

May 15, 2015

TO: WBDT Members

FROM: Doug Davis

SUBJ: Legislative Update

17 Days Remaining in the Session: At midnight this morning, the Texas House of Representatives formally laid thousands of pieces of legislation to rest. The midnight deadline was the last day that the House could move its bills over to the Senate. This whole week was a constant string of parliamentary maneuvering, jockeying, chubbing, debating, and scurrying towards the finish line. Whether one found disappointment or satisfaction at the end of the road depended entirely on one's perspective. Midnight was good for the beer world. Overall, this week's report remains positive.

WBDT staff remains hopeful that House and Senate budget/tax negotiators will pull the proverbial rabbit out of the hat and avoid a special session. Still no catastrophic breakdowns between the two sides, but plenty of posturing and finger-pointing. The Governor and Glen Hegar (R--Comptroller of Public Accounts) were brought in this week to keep things between the rails. Rumor on the street is that the framework of a deal has been reached, with each side having gotten some of what they wanted. The next step would be for the negotiators to take the components of the package back to their respective Chambers, and piece the votes together. Keep your fingers crossed.

The House Licensing and Administrative Procedures Committee met on Monday, and again on Thursday. The committee heard SB 326 (Sen. Estes, R—Wichita Falls; Rep. Miller, R--New Braunfels), expanding the number of gallons of wine that a winery can sell for off-premise consumption from 35,000 gallons to 180,000 gallons/year. WBDT stands with the package stores and liquor wholesalers in opposition to the bill. The bill is still pending. SB 828 (Sen. Taylor, R--Galveston; Rep. Kuempel, R--Seguin), seeking to expand the amount of liquor that Texas distilleries can sell out of their distilleries escaped the committee on a vote of 6 ayes-2 nays-1 present not voting. The bill had a complex web of intrigue that pushed it out of committee. It has a week to get out of the Calendars committee before it will be eligible for debate in front of the full House.

The Senate Business and Commerce Committee posted another strong week. Neither of the two alcohol bills impact the industry, high-side or low-side. Next week, the committee will continue to hear House bills. The Committee has not posted its agenda. Since we know that nothing harmful to beer got over to the Senate from the House, the realm of disastrous consequence is narrow.

The De Minimis/"Cross-tier" ownership bill and the bill allowing Wal-Mart to sell hard liquor are dead as stand-alone bills. The craft beer industry's legislative package is on life-support. WBDT staff is standing at the ready to be nurse, attending, hospital, hospice, mortician, and gravedigger. Barring far-reaching, unforeseen events, none of these bills are likely to pass either. The bill to increase the number of TABC commissioners from 3 to 5 members failed to get on a calendar prior to last night's deadline. Your staff and lobby team continue to comb the session's remaining bills, watching for amendments and nefarious word smithing.

WBDT staff will continue to keep you apprised of developments in Austin. If you need any assistance, please call Tom, Doug, or Charlie.



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