



## 87<sup>th</sup> Texas Legislative Session Review

The 87th Session of the Texas Legislature officially concluded and was gaveled Sine Die, on Monday, May 31st. This was a session like no other, given the overlay of the COVID-19 pandemic, a new House Speaker in Dade Phelan, as well as the unprecedented winter storm in February. Despite all of the associated challenges, the Texas Retailers Association (TRA) team went to work on your behalf in the halls of the Capitol building, both virtually and in person, to deliver one of the most successful outcomes for retailers from any state legislative session in recent memory.

TRA fought very hard to pass good legislation, which included successful outcomes on many of our identified priority issues. On balance, TRA had a very good legislative session, getting most key TRA priorities passed into law, as well as playing effective defense on potentially harmful bills, and leaving only one major issue to continue to be worked on during the interim, most likely during a soon to be announced special session. More than 6,800 bills were filed during the 87th Texas Legislature and just over 1000 were sent to the Governor's desk. TRA actively tracked over 400 bills and hundreds more amendments directly impacting the retail industry.

Session highlights include successfully having bills filed on all our priority issues and defending our industry against bad legislation. Specifically, TRA supported business-friendly proposals, as TRA's members companies are already significantly regulated, licensed, inspected, and taxed by the State of Texas. TRA supported bills which allowed our members to continue to provide excellent customer service and top-quality products, while promoting continued business success.

- **COVID-19 Response** - TRA supported the state's actions during the pandemic and appreciated the broad impact and guidance given by our elected officials. During the 87<sup>th</sup> session, TRA supported measures to provide workable solutions to the retail community across Texas to enable our members to keep our customers and employees safe and healthy while continuing to provide our community with essential needs and services throughout the pandemic and into the future.

**SB 6 (passed and on the Governor's desk)** - Chief among TRA's COVID-19 related legislative efforts is support for liability protections for retailers against meritless legal claims due to the COVID-19 pandemic. SB 6 is the result of our efforts, along with those of our pro-business partners to pass protection that will allow retailers to continue to serve their communities and devote resources to those efforts rather than baseless lawsuits. TRA is pleased to have been a leader in the successful efforts to pass SB 6.

[HB 1195](#) (passed and signed by the Governor) – TRA was proud to help lead the successful effort to make sure that federal Paycheck Protection Program (PPP) loans to businesses during the COVID-19 pandemic, would be excluded from total revenue calculations for purposes of the Texas franchise tax.

- **Taxes on Retail Businesses** - TRA supports tax relief, as retailers across Texas are constantly subject to increasing taxes and/or fees. Texas business property taxes continue to serve as a significant disadvantage to the retail industry in our state. Tax relief is not selective; it benefits large and small businesses equally and attracts greater investment in the Texas economy.

[SB 153](#) (passed and on the Governor's desk) – TRA was proud to successfully lead the charge on this important bill for Texas retailers and work with Sen. Charles Perry to clarify that payment processing fees are not a taxable service under current Texas Tax Code. This important clarification in the law, which was a retailer initiative from start to finish, will benefit businesses across Texas.

TRA continues to support inventory property tax relief and will continue to work toward it during this interim, as well as next session. Retailers across Texas are subject to increasingly higher property taxes, not only on their retail space but also on the inventories on their shelves. Inventory property tax relief is not selective; it benefits large and small businesses equally and attracts greater investment in the Texas economy.

- **Winter Storm Relief** – TRA, along with many of our member companies, immediately engaged on the response and recovery from the effects of the February winter storm. This included legislative efforts to protect and harden the Texas electrical grid so that it can much better withstand subsequent winter storms going forward.

[SB 3](#) (passed and on the Governor's desk) – Requires preparing for, preventing, and responding to weather emergencies and power outages.

- **General Business** – TRA and our member companies also led on collective efforts regarding other major bills which directly relate to retailer's abilities to operate in the least restrictive manner.

[HB 19](#) (passed and on the Governor's desk) – As a member of the *Keep Texas Trucking* coalition, TRA worked with our partners to successfully pass legislation which will help ensure the “rules of the road” for highway accident cases are applied in a uniform and fair manner in all Texas courtrooms. In turn, this will save retailers and businesses operating commercial vehicles in Texas from bankruptcies and closures by freeing up money currently spent paying sky-high insurance premiums for more productive purposes.

[HB 3746](#) (passed and on the Governor's desk) – TRA served as a member of the *Data Privacy* coalition, which worked to ensure that data privacy legislation introduced this session was not burdensome to business. Specifically, TRA worked with member companies engaged with the coalition to help shape HB 3746, which requires certain notifications following a breach of security of computerized data, to make sure the requirements are feasible for retailers.

A related bill ([HB 3745](#)), which TRA supported and would have established prohibitions regarding the use of computerized bots to make on-line purchases, was awaiting Senate floor action when the final deadline came.

**[HB 1518](#) (passed and on the Governor's desk)** – A significant win for TRA's members who sell beer and wine. Retailers who sell beer & wine will now be allowed to begin selling product at 10:00AM on Sundays.

**[SB 1668](#) (passed and on the Governor's desk)** - Simplifies the licensing process for dispensing propane into a cylinder in Texas at retail establishments while maintaining the highest standards of safety and training set forth by the Propane Education and Research Council (PERC).

- **Wage & Labor Issues** - TRA supports passing statewide legislation that would preempt local governments from unilaterally enacting negative local employment and labor laws mandating employer benefits, employer hiring practices, scheduling, and other daily operational business practices.

**[SB 14](#) (Conf Cmte report died awaiting final passage in House on last day of session)**– For the past three years, TRA has been a leader within the pro-business ASSET coalition seeking state preemption of wage and labor ordinances at the local level. As was the case last session, this was one of TRA's top priorities this session. Even though our work on this issue moved along much smoother and much less controversial than last session, bad luck kept SB 14 from the Governor's desk this session.....at least for now.

Unfortunately, although the conference committee report for SB 14 was on the House calendar for final passage on Sunday night, we had the bad luck that it was behind [SB 7](#), the controversial election integrity bill. As most of you are likely aware, the debate on SB 7 resulted in the Texas House no longer having a quorum and shortly before 11pm on Sunday night (with an hour remaining until the final deadline) the House adjourned, effectively killing SB 7 and everything else on the calendar which had yet to be heard, including SB 14.

Given that SB 14 was at the absolute last step in the process and that we had an agreed to conference committee report, TRA and our ASSET coalition partners have already been in contact with the Governor's office regarding including SB 14 in the Special Session which we know is on the horizon.

- **Organized Retail Crime (ORC)** - TRA supports efforts to address the significant growth of Organized Retail Crime (ORC). Retailers are seeing more cases and higher losses as organized crime continues to target them. Retailers and online marketplaces are making significant investments to prevent these crimes.

**[HB 3852](#) (died awaiting House floor vote)** – TRA supported this legislative effort to help protect consumers from unknowingly purchasing stolen merchandise originating from ORC activity, aid law enforcement in tracking those engaged in ORC, and to make it more difficult for bad actors to sell illicit goods. Although, this bill only made it through a part of the legislative process, we

were successful in not only getting a bill filed, heard in committee, and also voted favorably out of committee, thereby bringing needed awareness to this important issue. We would especially like to recognize State Rep. John Raney for championing this bill on behalf of the retail community.

- **Success in all Phases** – In addition to our major success in passing the vast majority of our priority bills, TRA also lobbied against bills that would have created new burdensome requirements or were bad policy for businesses across Texas. Issues ranging from new labeling requirements of certain foods, to regulating how all knives are displayed for sale, to new and onerous recycling requirements, and arbitrary restrictions of foods that can be purchased through some state programs, are examples of the defense TRA played on behalf of our members this session.

Special thanks go to the TRA members whose help proved invaluable throughout the session, and since this was no ordinary session, it took a total team effort to achieve the great success we did this session. Contributions ranged from help from members who have government affairs staff in Austin, who lent their resources to work in collaboration with our team, to those who testified, wrote letters and emails, made calls, or met virtually with their Legislators. Another significant show of force by TRA this session was our Texas Retail Industry Lobby Day, which we turned into a great virtual event, and included usage of digital technology to geo-fence the State Capitol complex on Lobby Day to increase our presence. The bottom line is that we could not have done it without **YOU**, especially during this most unique of legislative sessions. Thanks for all your help and engagement in our legislative success this session.

**George Kelemen**

President/CEO

gkelemen@txretailers.org

**Jim Sheer**

TRA Chief Lobbyist

jsheer@mwcllc.com

**Gary Huddleston**

Food Industry Consultant

ghuddleston@txretailers.org

**Diana Cardona**

VP of Operations

dcardona@txretailers.org