



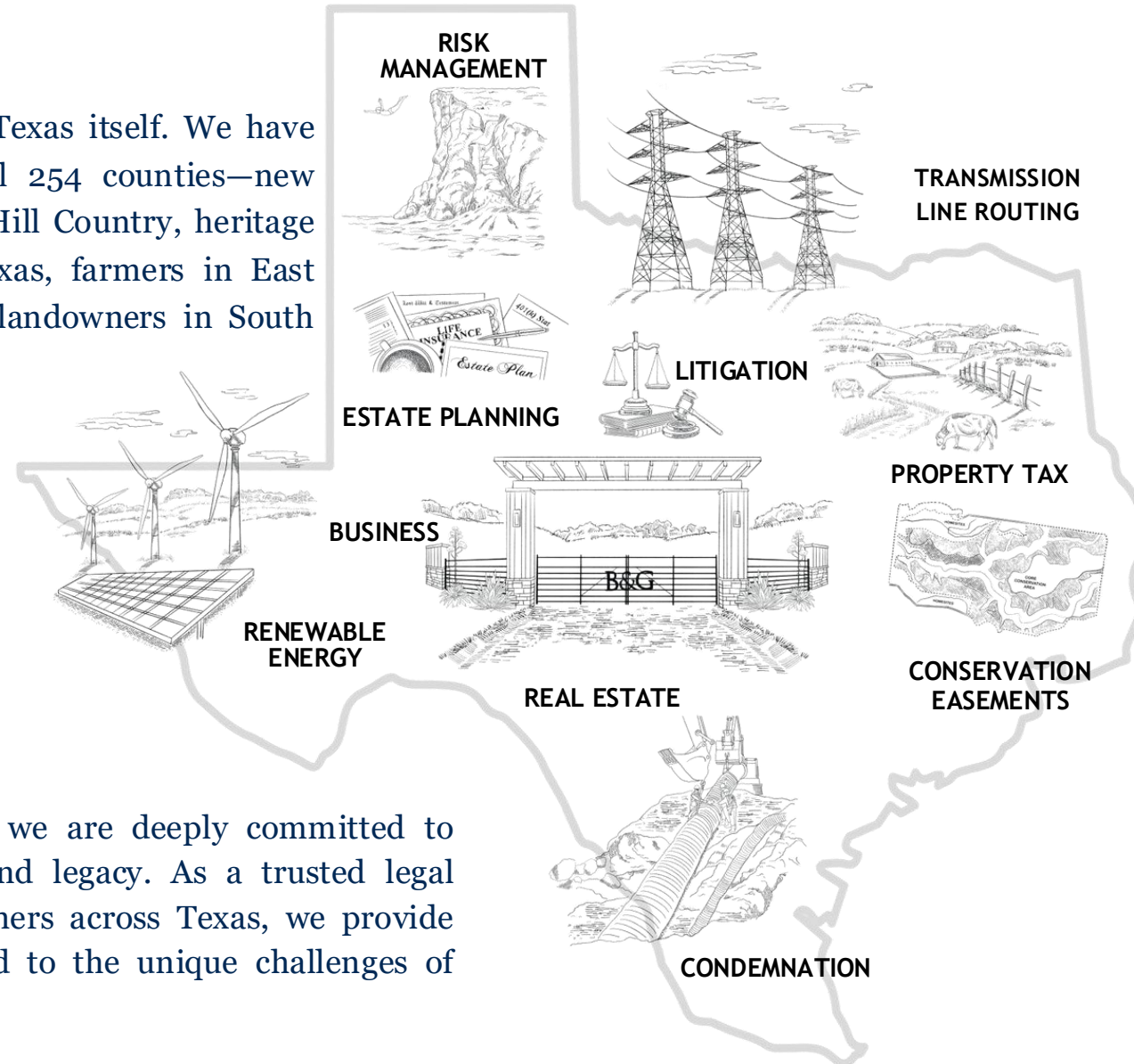
**BRAUN &  
GRESHAM**  
ATTORNEYS AT LAW

# Your Rights: Owning a Winery and Navigating Business Issues



# PRACTICE AREAS

Our clients are as diverse as Texas itself. We have represented landowners in all 254 counties—new rural property owners in the Hill Country, heritage ranching families in West Texas, farmers in East Texas, and multigenerational landowners in South Texas.



At Braun & Gresham, PLLC, we are deeply committed to protecting our client's land and legacy. As a trusted legal partner for rural property owners across Texas, we provide expert, ethical counsel tailored to the unique challenges of land ownership.



## Stephen Ringquist



Stephen Ringquist is a trusted legal advisor to business owners, developers, landowners, and financial institutions navigating complex real estate and business transactions across Texas. With over 20 years of experience, Stephen provides strategic counsel on land development, corporate transactions, land use, commercial real estate, commercial lending, entity structuring, and regulatory compliance—always focused on helping clients close deals, mitigate risk, and maximize long-term value.

## Cahil Murchison



Cahil Murchison joined Braun & Gresham in 2024, where he represents Texas landowners and rural property owners on matters impacting their land and property rights. Raised in the Texas Hill Country, Cahil brings a strong personal connection to agriculture, private property, and the communities shaped by the land. Cahil approaches each client relationship with the understanding that no two matters are the same. He believes effective representation requires close attention to individual needs, clear communication, and prompt, honest guidance.



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# Discussion

- Winery Business Structures
- Texas Land Use & Zoning
- Access, Easements & Roads
- Leasing vs Owning Land
- Purchase and Sale of a Winery
- Contracts and Liability
- Legislative Update

# Why Legal Structure Matters for Wineries

- High-liability business model
- Alcohol, events & public access
- Land-intensive operations
- Long-term family & legacy issues
- Is harder to sell if you do not have legal structure:
  - Commands a lower price
  - Falls apart during due diligence

# Entity Formation and Asset Segregation

- LLC most common for wineries
- Asset protection & flexibility
- Asset segregation – should you separate the land from the business?
- Separate land-holding entities
- Management vs investor members

# Company Agreements & Ownership

- Capital contributions
- Voting rights & control
- Buy-sell provisions
- Death, disability & divorce clauses
- What do buyers and investors look for?
  - Voting authority, transfer restrictions, buy-sell provisions, capital contribution history

# Texas Zoning & Land Use Basics

- Agricultural vs commercial zoning
- County vs city jurisdiction
- Winery & tasting room use
- Event & wedding restrictions
- If selling your winery, unresolved zoning questions may lead to price reductions, escrows or holdbacks, deal termination

# Conditional & Special Use Permits

- CUPs for tasting rooms & events
  - Many CUPs are personal to the Owner, revocable, and subject to modification upon sale
- Noise, traffic & parking issues
- Neighbor objections
- Permit revocation risks
- A buyer of a winery must understand whether the permit survives transfer, whether expansion is allowed, and whether neighbors have standing to object

# Water Rights in Texas

- Rule of Capture
- Groundwater Conservation Districts
- Well permits & limits
- Winery water demand

# Mineral & Surface Estate Conflicts

- Mineral estate dominance
- Oil & gas leases
- Surface damage clauses
- Due diligence before purchase

# Environmental & Ag Exemptions

- Ag valuation requirements
- Rollback tax risk
- Wastewater & runoff
- Pesticide & chemical use

# Texas Hill Country Case Study

- Winery built on ag-exempt land
- Events expanded beyond permit scope
- Neighbor complaints triggered enforcement
- CUP revoked, ag exemption lost
- Significant tax & revenue impact

# Access, Easements & Roads

- Ingress/egress easements
- Shared driveways
- Utility easements
- Event traffic capacity
- Emergency vehicle access

# Owning vs Leasing Vineyard Land

- Control vs flexibility
- Vineyard improvements
- Exit considerations

# Key Lease Provisions Buyers Scrutinize

- Lease duration & Key lease terms
  - Term & renewals
  - Crop failure provisions
  - Maintenance obligations
  - Assignment & sale rights
  - Default and termination provisions

# Purchase and Sale of Winery or Vineyard

- Asset vs stock sale
- Transfer of permits
- Land valuation issues
- Confidentiality

# Separating Land from the Deal

- Sellers who plan early can monetize land separately
- Many buyers want:
  - The winery business
  - A long-term lease on the land
- This allows:
  - Lower purchase price
  - Reduced capital risk
  - Ongoing income for seller

# Insurance for Wineries and Vineyards

- General liability
- Liquor liability
- Property & crop insurance
- Umbrella policies

# Events, Tastings & Liability

- Weddings & private events
- Alcohol liability
- Waivers & contracts
- Security & crowd control



# Common Legal Mistakes for Texas Wineries

- Operating without proper zoning or CUP
- Failing to have legal structure
- Underinsuring events & tastings
- Poor planning for sale or exit from the business

# Key Takeaways for Texas Wineries

- Plan legal structure on the front end
- Plan for sale or exit from the business
- Plan permits early
- Control water & access
- Document everything
- Use experienced counsel

# SB 650: Effective September 2025

- Relating to requiring the use of electronically readable information to verify a purchaser's age in the retail sale of alcoholic beverages.
- Deshawn Jagwan Act
  - Require all establishments selling alcohol to, by January 1, 2027, begin using a system that will swipe identification cards to determine if they are real or fake.
  - Focus is on convenient stores.
  - Excludes holders of a winery permit, certain delivery permits, and restaurants.

# HB 3385

- Relating to the promotion and sale of wine produced in this state; creating a farm winery permit; authorizing a fee.
- Passed House and died in Senate 5/27/25
- Would create a Texas farm winery permit for wineries that produce wine from Texas-grown grapes.
- Texas wine = at least 75% by volume of Texas grown fruit and bottled in-state
- Allow the holder of the farm winery permit to operate up to five tasting rooms per permit and raise production limits to 250,000 gallons annually.
- Create the farm winery marketing assistance fund to promote Texas grown fruit and wineries to drive industry growth.

# SB 1378: Effective September 2025

- Relating to the powers of certain nonresident seller's permit holders who also hold a winery permit.
- Clarifies Section 37.07 of Tx Alc. Bev. Code
- Ensures that nonresident sellers who also hold a winery permit (or their affiliates) are prohibited from selling wine to their own winery operations

# HB 4284

- Relating to an excessive discount on certain alcoholic beverages.
  - Passed House
  - Died in Senate on 5/8/2025
  - Filed on 3/10
- Currently, “excessive discounts” are prohibited on certain alcoholic beverage sales in Chapter 102 of the Alc. Bev. Code
- This bill removes that prohibition



# Questions

*This presentation was made for educational purposes only. This information is not legal advice, and no attorney-client relationship is formed by access to this information. Prior results do not guarantee a similar outcome. If you need legal advice, please consult a qualified attorney.*

# Let's Connect



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