

1-1 By: Van de Putte S.B. No. 1732
1-2 (In the Senate - Filed March 11, 2011; March 23, 2011, read
1-3 first time and referred to Committee on Veteran Affairs and
1-4 Military Installations; April 11, 2011, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; April 11, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1732 By: Van de Putte
1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to authorizing the adjutant general to operate post
1-11 exchanges on state military property.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter B, Chapter 431, Government Code, is
1-14 amended by adding Section 431.040 to read as follows:

1-15 Sec. 431.040. POST EXCHANGES ON STATE MILITARY PROPERTY.

1-16 (a) The adjutant general may establish and contract for the
1-17 operation of not more than three military-type post exchanges
1-18 similar to those operated by the armed forces of the United States
1-19 on any real property under the management and control of the
1-20 department. A post exchange may sell, lease, or rent goods and
1-21 services, including beer and wine, tobacco products, and prepared
1-22 foods. The adjutant general may designate facilities located on
1-23 department property to use for purposes of this section.

1-24 (b) The adjutant general shall adopt rules to govern post
1-25 exchanges established under this section that are similar to the
1-26 procedures, policies, and restrictions governing exchanges of the
1-27 Army and Air Force Exchange Service, including rules that require
1-28 an individual to show identification that indicates that the
1-29 individual is qualified to buy, lease, or rent goods at the post
1-30 exchange.

1-31 (c) The adjutant general shall contract with a person to
1-32 operate a post exchange created under this section.

1-33 (d) A post exchange may sell, lease, or rent goods and
1-34 services only to:

1-35 (1) active, retired, and reserve members of the United
1-36 States armed services;

1-37 (2) active and retired members of the state military
1-38 forces;

1-39 (3) full-time employees of the adjutant general's
1-40 department; and

1-41 (4) dependents of an individual described by
1-42 Subdivisions (1)-(3).

1-43 (e) The post exchange services account is a company fund
1-44 under Section 431.014 and may be used in a manner authorized by the
1-45 General Appropriations Act for local funds. The post exchange
1-46 services account is exempt from the application of Sections 403.095
1-47 and 404.071. The account consists of:

1-48 (1) money received from the operation of post
1-49 exchanges created under this section; and

1-50 (2) all interest attributable to money held in the
1-51 account.

1-52 (f) A post exchange created under this section may sell
1-53 goods and services, including beer and wine, for off-premises
1-54 consumption if the operator of the exchange holds the appropriate
1-55 license or permit issued by the Texas Alcoholic Beverage
1-56 Commission. The licensee or permittee shall comply in all respects
1-57 with the provisions of the Alcoholic Beverage Code and the rules of
1-58 the Texas Alcoholic Beverage Commission. The department may use
1-59 appropriated money to purchase alcoholic beverages for sale at a
1-60 post exchange.

1-61 (g) Chapter 94, Human Resources Code, does not apply to
1-62 vending facilities operated at a post exchange.

1-63 SECTION 2. Subchapter H, Chapter 151, Tax Code, is amended

2-1 by adding Section 151.344 to read as follows:

2-2 Sec. 151.344. POST EXCHANGES ON STATE MILITARY PROPERTY.

2-3 (a) A taxable item sold, leased, or rented to, or stored, used, or
2-4 consumed by, a post exchange under Section 431.040, Government
2-5 Code, is exempt from the taxes imposed by this chapter.

2-6 (b) A taxable item sold, leased, or rented by a post
2-7 exchange under Section 431.040, Government Code, is exempt from the
2-8 taxes imposed by this chapter.

2-9 SECTION 3. This Act takes effect immediately if it receives
2-10 a vote of two-thirds of all the members elected to each house, as
2-11 provided by Section 39, Article III, Texas Constitution. If this
2-12 Act does not receive the vote necessary for immediate effect, this
2-13 Act takes effect September 1, 2011.

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