

BILL ANALYSIS

Senate Research Center
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S.B. 785
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, liquor stores can be open between 10 a.m. and 9 p.m. Monday through Saturday, but are not allowed to open at all on Sunday or on New Year's Day, Thanksgiving Day, or Christmas Day (when these days fall on a Sunday they cannot open the following Monday).

Texas is losing state sales tax revenue by suppressing sales on one segment of the alcoholic beverage industry. In January 2013 the Legislative Budget Board estimated that repealing the Sunday liquor sales restrictions would generate \$8.5 million in tax revenue in 2014-2015. Since 2002, 20 states have expanded the retail hours of operation on the sale of distilled spirits, and today, the majority of states—42 in all—allow such sales seven days a week, in at least some parts of the state if not all.

Many Texas families conduct their shopping on weekends, with Sunday being the second busiest shopping day of the week. Forbidding some retailers from opening on Sunday, while allowing other retailers to be open limits consumer choice and the state's ability to collect additional taxes.

S.B. 785 would allow liquor stores to choose which day of the week they close. The bill would allow a liquor store to open on Sunday from noon to 9 p.m. but they would have to close another day of the week.

This compromise ensures that smaller liquor stores, which have objected to being open seven days a week, will not be subject to any additional competitive pressures. S.B. 785 would however provide convenience to the consumer by allowing them to shop when most convenient.

As proposed, S.B. 785 amends current law relating to the hours for the sale or delivery of certain alcoholic beverages.

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 24.07, Alcoholic Beverage Code, as follows:

Sec. 24.07. WHEN LICENSE ALSO HELD: HOURS OF SALE, ETC. Removes the prohibition that a certain permit holder may not sell wine or vinous liquor containing more than 17 percent alcohol by volume on a Sunday. Makes a nonsubstantive change.

SECTION 2. Amends Section 105.01, Alcoholic Beverage Code, as follows:

Sec. 105.01. HOURS OF SALE: LIQUOR. (a) Removes a prohibition against a person, except as provided by Section 105.02 (Hours of Sale: Wholesalers and Local Distributors to Retailers), 105.03 (Hours of Sale: Mixed Beverages), 105.04 (Hours of Sale: Wine and Beer Retailers), and 105.08 (Hours of Sale and Consumption: Winery), selling, offering

for sale, or delivering any liquor on New Year's Day, Thanksgiving Day, Christmas Day, or Sunday.

(b) Prohibits a person from selling or offering for sale liquor on more than six days during a week. Deletes existing text providing that when Christmas Day or New Year's Day falls on a Sunday, Subsection (a) applies to the following Monday.

SECTION 3. Amends Section 105.02, Alcoholic Beverage Code, as follows:

Sec. 105.02. HOURS OF SALE: WHOLESALERS AND LOCAL DISTRIBUTORS TO RETAILERS. (a) Authorizes a holder of a wholesaler's permit to sell, offer for sale, or deliver liquor to a retailer anytime except a day on which a package store permittee is prohibited from selling liquor, rather than except Sunday and Christmas Day.

(b) Authorizes a local distributor's permittee to sell, offer for sale, or deliver liquor to a retailer between 5 a.m. and 9 p.m. on any day except a day on which a package store permittee is prohibited from selling liquor, rather than on any day except Sunday, Christmas Day, or a day on which a package store permittee is prohibited from selling liquor.

SECTION 4. Effective date: September 1, 2019.