

By: Van de Putte

S.B. No. 1732

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the adjutant general to establish post exchanges on state military property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 5, Alcoholic Beverage Code, is amended by adding Section 5.501 to read as follows:

Sec. 5.501. WAIVER OR REDUCTION OF FEES. The commission may waive or reduce the amount of a fee for a license or permit under this code for a licensed or permitted premises that is located on a post exchange under Section 431.040, Government Code.

SECTION 2. Subchapter B, Chapter 431, Government Code, is amended by adding Section 431.040 to read as follows:

Sec. 431.040. POST EXCHANGES ON STATE MILITARY PROPERTY.

(a) The adjutant general may establish and contract for the operation of not more than three military-type post exchanges similar to those operated by the armed forces of the United States on any real property under the management and control of the department. A post exchange may sell, lease, or rent goods and services, including beer and wine, tobacco products, and prepared foods. The adjutant general may designate facilities located on department property to use for purposes of this section.

(b) The adjutant general shall adopt rules to govern post exchanges established under this section that are similar to the procedures, policies, and restrictions governing exchanges of the

1 Army and Air Force Exchange Service, including rules that require
2 an individual to show identification that indicates that the
3 individual is qualified to buy, lease, or rent goods at the post
4 exchange.

5 (c) The adjutant general may contract with wholesalers,
6 distributors, or suppliers of inventory items for stocking the post
7 exchanges. The adjutant general shall contract with a person to
8 operate a post exchange created under this section.

9 (d) A post exchange may sell, lease, or rent goods and
10 services only to:

11 (1) active, retired, and reserve members of the United
12 States armed services;

13 (2) active and retired members of the state military
14 forces;

15 (3) full-time employees of the adjutant general's
16 department; and

17 (4) dependents of an individual described by
18 Subdivisions (1)-(3).

19 (e) The post exchange services account is a company fund
20 under Section 431.014 and may be used in a manner authorized by the
21 General Appropriations Act for local funds. The post exchange
22 services account is exempt from the application of Sections 403.095
23 and 404.071. The account consists of:

24 (1) money received from the operation of post
25 exchanges created under this section; and

26 (2) all interest attributable to money held in the
27 account.

1 (f) A post exchange created under this section may sell
2 goods and services, including beer and wine, for off-premises
3 consumption if the operator of the exchange holds the appropriate
4 license or permit issued by the Texas Alcoholic Beverage
5 Commission. The department may use appropriated money to purchase
6 alcoholic beverages for sale at a post exchange.

7 (g) Chapter 94, Human Resources Code, does not apply to
8 vending facilities operated at a post exchange.

9 SECTION 3. Subchapter H, Chapter 151, Tax Code, is amended
10 by adding Section 151.344 to read as follows:

11 Sec. 151.344. POST EXCHANGES ON STATE MILITARY PROPERTY. A
12 taxable item sold, leased, or rented to, or stored, used, or
13 consumed by, a post exchange under Section 431.040, Government
14 Code, is exempt from the taxes imposed by this chapter.

15 SECTION 4. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2011.