

SUBJECT: Allowing the sale of alcohol at Texas State Railroad Authority stations

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 9 ayes — T. King, Goldman, Guillen, Harless, Herrero, K. King, Kuempel, Paddie, S. Thompson

0 nays

2 absent — Geren, Hernandez

WITNESSES: For — None

Against — None

On — Bentley Nettles, Texas Alcoholic Beverage Commission;
(*Registered, but did not testify:* Thomas Graham, Texas Alcoholic Beverage Commission)

BACKGROUND: Alcoholic Beverage Code sec. 48.03 allows the Texas Alcoholic Beverage Commission to issue permits to allow the sale of alcoholic beverages on passenger trains.

DIGEST: HB 2196 would allow the Texas State Railroad Authority to contract with retailers for the sale of alcoholic beverages at the authority's train stations.

The bill would take effect September 1, 2019.

SUPPORTERS SAY: HB 2196 would allow the Texas State Railroad Authority to contract with retailers to sell alcoholic beverages at its train stations, expanding the positive economic impact the railroad already provides to surrounding areas. The railroad attracts many visitors every year, and allowing the sale of alcoholic beverages at its stations could increase its draw as a tourist attraction and positively impact local economies.

The bill also would introduce additional competition into local markets and provide more opportunities for buyers and sellers of alcohol, further strengthening local economies.

In order for a retailer to sell alcohol at a railroad authority train station, the retailer would have to go through local permitting processes as well as the permitting process of the Texas Alcohol and Beverage Commission.

**OPPONENTS
SAY:**

HB 2196 could reduce the revenues of local businesses that rely on selling alcohol to tourists. If passengers were allowed to buy alcohol at train stations, they could be less likely to visit local shops or other retailers that sold alcohol.