

BILL ANALYSIS

Senate Research Center
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H.B. 2735
By: Capriglione; Springer (Hancock)
Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Reports indicate that a number of municipalities face the issue of having annexed small portions of land many years after an initial local beer and wine sales election, and interested parties note that the municipality may need to go through the expensive process of holding another local option election if a developer wants to develop the land and include a box store to sell beer and wine. In order to alleviate this issue, H.B. 2735 seeks to amend the law relating to local option status.

H.B. 2735 amends current law relating to the sale of alcoholic beverages in certain areas annexed by a municipality.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 251.72, Alcoholic Beverage Code, as follows:

Sec. 251.72. CHANGE OF STATUS. Provides that except as provided in Sections 251.725, 251.73 (Prevailing Status: Resolution of Conflicts), and 251.80 (Change in Precinct Boundaries), an authorized voting unit that has exercised or may exercise the right of local option retains the status adopted, whether absolute prohibition or legalization of the sale of alcoholic beverages of one or more of the various types and alcoholic contents on which an issue may be submitted under the terms of Section 501.035 (Issues), Election Code, until that status is changed by a subsequent local option election in the same authorized voting unit.

SECTION 2. Amends Subchapter D, Chapter 251, Alcoholic Beverage Code, by adding Section 251.725, as follows:

Sec. 251.725. CHANGE OF STATUS FOR CERTAIN TERRITORY ANNEXED BY MUNICIPALITY. (a) Provides that this section applies only to a municipality whose local option status allows for the legal sale of beer and wine for off-premise consumption only as a result of a local option election on the applicable ballot issue held on or after January 1, 1985.

(b) Authorizes the governing body of a municipality described by Subsection (a) to adopt an ordinance authorizing the sale of beer and wine for off-premise consumption in an area annexed by the municipality after that election if at the time the ordinance is adopted:

(1) the annexed area is not more than one percent of the total area covered by the municipality;

(2) all of the land in the annexed area is zoned for commercial use only;
and

(3) the annexed area is not adjacent to residential, church, or school property.

SECTION 3. Provides that the change in law made by this Act applies to an area annexed or acquired by a municipality before, on, or after the effective date of this Act.

SECTION 4. Effective date: upon passage or September 1, 2015.