

BILL ANALYSIS

Senate Research Center
89R12459 MPF-D

H.B. 4449
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In Texas, local option elections allow communities to decide whether to permit or ban alcohol sales, and current law establishes that such a decision made by the voters remains in place until another election changes it. This creates obstacles when cities annex new areas. In the City of Canyon, voters approved local options in 2014 for the legal sale of beer and wine for off-premises consumption and the legal sale of mixed beverages in restaurants by food and beverage certificate holders. However, newly annexed areas follow stricter county rules that only allow off-premises beer and wine sales, limiting alcohol service options for businesses in annexed areas, making it harder for new restaurants to open, and hindering economic growth in those parts of the city. H.B. 4449 seeks to address this issue by establishing that an area annexed to a municipality that is wholly located in a county containing portions of U.S. Highways 60 and 87 and that has a population of more than 12,000 assumes the wet or dry status of that municipality.

H.B. 4449 amends current law relating to the sale of alcoholic beverages in areas annexed by certain municipalities.

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, to create an exception under Section 251.728.

SECTION 2. Amends Subchapter D, Chapter 251, Alcoholic Beverage Code, by adding Section 251.728, as follows:

Sec. 251.728. CHANGE OF STATUS FOR TERRITORY ANNEXED OR OWNED BY MUNICIPALITIES IN CERTAIN COUNTIES. (a) Provides that this section applies only to a municipality that is wholly located in a county containing a portion of U.S. Highways 60 and 87 and has a population of more than 12,000.

(b) Provides that, notwithstanding any other law, an area annexed to a municipality to which this section applies assumes the wet or dry status of that municipality.

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

SECTION 4. Effective date: September 1, 2025.