

- SUBJECT:** Allowing alcohol to be sold in areas annexed by the City of Elkhart
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 9 ayes — S. Thompson, Darby, Ellzey, Fierro, Geren, Guillen, Hernandez, Huberty, Pacheco
- 0 nays
- 2 absent — Kuempel, Goldman
- WITNESSES:** For — (*Registered, but did not testify:* Todd Kercheval, Wine and Spirits Wholesalers of Texas; Lance Lively, Texas Package Stores Association; Thomas Parkinson)
- Against — None
- On — (*Registered, but did not testify:* Thomas Graham, Texas Alcoholic Beverage Commission)
- BACKGROUND:** Alcoholic Beverage Code sec. 251.72 specifies that an authorized voting unit that has exercised or may exercise the right of local option retains its status on the prohibition or legalization of alcoholic beverage sales until a local option election is held to change that status.
- DIGEST:** HB 1729 would automatically extend the wet or dry status of a municipality that contains U.S. Highway 287 and State Highway 294 and is located in a county with a population of not less than 57,000 and not more than 59,000 on September 1, 2021, (City of Elkhart) to an area annexed by the municipality before, on, or after the effective date of the bill.
- The bill would take effect September 1, 2021.
- SUPPORTERS** HB 1729 would treat areas annexed into Elkhart the same as the rest of

SAY: city by allowing businesses in these areas to sell certain alcoholic beverages, while bypassing a costly local option election. This policy change has the support of the city council and mayor of Elkhart, and would help small businesses recover from the economic impact of the COVID-19 pandemic while raising local sales tax revenue.

HB 1729 would not bypass the residents of Elkhart because the bill was requested by city leaders and businesses. The city does not have an upcoming local election in 2022 and does not have the funds to conduct a special election due to the economic impact of COVID-19.

**CRITICS
SAY:** HB 1729 would provide a waiver to businesses to sell alcohol in an area designated dry by the will of the voters. The decision to determine whether an area is wet or dry should be made by voters at the local level, not by the Legislature.