

**DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES**

Testimony submitted by Dale Szyndrowski, VP Government Relations
In support of S.B. 595

Texas Senate Business and Commerce Committee
March 8, 2011



My name is Dale Szyndrowski, Vice President of Government Relations for the Distilled Spirits Council of the United States (DISCUS), a national trade association representing leading manufacturers and marketers of distilled spirits in the United States. I am also a resident of Plano, Texas. I am testifying today in support of S.B. 595, which would remove the statewide ban on Sunday sales of distilled spirits and allow package stores the option to open for business.

This change, as recommended by the Texas State Legislative Budget Board in its Government Effectiveness and Efficiency Report issued this year, would provide consumers in Texas with significant added convenience as well as increased revenues for the State Treasury. According to the Legislative Budget Board recommendations, Texas stands to gain \$7.4 million in new revenue (biennially). Other analyses show upwards of \$12 million (biennially). Sunday sales surely won't erase the deficit, but every little bit helps in this difficult economy.

Across the country, more and more states are modernizing alcohol sales laws to permit Sunday sales. Since 2002, 14 states have repealed their Sunday liquor bans for a total of 36 states – including our neighbors New Mexico, Arkansas, Louisiana and even Mexico.

There are a number of reasons states are making these changes:

- State legislators are recognizing that Sunday sales are an innovative way to raise revenue without having to further raise taxes on the hospitality industry.
- Sunday has become an important retail day, in fact, the second busiest shopping day of the week. In today's society, the majority of families are comprised of dual income adults who do most of their shopping on the weekend.
- Allowing the sale of spirits at package stores on Sunday gives adult consumers more choices and added convenience. Shoppers also tend to spend as much as 21% more on Sunday than any other day of the week because they have more leisure time to shop.

A recent national economic analysis of states that allowed Sunday sales between 2002 and 2005 (12 states) showed that in 2006 each state saw an average of 5-7 percent increase in tax revenues with zero negative social impact, such as drunk driving or underage drinking.

Texans clearly don't have a problem with buying or selling alcohol on Sundays. There are more than 30,000 locations in Texas that *already* sell beer and wine every Sunday. The ban on Sunday sales exists only for the state's 2,400 package stores. Protecting these package store owners with a government sanctioned day off from competition not only inconveniences consumers but it also harms the enterprising package store owners who want to compete and grow their businesses.

Anti-competitive sales bans simply do not have a place in today's marketplace. The hospitality industry is slowly rebounding from the recession but the recovery remains fragile. The government's role should be to foster competition, not to hold small businesses back from generating increased sales and important tax revenue for the state. It's important to note that this legislation does not require package store owners to open on Sunday; it simply gives them the freedom and flexibility to make this commercial business decision for themselves.

Some opposed to Sunday spirits sales base their objections on the misguided belief that allowing package stores to open on Sunday will increase alcohol abuse. We have looked carefully at the data and this is not the case. According to an analysis of U.S. government data on alcohol related traffic fatalities, there is no statistical difference in states that allow Sunday sales compared to those that do not. Further, Mothers Against Drunk Driving has said they do not oppose the responsible sale of alcohol, including on Sunday.

Nor will the passage of this bill result in increased underage drinking. Just last month, the Federal government issued a survey showing that 93.4 percent of 12 to 14 year-olds who drink alcohol, received their alcohol for free from non-commercial sources such as adult family members, older friends or from someone else's home. The law clearly states that if you are under twenty-one you cannot purchase alcohol. Certainly, the laws that pertain to beverage alcohol purchases remain the same whether alcohol is purchased on a Tuesday, a Wednesday or a Sunday.

Sunday sales of spirits has strong support by consumers throughout the state and a large number of package stores want to have the opportunity to service their customers with the convenience of Sunday sales. We urge you to also support S.B. 595. Allowing Sunday sales will bring convenience to consumers, boosts for local businesses and additional tax revenue for the state. Mr. Chairman, Members of the Committee, I would be happy to answer any questions you may have.