

SUBJECT: Authorizing post exchanges on state military property

COMMITTEE: Defense and Veterans Affairs — committee substitute recommended

VOTE: 9 ayes — Pickett, Sheffield, Berman, Farias, Flynn, Landtroop, Perry, Scott, V. Taylor

0 nays

SENATE VOTE: On final passage, April 21 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — (*Registered, but did not testify:* Ray Lindner, National Guard Association of Texas)

Against — None

On — (*Registered, but did not testify:* John Nichols, Adjutant General)

DIGEST: CSSB 1732 would allow the adjutant general to establish up to three post exchanges on a state military property. The adjutant general would have to develop rules to ensure these post exchanges would be operated similarly to those run by the U.S. armed forces.

The post exchange could sell, lease, or rent various goods and services, including prepared foods, tobacco products, and beer and wine, but not distilled spirits. The post exchange would have to comply with any rules, including the need for any alcohol permit or license, of the Texas Alcoholic Beverage Commission.

Only current and retired members of the state military forces, full-time adjutant general employees, active, retired, and reserve members of the U.S. armed services, and the dependents of these individuals could buy, lease, or rent goods and services from the post exchange.

All the goods and services sold would be tax exempt. All funds received and interest earned would go to the company fund under the authority of the commanding officer and could be spent as authorized by the general appropriations act.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS
SAY:**

The U.S. armed forces operate post exchanges on various military bases, making consumer goods and services more affordable for service members. CSSB 1732 would extend this same privilege to Texas state servicemen and women. These post exchanges are not intended to incentivize use of various goods and services, but rather to reward the military for their service.

**OPPONENTS
SAY:**

While Texas should extend post exchange privileges to its state military forces similar to those extended to national military forces, the adjutant general should not incentivize the consumption of beer, wine, and tobacco products by making them tax exempt.

NOTES:

The House committee substitute differs from the Senate-passed version of the bill by specifying that distilled spirits could not be sold at a post exchange and deleting a provision that would have allowed the Adjutant General Department to use appropriated money to purchase alcoholic beverages for sale at a post exchange.

The House companion bill, HB 475 by Guillen, was considered in a public hearing on March 10 by the House Defense and Veterans Affairs Committee and was reported favorably, as substituted, and recommended for the Local, Consent, and Resolutions Calendar on March 17.