

May 8, 2015

TO: WBDT Members

FROM: Doug Davis

SUBJ: Legislative Update

24 Days Remaining in the Session: The clock keeps ticking, and the days keep counting down. Next week, the calendar deadlines begin to kick in. On Monday, the House crosses the threshold date for House bills to be out of House committees. Those House bills still in committee on Monday at midnight, stay there for good. Thursday is the last day that the House can pass House bills over to the Senate (with the exception of Local bills). The net effect of these deadlines is to further narrow the scope of the battlefield. Fewer soldiers attacking allows for a more robust defense of the 3-Tier fortress. This week's report remains positive.

The House and Senate budget conferees are still on speaking terms, so that is good news. No catastrophic breakdowns yet. The two chambers are still locked up over tax cuts. The Senate is still looking at property taxes and appraisal reform; the House prefers a cut in the sales tax. Both chambers agree to reform the franchise tax, but are coming at it from different angles. A deal on tax cuts will hopefully avoid a special session--at least one on taxes.

The House Licensing and Administrative Procedures Committee met on Monday. The hearing proved to be uneventful on the alcohol front. Next week's posting includes two bills on the wine and distilled spirits side of the Code. Each creates and/or expands the carve-outs for Texas distillers and "wineries". The committee is set to hear the House companion to SB 326 (Sen. Estes, R—Wichita Falls), 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 package stores and liquor wholesalers in opposition to the bill. The House committee has also posted SB 828 (Sen. Taylor, R--Galveston), seeking to expand the amount of liquor that Texas distilleries can sell out of their distilleries.

The Senate Business and Commerce Committee had a strong week, adjourning without molesting the Alcoholic Beverage Code. Next week, the committee is expected to meet and hear House bills. The Committee has not yet posted its agenda.

The De Minimis/"Cross-tier" ownership bill SB 1198 (Chmn. Eltife, R—Tyler) and the bill allowing Wal-Mart to sell hard liquor (SB 609: Sen. Kelly Hancock, R—North Richland Hills) are still pending in Senate committee. The House companion bills are also stuck in committee. Our best intelligence is that these bills will not be voted out of either House or

Senate committee this session. Staff will reservedly "Trust" and unwaveringly "Verify". HB 688, Vice Chairman Roland Gutierrez's (D--San Antonio) bill to increase the number of TABC commissioners from 3 to 5 members remains in the Calendars committee.

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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