

BILL ANALYSIS

Senate Research Center
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S.B. 236
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas laws regulating the hours of operation of alcohol beverages retailers do not treat all retailers the same. Beer and wine retailers are allowed to open 115 hours a week but package stores are only allowed to be open 66 hours a week. Texas law allows all other alcoholic beverage on and off premise retailers—except package stores—to open earlier, close later, and be open on Sunday. Over 38,000 locations are allowed to sell alcohol on Sunday in Texas. Package stores are the only business expressly prohibited from opening on Sunday. Texas is losing sales tax revenue, unfairly singling out one segment of the alcoholic beverage industry, and not allowing the free market system to work efficiently by limiting hours of operation for one segment of the industry while allowing other competitors to be open 75 percent more hours.

S.B. 236 expands the hours of operation for package stores by allowing them to open one hour earlier, at 9 a.m. and close one hour later, at 10 p.m. Monday through Saturday and to be open on Sunday from noon to 10 p.m. If enacted, S.B. 236 allows package stores to compete more fairly with other alcohol beverage retailers. The legislation only affects 2,474 businesses in Texas and is permissive—no one would be required to open on Sunday or to open earlier or remain open later, but those businesses that want to expand their hours of operation would be allowed to do so. Texas should remove intrusive, anti-competitive laws that prevent business owners from determining their days and hours of operation and provide a level playing field for all alcoholic beverage retailers.

As proposed, S.B. 236 amends current law relating to the hours of sale for liquor.

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 105.01, Alcoholic Beverage Code, as follows:

Sec. 105.01. HOURS OF SALE: LIQUOR. Deletes Subsection (a) designation. Provides that no person, except as provided in Sections 105.02 (Hours of Sale), 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), may sell, offer for sale, or deliver any liquor before noon or after 10 p.m. on Sunday or before 9 a.m., rather than before 10 a.m., or after 10 p.m., rather than after 9 p.m., on any other day.

Deletes existing Subsection (b) providing that when Christmas Day or New Year's Day falls on a Sunday, Subsection (a) of this section applies to the following Monday.

SECTION 2. 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 to sell, or deliver liquor to a retailer anytime except Christmas Day, rather than anytime except Sunday and Christmas Day.

(b) Deletes existing text authorizing 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 Sunday. Makes conforming and nonsubstantive changes.

SECTION 3. Effective date: September 1, 2013.