4.18 - Consider legislation to authorize collection of a voluntary fee or tax on every bottle or gallon of Texas wine sold, to be used for the sole purpose of developing the Texas grape and wine industries.***

A number of successful wine states authorize the imposition of an additional tax or fee on the wine sold in their respective states to support the development and maintenance of their wine and grape industries. Some states also authorize the imposition of these taxes and fees on all wines sold in their state regardless of origin.

***Recommendation 4.19 - Enact legislation that will, for not less than five years, dedicate, for use towards the elimination and eradication of Pierce's Disease and its vector, the Glassy-winged Sharpshooter and other pests, parasites, diseases and other factors that impact the viability of grape and wine production in Texas and other states,***

***no less than 75% of all new sales and excise tax revenues generated by the sale of non-Texas wine after August 31, 2005.***

Pierce's Disease and other factors impact the viability of grape and wine industries throughout the nation. The citizens of Texas benefit from revenues generated by the sale of all wine, and the health of that industry, nationwide, is important to this state. Texas is a natural laboratory for the study of Pierces' disease. Two independent studies have recently confirmed the genetic origin of this insect population is Texas. The dedication of new revenues to this research will facilitate research to benefit all wine-producing states.

***Recommendation 4.20 - Direct the Texas A&M and Texas Tech University Systems, by concurrent resolution or statutory provision, to develop a long-term strategy for expanding our current wine-related educational resources, including the T.V. Munson Viticulture and Enology Center at Grayson Community College, into a comprehensive system of education, training, research, and degree programs to facilitate the development of the Texas wine industry into a world-class competitor. A report on the strategy should be submitted for review and action by the 80<sup>th</sup> Legislature.***

It has been shown by the world's major wine producing regions, that investment into education and research creates an unparalleled advantage. Expansion of the Texas wine industry will need an influx of professional talent and expertise, particularly in the specialized fields of wine production and vineyard development. Nationwide, only universities in California and Washington offer undergraduate degree programs in viticulture and/or enology. We must cultivate students and second career professionals locally to become involved in all local aspects of this emerging industry.

***Recommendation 4.21 - Provide funding sufficient to fully support and enhance existing programs within the state to facilitate growth of the Texas wine-producing industry, to include the following new monies:***

- ***\$50,000 per year for new part-time (0.5 FTE) Extension faculty position in enology (to be paired with Research Enologist);***
- ***\$50,000 per year for Extension viticulture operations;***

- *\$50,000 per year for Extension enology operations;*
- *\$50,000 per year for viticulture research program operations;*
- *\$65,000 (additional) per year to restore full-funding to the Texas Wine Marketing Research Institute;*
- *\$50,000 per year to fund a new part-time faculty position (0.5 FTE) in enology research to be paired with Extension enologist above;*
- *\$30,000 per year for technical support personnel for enology research;*
- *\$50,000 per year to fund enology research program operations;*
- *\$50,000 per year to fund two Graduate Internships; and*
- *\$50,000 per year to fund the associate degree program at T.V. Munson Viticulture and Enology Center at Grayson Community College.*

The provision of research services and objective, research-based viticulture and enology education programs to grape and wine producers are critical to the success of any state's wine industry. They enable producers to remain economically competitive in the marketplace. Although a basic level of viticulture services is currently provided through Texas A&M and Texas Tech Universities, that level is insufficient to adequately meet the needs of existing grape and wine producers, much less nurture and support the growth of these industries.

*Recommendation 4.22 - Encourage, by concurrent resolution, continuing research through the Texas Wine Marketing Research Institute, to include, as funding and information resources allow, a basic comparison of the economic impacts of the Texas, California, New York, North Carolina, Oregon, Virginia, Washington State and other closely competitive wine industries. The data to be compared should be published annually and include for each state:*

- *the number of wineries permitted by the U.S. Alcohol and Tobacco Tax and Trade Bureaus (TTB);*
- *the amount of wine produced, as reported to the TTB;*
- *total wine sales;*
- *excise, sales and franchise taxes paid;*



- *the number of wine grape-growers;*
- *total wine grape acreage;*
- *grape production as reported by the USDA;*
- *the value of the wine grapes grown;*
- *the number of Full-time Equivalent wine industry jobs;*
- *total wages paid;*
- *revenues from wine-related tourism;*
- *the estimated number of visitors;*
- *charitable contributions made;*
- *total economic impact; and*
- *any other information that would prove valuable to the Texas wine industry.*

It is difficult to successfully compete in a market if there is no clear picture of the status of the competition. Although there is a great deal of data available regarding wine industries throughout the United States, there are also great inconsistencies in what data is collected, how it is collected and compiled, what resources are used, what standards are used, in what form the data is published, etc. An annual posting of comparable data from those states in closest competition with Texas should prove to be a valuable tool to our wine industry.

***Recommendation 4.23 - Recognize, by concurrent resolution, the importance of the emerging Texas Wine Industry and request of all relevant agencies of the state and institutions of higher education their best effort to secure, from the federal government or other appropriate resource, any funding or other assistance that might be available to support the protection and growth of the Texas Wine Industry and to serve Texas wines at all state dinners, meetings, conferences and other events and in all state or university facilities where wine or other alcoholic beverages are served.***

Until recently, little effort has been made by the Texas wine industry to solicit services and support from agencies other than the Texas Department of Agriculture and TABC. Industry stakeholders have not been significantly proactive in advocating and soliciting broad-based support for their needs. There are a number of state and federal programs and funding streams that could be accessed to facilitate the growth of the Texas Wine

Industry, and it would be most beneficial to make certain that relevant state agencies are aware of the potential value of the industry and its needs. Additionally, there are occasions where agencies of the state and state institutions of higher education organize, sponsor, or fund events where alcoholic beverages are served. If it is the policy of this state to support the Texas Wine Industry, it is only logical that Texas wines be included at state sponsored events and in state operated facilities where other alcoholic beverages are served.

***Recommendation 4.24 - Memorialize, by concurrent resolution, a request to the members of the Texas Congressional Delegation to recognize the importance of the emerging Texas Wine Industry and work to secure funding and other assistance available at the federal level to support its protection and growth.***

There are a number of federal programs and funding streams that could be accessed to benefit the Texas wine industry. It would be beneficial to make the Texas Congressional Delegation aware of the potential value of the industry and its needs.

***Recommendation 4.25 - Memorialize, by concurrent resolution, a request to the members of the Texas Congressional Delegation to seek amounts of \$2 million for a five-year period for grant funding through the United States Department of Agriculture (USDA) and the Animal Plant and Health Inspection Service (APHIS) for Pierce's Disease research.***

In FY 2005, over \$42 million in federal monies will be appropriated for Pierce's Disease research and intervention. Of that, it is anticipated that \$1.5 - \$2 million will be routed to Texas via California to continue an existing project. Earlier in the year, a loss of these funds was threatened because of decision-makers in California. It would be most beneficial to the Texas Wine Industry to make the Texas Congressional Delegation aware of the potential value of researching Pierce's Disease in Texas and have them seek direct funding for this state.