

**SUBJECT:** Allowing alcohol advertising on buses and certain vehicles for hire

**COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended

**VOTE:** 7 ayes — Smith, Kuempel, Geren, Gooden, Guillen, Gutierrez, Miles  
0 nays  
2 absent — Price, S. Thompson

**WITNESSES:** For — Kris Bailey, Electric Cab of Austin; (*Registered, but did not testify:* John Deleon; Chris Nielsen; Sam Orellana; David Ring, Tim Turnipseed)  
  
Against — None  
  
On — (*Registered, but did not testify:* Carolyn Beck, Texas Alcoholic Beverages Commission)

**BACKGROUND:** Alcoholic Beverage Code, sec. 108.52 governs permissible outdoor advertising of alcoholic beverages and businesses engaged in the sale, manufacture, or distribution of such beverages.

**DIGEST:** CSHB 1917 would allow the placement of outdoor advertising for alcoholic beverages or for businesses engaged in the manufacture, sale, or distribution of alcoholic beverages on the outside of public transportation passenger vehicles or vehicles for hire, including vans, taxis, limousines, pedicabs, and rickshaws.  
  
The bill would take immediate effect if passed by two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

**SUPPORTERS SAY:** CSHB 1917 would provide a much needed source of advertising revenue for businesses such as taxi and pedicab operators while benefitting public safety in the process.  
  
Taxi, pedicab, and rickshaw operators rely heavily on advertising dollars to support their livelihoods, but current law prohibits the placement of

alcohol-related advertising on such vehicles. CSHB 1917 would benefit these hardworking, small business people by allowing them to collect revenue from the advertisement of alcoholic beverages on their vehicles in addition to the money they collect in passenger fares. The bill also would allow municipalities to profit from the placement of similar ads on the exteriors of city buses and other public transportation vehicles.

By providing a possible source of extra income to the operators of vehicles for hire, the bill would allow taxi, pedicab, and rickshaw operators to keep their fares low, extend service later into the night, and cover a greater geographical area, all of which could create alternatives for consumers of alcoholic beverages who might otherwise present a danger to themselves and others by driving after drinking. To the extent outdoor alcoholic beverage advertising subsidized the operation of such vehicles, the bill could result in real improvements to public safety. CSHB 1917 also would allow municipalities to place ads from businesses in the alcoholic beverage industry on public buses encouraging consumers to “drink responsibly,” which would further reinforce the message to alcohol consumers that drinking and driving do not mix.

The bill also would benefit the alcoholic beverage industry as a whole, including bars, restaurants, distributors, and manufacturers, by allowing advertising for their products to be seen in more places. Increased sales of these products could stimulate the local economy, increase tax revenue, and create more jobs in the industry.

**OPPONENTS  
SAY:**

By allowing the placement of alcohol advertisements on buses, taxis, and similar vehicles, CSHB 1917 would do more harm than good with regard to public safety. The abuse of alcohol is a public health concern associated with many types of detrimental effects. The state should not actively encourage demand for alcoholic beverages, which previous legislatures have recognized by adding limitations on alcohol advertising to the Alcoholic Beverage Code. Advertisements on public transportation and vehicles for hire would send the message that the state implicitly sanctions drinking. Some studies demonstrate these ads may particularly attract the attention of youth passengers, which could contribute to underage drinking and all of the negative consequences that follow. Public transportation and vehicles for hire should seek ad revenue from sources other than industries that directly contribute to public health problems.

It is not clear what effect CSHB 1917 would have on the ability of

municipalities to adopt ordinances that would locally prohibit the display of alcohol advertising on public transportation and vehicles for hire. Several sections of the Alcoholic Beverage Code that generally allow the advertisement of alcoholic beverages in Texas also permit local governments to prohibit the display of such advertising in their communities, which is appropriate in dry areas of the state. For example, Alcoholic Beverage Code, sec. 108.55 allows a municipality to prohibit by ordinance the deployment of billboards, electric signs, or any outdoor advertising of alcohol, and sec. 108.52(g)(2) prevents ads for alcohol from appearing on benches in an area where the sale of alcohol is prohibited by law. The impact CSHB 1917 would have on the ability of local governments to enact similar laws banning the display of alcohol advertisements on public transportation and vehicles for hire is unknown.

NOTES:

The committee substitute differs from the bill as filed in that it removes language from the original that would have confined vehicles carrying alcoholic beverage advertisements to the entertainment districts of municipalities.