



TRA NEWSLETTER

News affecting Retailers & Grocers in Texas Industry

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Texas Retailers Newsletter: August 2017

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Letter from the President



Hello Texas Retailers!

I hope everyone has had a great summer and is ready for the Back to School shopping season. It's been a busy and exciting 30 days since our last newsletter. It was great to see many of you at the annual Texas Retailers Forum in late July. What a great event we had this year! Whether you were able to be with us at this year's Forum or not, be sure to check the TRA website for a [great recap](#). We are already busy working on the planning for the 2018 Forum, which will be in Corpus Christi next July. We'll have more details on that in next month's newsletter, so for now, enjoy reliving the success of this year's Forum.

The 2017 Texas Retailers Forum truly was where TRA members and the retail industry in Texas

gathered to learn, network and have fun. We took last year's successful inaugural Forum to the next level with this year's event. Featuring an excellent agenda of topical, educational and information sessions, along with a truly memorable keynote speaker in Mark McKinnon, and a fantastic industry awards dinner, the 2017 Forum raised the bar. Additionally, the nightly Hospitality Suite, Casino Night closing night party and the TRAPAC golf outing were among the Forum favorites. New this year (and going forward into the future) was the focus on the work of the Texas Retailers Education Foundation (TREF). I am pleased to report that record proceeds were raised for TREF and TRA-PAC from this year's Forum silent auction and raffle. The enhanced visibility and awareness TREF received from the Forum has established another key fundraising opportunity for our education foundation. We look forward to having the Forum serve as a growing piece of TREF's funding and awareness during the years ahead. Likewise, the TRA-PAC funds raised through the raffle and the golf outing added to our PAC account. It was great to see our members recognizing TRA's renewed advocacy prowess through their generous contributions to our PAC fundraisers at this year's Forum. None of this year's Forum success would have happened without the great line-up of sponsors, exhibitors, speakers, attendees, and last but not least, the TRA staff, which is one of the best association staff teams around. Thanks to everyone who helped make the 2017 TRA Forum a huge success, which yet again, set a new standard for TRA events.

Along with putting on a great event at the Forum, the TRA staff has also been very busy with our advocacy work over the past month. The first Special Session of the 85th Texas Legislature began on July 18th and concluded on August 15th. Governor Abbott called the Legislature back into session to meet on 20 varied issues, ranging from schools, to local governance issues, to taxes and bathrooms. Since July 18th TRA and its members and allies have been monitoring the proceedings of the special session very closely to ensure that no new laws which would be harmful to our industry gain any traction or pass. Even from before the start of the special session we maintained our very aggressive defensive posture that worked so successfully for us during the regular session. As the special session wound down, we can report that all is calm regarding any potential problematic issues for our industry. Now that the special session has ended, we will be issuing a recap of the special session early next week.

At the federal level, TRA's efforts on tax reform, specifically in pushing back on the proposed Border Adjustment Tax (BAT) continued with a mid-July trip to Washington, DC to once again walk the halls of Congress during the annual NRF fly-in. TRA representatives met with members of the Texas Congressional delegation to discuss our priority issues, specifically our opposition to the BAT. This trip was even more timely, since it came at a critical juncture in the planning for Tax Reform legislation in the fall. A couple of weeks after our return, Congressional leaders and the White House announced their updated plans for pursuing Tax Reform after the August recess and for the first time in almost a year, there was no mention of a Border Adjustment Tax being included in DRAFT legislation to be introduced next month. While this is a huge, positive step for our industry; as they say, the devil is in the details, so we'll be eagerly awaiting a look at the Tax Reform legislative language to confirm that we have indeed accomplished our goal of killing the BAT. Thanks to everyone who has helped in our effort to push back against the BAT this year, especially all those TRA members who have taken time to join us for Congressional office visits in Washington, DC or here at home, as well as those who have stood with TRA in the various public events we have conducted as part of this effort. Be sure to check out the Legislative Update which includes a recent piece from Matt Shay, CEO of the National Retail Federation, regarding the latest on Tax reform.

As this very busy summer season begins to wind down, I hope you all have the opportunity to get some downtime to get refreshed for the second half of the year.

As always, please don't hesitate to contact the TRA team or me at any time.

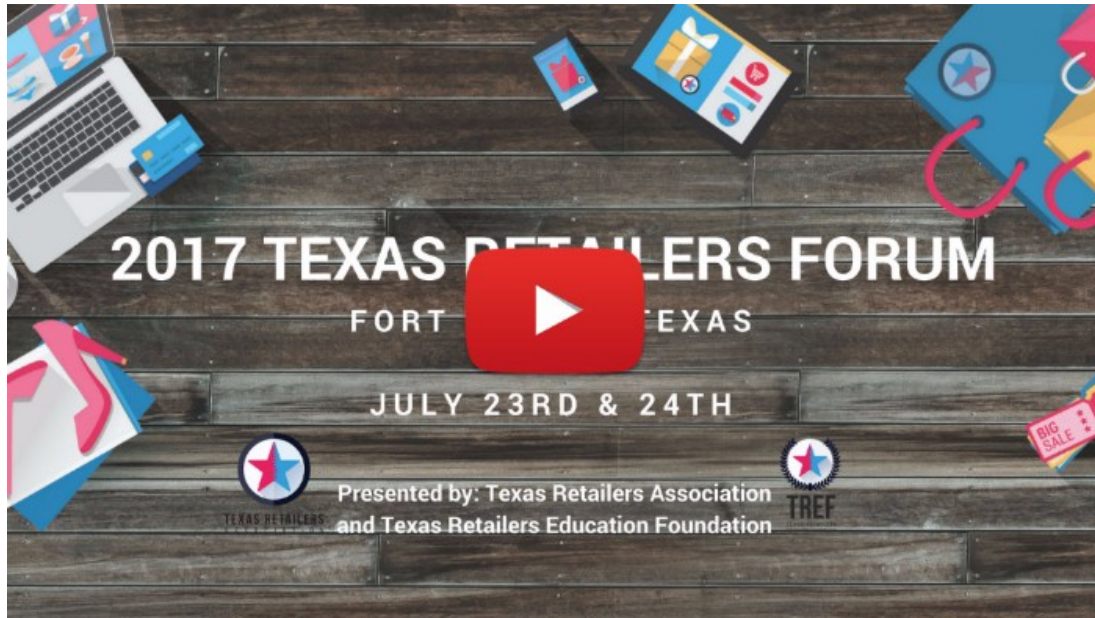
Thank you for your support of TRA.

Sincerely,



Texas Retailers Association
President/CEO

2017 Texas Retailers Forum Wrap Up!



See a Wrap Up of the 2017 Texas Retailers Forum!

Legislative Update



The 30-day Special Session of the Texas Legislature has moved by quickly with lots of activity in the halls of the Capitol. Governor Abbott called the members back first, to address unfinished business from the regular session including passing sunset legislation that would allow key medical oversight agencies to continue to operate and provide essential services to the state. After seeing significant progress on those bills, Governor Abbott then expanded the call, adding 20 additional items ranging from property taxes to privacy and from tree ordinances to school finance. Things started off at a blinding pace with the Senate passing versions of almost all of the Governors priorities within the first few days of the session while the House has taken their time, deliberating at a much slower pace. Only in the last week have both chambers been able to agree on any of these issues, sending the first bills to the governor's desk with only 6 days remaining in the session.

Now that the special session has ended, TRA will provide a thorough summary on all of the issues. The big question still remains whether any of the issues that did not get resolved are important enough for the Governor to bring them back to Austin for a second 30-day Special Session. We will continue to monitor developments closely and keep you up to date on any emerging issues.

[Jim Sheer](#)

VP of Government & Regulatory Affairs

Tax Reform Without BAT is Tax Reform We Can Support

It isn't a done deal yet, but House Republicans seem to be backing away from their proposal for a \$1 trillion border adjustment tax that could drive up prices as much as \$1,700 a year for the average family. And that's good news for retailers, consumers and our nation's economy.

The first sign came earlier this summer when House Ways and Means Committee Chairman Kevin Brady proposed phasing in the BAT over five years rather than imposing the 20 percent tax on imports immediately after passage. The move was meant to appease concerns from groups like NRF that believe the BAT Would be a massive tax hike based on unproven economic theory. But we responded that doing it more slowly wouldn't make it any less harmful.



Shortly after, House Speaker Paul Ryan – the primary architect of the BAT Along with Brady – gave a major speech on tax reform. And guess what he didn't mention? The BAT.

Speaking before the National Association of Manufacturers, Ryan did discuss the goal of increasing U.S. exports. But rather than citing the BAT (which would tax imports in order to make exports tax-free), he acknowledged that “there are a number of ways to achieve this.”

It's hard to prove a negative, so Ryan leaving BAT out of his tax reform speech is not as definitive as proactively saying it is no longer part of his tax reform plan. But considering that BAT had been a cornerstone of the GOP tax plan until then, its absence certainly

seemed significant.

In his speech, Ryan said a lot of things that we agree on in terms of closing loopholes that benefit only some industries and using the tax revenue saved to reduce rates for all businesses. The current 35 percent U.S. corporate tax rate is the highest in the industrialized world and is holding American companies back from competing in the global economy.

The speaker's admission that there is more than one way to get tax reform done is very encouraging. This is a sign that he and Brady and others are being responsive to the concerns they have heard and recognize the politics of the situation. It's not just importers who are opposed to the BAT – Treasury Secretary Steve Mnuchin has expressed concern, and Republican members of the Senate have voiced significant discomfort.

Retailers are the nation's biggest champion of tax reform. Our industry pays the highest effective tax rate of any sector of the economy, so we will be out there working tirelessly to get reform across the finish line.

There is a long way to go on reform, as Ryan pointed out, and none of us want to give up until we get there. NRF has been very clear about the need for tax reform, and we are willing to be just as vocal in support of a plan that does not include the BAT as we have been in opposition to one that does.

Matt Shay
President & CEO
National Retail Federation (NRF)

Matt Shay currently serves as President & CEO of the National Retail Federation (NRF). This article originally appeared in the President's Page of the STORES August 2017 issue. Learn more about NRF at nrf.com.

TRA Members in D.C. for NRF's Annual Fly-In





My Summer Internship at TRA from Angela Shipp, 2017 Summer Intern



This summer, I was the marketing intern for the Texas Retailers Association. I learned valuable marketing skills from the way TRA interacts with its members and learned a lot about the association. During my internship, I not only helped prepare for the Texas Retailers Forum, but I also had the opportunity to attend President George W. Bush's 'Portraits of Courage Event' and experience Special Session at the Texas State Capitol.

My internship with the Texas Retailers Association was definitely one to remember. George, Jim, Justin, and Diana were so great to work with and I learned from each and every one of them. I have such great role models to look up to going into my senior year at Texas A&M University. I wish everyone the best of luck and can't wait to see TRA grow!

Member Spotlight: Stage Stores

BEALLS
GOODY'S
PALAIS ROYAL
Peebles
STAGE



STAGE

Stage Stores (NYSE:SSI), headquartered in Houston, Texas, is a leading retailer of trend-right, name-

brand values for apparel, accessories, cosmetics, footwear and home goods for the entire family. The company operates in 42 states through 793 Bealls, Goody's, Palais Royal, Peebles and Stage specialty department stores, with 226 of the stores in Texas and 57 Gordmans off-price stores, as well as an e-commerce website at www.stage.com.

The website features merchandise found in its stores, as well as products available exclusively online. Stage Stores has raised over \$10 million since 2012 as part of their Community Counts program. Customers can connect to Stage Stores via Facebook, Pinterest, Twitter, Instagram or opt-in to receive exceptional offers and coupons by email and mobile. For more information about Stage Stores, visit the Company's website at corporate.stage.com.



2018 Texas Retailers Education Foundation (TREF) Golf Tournament



Texas Retailers Golf Tournament *Benefiting the Texas Retailers Education Foundation*

Eagle Pointe Golf Club
12440 Eagle Pointe Dr.
Mont Belvieu, Texas 77535

8:00AM Friday, April 20, 2018
8:30AM Shotgun Start

Individual Fee: \$175 | Golf Foursome: \$700 | Sponsorships Available!

Donations Welcome!

Donations of premium quality items for this year's tournament are welcome!

Examples include:

- Gift Certificates
- Golf Balls
- Golf Tees
- Golf Towels
- Prizes

Contact Information

Justin Williamson
jwilliamson@txretailers.org
(512) 472-8261 X 106

The Texas Retailer's Association will be hosting the TREF Scholarship Golf Classic to help raise funds to help support TREF's several secondary and higher education retail industry scholarships and educational programs.

Recipients of TREF funds include the University of Houston Downtown's Retail Management Program, University of Houston's Retailing & Consumer Science School Lockhart ISD, University of Texas Tyler, Tyler Junior College, and the Texas A&M Center of Retailing Studies.

Join us for a fun day of golf for a great cause. For information on how to sign up to play or to sponsor,

contact Justin Williamson at jwilliamson@txretailers.org.

TREF is a 501 (c) 3 organization, and contributions are tax deductible.

Learn More About the 2018 TREF Golf Tournament!

Grocers Corner - In the Cart



Congress Delays Compliance Date for New SNAP Rules; Revised Rules Coming

NATSO Industry Newsletter, May 2017

Congress has passed and President Trump has signed legislation containing a provision requiring the Department of Agriculture to rewrite a provision of the [SNAP retailer eligibility rule](#) issued in late 2016. That rule's new requirements, which were scheduled to take effect on May 17, 2017, will now be delayed until the Department of Agriculture can rewrite them to comport with Congress's new directives. To read the entire article and the explanation given for the delay, please [click here](#).

FDA Issues Proposed Guidance on Distributing Free Samples of Tobacco Products

NATSO Industry Newsletter, March 2017

The U.S. Food and Drug Administration's (FDA) Center for Tobacco Products has released a proposed guidance document explaining how manufacturers, distributors, and retailers can comply with the agency's prohibition against distributing free samples of tobacco products. Specifically, the guidance outlines the situations in which the sale of tobacco products – including e-cigarettes – to consumers at

less than their full price (e.g., coupons, discounts, rewards programs, etc.) would not violate the ban. Please [click here](#) to read the entire article.

Texas WIC Program Update

Split Tender

TX WIC Program has made several updates to policies and to authorized products as we head into a new contract year. The most important is that all WIC Vendors must be able to process Split Tender transactions by September 30, 2017. As of 12:01 am on October 1, if your POS System can't process a Split Tender transaction, your contract will be voided. TX WIC is following federal guidelines regarding this policy. Any new vendors applying to WIC or any new vendor outlets opening effective August 1 will be required to process Split Tender transactions as of 8/1/17. Vendor compliance for this new rule is found in WV: 01.0. WIC Policies 0.1, 0.8 and 0.10 were updated this year.

Your Compliance team may want to visit the WIC Vendor Policies located at: http://www.dshs.texas.gov/wichd/policy/table_of_contents.shtm

Vendor Training

Just a reminder that it is a requirement that one representative from each vendor outlet, or a new WIC Vendor must complete an approved interactive training class annually. Texas WIC web site lists regularly scheduled webinars that allow each vendor to remain in compliance with this requirement. Failure to have a representative from each vendor location attend this interactive training annually will result in the loss of your vendor contract. Please [click here](#) to see compliance note TX WIC is sending out to those vendors who haven't attended the live (webinar) training. In addition any front end employees (owners, managers and management staff, cashiers, stockers, administrative clerks, front end clerks) must take the current online WIC Vendor Training Program that is also available on this WIC web page. The WIC compliance note they are sending out on this is issue can be found [here](#).

You might also go to the TX WIC Web site and you can see the number of webinars currently scheduled that might fit your schedule or log on if your team needs just the on line training. The link is: http://www.dshs.texas.gov/wichd/tng/on-site_vendor-cal.shtm

Authorized WIC Products

TX WIC also recently released a list of new authorized products that will be available for purchase effective October 1, 2017. Please [click here](#) to review those new items. In addition, The 18 and 36 oz. of Malt O Meal products in addition to few other authorized WIC items will be deleted effective January 1, 2018. This gives the vendors time to move out any inventory. The Malt O Meal products are being deleted due to the company's reformulation and the new formulation doesn't meet WIC standards for Iron supplements.

TX WIC Vendor Contact

In this day and age of technology, more and more communication is being processed via e-mail and the elimination of paper communication. When your WIC vendor contract is approved, each contract requires a corporate contact (one) and all of their contact information that TX WIC will use to send out

correspondence on the vendor contract, compliance issues, vendor alerts, and program updates. It is the WIC Vendor's responsibility to make sure the information on file is correct and current. Currently, information coming from WIC regarding policy, compliance, product changes, program changes, or contracts would be electronically sent to this one individual. The form used to communicate this person's contact information to WIC is found at: <http://www.dshs.texas.gov/wichd/vo/vendor-contact-update.aspx>

BUT... Texas WIC has agreed to allow vendors to add a second/back-up person to the corporate contact list. It will only be for information regarding policy changes, product changes, compliance issues or program changes. The second/back-up person will not be involved in the contract process. It is highly recommend that each WIC Vendor have a second/back-up person to receive this type information so that communication between WIC and the vendor is transmitted to all vendor locations and vendor employees to insure compliance with any proposed changes the communication might contain. Click on this [link](#) to download the form to fill out for your second/back-up contact. Once completed send the form to: [DSHS WIC Vendor Relations](#)

SNAP Program Statistics Update

SNAP Program participation continues to remain basically flat with a very slight decline over a twelve month period. The Program continues to maintain an average dollar benefit per household of \$271.00 which equals the twelve month rolling average. A look back, indicates last year there was slight uptick in participation.

Numbers provided by FNS (Food Nutrition Service) that lag 2-3 months behind the statistics TX posts, you can see we don't show the greater declines in participation or in benefit dollars available to SNAP or WIC participates as our neighboring states or even the national average. Please contact Joe Williams – jwilliams@txretailers.org or 936-258-3414 if you have any questions regarding the statistics update.

Month	Cases	Participates	Dollars	Avg. per Case
Jun 17	1,628,291	3,839,907	\$439,662,775.00	\$271.00
Jul 17	1,633,091	3,847,807	\$442,187,772.00	\$271.00

Twelve Month Rolling Average

Jun-Jul	1,644,092	3,884,992	\$445,658,646.00	\$271.00
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Look Back To Last Year (2016) at This Time

Jul 16	1,632,846	3,870,216	\$443,905,999.00	\$272.00
Aug 16	1,649,090	3,911,802	\$449,422,292.00	\$273.00

How do we compare on SNAP participation to our neighbors and nation-wide? Latest information is May 17 versus May 16.

State	Participation	Households/Cases	Benefits/Dollars
National	<-4.6%>	<3.9%>	<5.1%>
Texas	<-0.5%>	0.00	<-0.8%>
Louisiana	<-4.1%>	<-2.8%>	<-5.3%>
Arkansas	<-6.7%>	<-7.6%>	<-8.4%>
Oklahoma	<-2.4%>	<-1.6%>	<-1.5%>
New Mexico	<-4.3%>	<-2.0%>	<-5.3%>

How do we compare on WIC Program participation to our neighbors and nation-wide? The latest numbers available are July 17 compared to July 16.

State	Participation
National Average	<-5.7%>
Texas	<-4.3%>
Louisiana	<-6.0%>
Arkansas	<-5.0%>
Oklahoma	<-4.7%>
New Mexico	<-0.6%>

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STRATEGIES

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About the Texas Retailers Association

The Texas Retailers Association (TRA) is a 501(c) 6 non-profit organization dedicated to keeping Texas “retail friendly” for business owners through legislative advocacy. Since 1926, our diverse membership has represented every segment of the retail industry throughout Texas – from the smallest neighborhood store to the largest corporate chain. Recognized as the Voice of Texas Retail, TRA effectively advocates for Texas retailers at the State and Federal level while providing value-added services and partner programs for its members. Visit www.txretailers.org and join today!

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TRA Members

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