

Texas Retailers Newsletter: February 2019



Hello Texas Retailers:

February is here and 2019 is officially in full swing. The 86th session of the Texas Legislature has fully geared up and is off and running, and with the federal government shutdown resolved for now Congress is also up and running. Additionally, TRA is planning two great member events this year—our biannual Lobby Day at the Texas Capitol coming up on March 20th and annual Texas Retailers Forum this summer. Work is well under way with the Forum as well, as we recently announced that our Federal Legislative Champion for 2019 will be Congressman Will Hurd. We are excited to have Congressman Hurd join us in Austin in July. Information on how you can attend both events can be found below in the newsletter.

At the state level, the Texas Legislature is now operating on all cylinders, given that committee assignments have been made and committee hearings are already underway. Additionally, Governor Abbott laid out his priorities during the State of the State Address early this month, which has set the legislative process in motion. The TRA team has already been busy meeting with key elected officials regarding TRA's legislative priorities for this session. Among our top priorities is our ongoing work to reduce or eliminate the outdated inventory tax on property, as well as the fight against burdensome wage and labor laws and ordinances. On the inventory tax, we have picked up early indications that there may be an appetite to address it in some form this session, which would be significant progress in what has become a multi-session effort. Retailers can be assured that TRA has a key seat at the table on this important priority issue. Additionally, TRA is leading the effort, along with many of Texas' top business industry groups, in pushing back on anti-business wage and labor initiatives through our work on the Alliance for Securing and Strengthening the Economy in Texas (ASSET) coalition. ASSET collectively represents millions of employers and employees in the Lone Star State who believe that employment and business operational decisions are best left to private employers – not government. More information, as well as legislative updates on our effort, can be found about ASSET in this newsletter and at <http://assettexas.com/>. One of the highlights for TRA every session is our Lobby Day at the Texas Capitol. Our lobby day this session will be on Wednesday, March 20th. Make plans to join us here in Austin for our always successful Texas Retailers Lobby Day at the Capitol. As a reminder, our hotel block for Lobby Day expires on February 24th; if you will need a hotel room for March 19th or 20th, or both, please book your room now. For more information about Lobby Day and to [register to attend click here](#).

At the federal level, we received good news on January 25th, with the announcement that the 35 day long partial shutdown of the federal government was over. As of this writing, the federal government, including USDA, is funded until midnight February 15th. It's our hope that funding will be appropriated by that date to extend federal government funding to avoid another shutdown. Throughout the shutdown in December and January, the TRA team worked closely with our contacts at USDA headquarters in Washington, DC, as well as with our colleagues at NGA and FMI, to monitor and stay up to date on the impact the shutdown was having on the SNAP and WIC programs. Additionally, we were able to keep our grocery members

who participate in SNAP as retailers, updated in real-time. TRA will continue to keep members updated on developments related to federal government funding, as well as being prepared should there be another shutdown.

Lastly, registration for the annual Texas Retailers Forum is now open. Join us this summer, here in Austin at the Omni Barton Creek resort on July 29th for our annual industry showcase event, which will provide retailers with timely, topical and quality sessions and speakers. Attendees will have the opportunity to meet with retail industry leaders from across the state and country at networking functions such as our Awards Dinner, networking breaks, and our popular closing night casino party. Registration and sponsorship details and information about both great events is inside this newsletter. Make plans now to secure your company's spot at this can't miss event.

As always, thank you for supporting TRA.

Sincerely,



President/CEO
Texas Retailers Association

Legislative Update



Now that legislative committees have been announced ([House](#) – [Senate](#)), we expect that bills will start being heard in committees in mid-February. The Texas Constitution, however prohibits any legislation from passing for the first 60 days of each regular legislative session. This means that bills will start to be heard in committees, but cannot be passed by either chamber until after March 8th. The only exceptions to this rule are items declared “emergencies” by the Governor.

On February 5th, the Governor declared six issues as emergency items: school finance reform; teacher pay increase; school safety; property tax relief; disaster response and creating a Texas Mental Health Consortium. The Legislature will dig into these emergency items immediately and they will likely remain a priority for many lawmakers throughout session.

Big news on property tax reform has been dominating the news cycle as the House and Senate filed identical “property tax reform” bills, which were declared emergency issues by the Governor. HB 2 and SB 2 lowers the rollback rate from 8% to 2.5% for property taxes in school districts, cities, and counties with more than \$15 million in combined tax revenue. If one of these taxing units proposes a rate that exceeds 2.5%, then an automatic ratification election would take place in November. While revenue caps are not a new approach, the amount of those caps has been a point of contention between the chambers in the past. Last session, the House wanted a 6% limit, while the Senate wanted a 4% limit and no resolution was reached before time ran out.

In other news, we are seeing our priority issues quickly gaining traction, both inventory tax relief legislation and the 28-day SNAP distribution schedule bills have been filed and more are expected soon.

Thus far, we are tracking approximately 200 bills for TRA and I anticipate that number will quickly increase as legislators continue their work between now and the bill filing deadline March 8th.

For more information on the legislative process, TRA's priority bills and news from the Capitol, please join us weekly for the TRA Tax and Legislative Conference Call.

Texas Retailers 86th Legislative Session Priorities

The Texas Retailers Association (TRA) has prepared legislative priorities for the 86th Texas Legislature. Collectively, TRA represents more than 320,000 retail establishments and over 3.5 million jobs across the state. The association supports all levels of Texas retail including grocery stores, chains and single location small businesses.

TRA's goal is to keep Texas "retail-friendly" and ensure that legislative action is taken to protect business owners so that they can continue to employ hardworking Texans and serve communities across the great state of Texas.

- **TRA supports a business-friendly regulatory environment.** TRA member companies are regulated, licensed, inspected, and taxed by agencies in Texas and appreciate the Legislature's efforts to continue to make Texas retail friendly. TRA supports regulation that is reasonable and that allows our members to continue to provide excellent customer service, top quality products and continued business success in the retail industry. TRA appreciates the various approaches our membership takes to providing these services and supports their efforts to make those choices independently without unnecessary regulatory burdens imposed by either the state or local governments. Additionally, in light of, the South Dakota v. Wayfair decision by the United States Supreme Court, TRA and its member-companies look forward to continuing work with our state's elected officials to implement any legislation, rules, and regulations in a way that reflects the spirit of the level playing field for all retailers envisioned by the Court's ruling.

- **TRA supports Texas customers and communities.** All TRA members provide the best service to all of their customers and communities and do so in a variety of ways. Whether providing food, clothing and essential supplies during the recent hurricanes, flooding and other natural disasters or providing school supplies and medication to those in need across the state, TRA's members go above and beyond to support the customers that support their businesses. Our members coordinate closely with local, state and federal authorities in efforts to make sure our communities thrive throughout the year.

- **TRA supports property tax relief.** Retailers across Texas are subject to increasingly higher and higher property taxes, not only on their retail space but also on the inventories on their shelves. Texas business property taxes continue to serve as a significant disadvantage to the retail industry in our state. Inventory taxes stacked on top of ever rising taxes being assessed on our buildings drive costs up for our businesses and ultimately the customers we serve. Retail property across the state is unique in its position in the market and we support a regulatory framework that allows for accurate and fair valuation of that property.

86TH LEGISLATIVE SESSION PRIORITIES:

- **LOCAL EMPLOYMENT ORDINANCE PRE-EMPTION** - TRA will support 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.

- **INVENTORY TAX RELIEF** - TRA supports inventory property tax relief and repeal. Texas is one of only a handful of states that allows local property taxes to be assessed on retail inventories. Those other states are not states with whom Texas normally competes for new business and economic development opportunities. Additionally, inventory property tax relief is not selective, it benefits large and small businesses equally and attracts greater investment in the Texas economy.

- **SNAP DISTRIBUTION SCHEDULE** – Many TRA members participate in the Supplemental Nutrition and Assistance Program (SNAP) and want to do so as effectively and efficiently as possible to maximize customer experiences. Insuring product

availability to our customers while also allowing retailers to manage employees and inventories is essential in this process. To do so, TRA will advocate to broaden the SNAP distribution schedule from its current 15 days to 28 days. This will provide both customers and businesses with a more even and predictable shopping experiences across the state.

ASSET



The Alliance for Securing and Strengthening the Economy in Texas today, February 12th, released the following statement regarding the of filing Senate Bill 15 by Sen. Brandon Creighton and House Bill 1654 by Rep. Craig Goldman, or the Consistent Employment Regulations bills:

“Private employment regulations are a statewide issue and a critical part of what makes Texas economically competitive. It’s the Legislature’s responsibility to make sure Texas’ regulatory and economic policies are consistent and streamlined and help grow jobs, not hamper job growth,” ASSET Spokesperson Annie Spilman said. “Texans from both sides of the aisle support consistent statewide employment policies over an unnecessary patchwork of regulations. These bills are critical to cutting red tape and encouraging job growth and investment in every part of Texas.”

“Any type of regulation is a burden and a cost that business owners have to navigate in order to grow, expand and profit, but it’s particularly hard in a state as large as Texas where a patchwork quilt of regulations drives up the cost of doing business, and for some people, will drive them out of doing business,” Gov. Greg Abbott said. “That’s why I’m proud of legislation that’s being offered up by Sen. Creighton and Rep. Goldman that would slash through regulations proposed at the local level that would slow down or hinder small businesses in the state of Texas.”

Senate Bill 15 and House Bill 1654 establish consistent private employment regulations for Texas, rather than a patchwork network of local regulations that can hamper economic development and drive away jobs in certain areas of the state. The bills protect existing local nondiscrimination ordinances that have been passed by cities and chambers of commerce to attract jobs and investment.

An inconsistent patchwork of employment regulations creates massive compliance issues and bureaucratic hurdles for employers of all sizes that operate in multiple jurisdictions across the state, in addition to unnecessary confusion for their employees. Streamlined, statewide employment regulations allow job creators to spend less time fighting through a web of red tape—including differing and multiplying local policies, paperwork, city administrators, penalties, fines, employee handbooks and more—and more time investing in their employees, their businesses and their communities.

Texans overwhelmingly support consistent employment regulations. In a recent poll, 63 percent of Texans said they do not want to enact a patchwork of local regulations by allowing cities to regulate private employment practices, and 76 percent said the Legislature should make sure laws and regulations are uniform across the state. Further, 86 percent of Republicans, 73 percent of Democrats and 69 percent of Independents agreed that labor regulations should not vary by city, creating confusion and compliance issues for employers and employees.

ASSET is a non-profit coalition of job creation organizations that fights for policies that fuel the engines of our economy and protect Texas businesses from invasive and burdensome government regulations. ASSET collectively represents millions of employers and employees in the Lone Star State who believe employment and business operational decisions are best left to private employers, not government. To learn more about ASSET and its mission [click here](#) or visit www.ASETTexas.com.

Texas Retail Lobby Day



[RSVP today for the 2019 Texas Retail Lobby Day!](#) The event will be held on **Wednesday March 20, 2019** at the Sheraton Austin Hotel at the Capitol and attendance is free for all members! If you have already RSVP'd, thank you! Nothing else is needed at this time and more detailed information will be sent out closer to the date.

Complimentary of TRA, there will be transportation to and from Dallas and Houston. If you are coming to Austin on your own, we do have a host hotel, The Sheraton Austin Hotel at the Capitol, [where you can book a hotel room at a discounted rate](#). Please take advantage of our discounted rates and book before February 15th! Hotels in Austin become very limited during session so booking early is the best option if you are wanting to stay in Austin before or after Lobby Day.

Texas Retailers End of Year Video

Thank you to all our members who made 2018 an incredible year for the Texas Retailers Association! Please take a moment and watch our [end of year video](#) to relive the great moments TRA had in 2018.

Texas Retailers Forum



The 2019 Texas Retailers Forum will be held at the Omni Barton Creek on July 29th, 2019 in Austin, TX. The Texas Retailers Forum will be one full day of breakout sessions, educational panels, an awards dinner and closing night party. We will also be

honoring Representative Will Hurd as the Federal Legislative Champion. The Texas Retailers are very excited for our annual conference and hope you can join!

Registration for members is \$350 and non-members is \$700. This includes all meals, educational opportunities, breakout sessions, and your tickets to the dinner and closing night party. [Click here to register today!](#)

Member Spotlight: Luggage Shop of Lubbock



The Luggage Shop of Lubbock is featured in our Member Spotlight this month! Tiffany Williams has done tremendous work on the Hill the past couple of months in order to raise awareness on the impacts tariffs have on big and small retailers. The trade war is a battle that will affect all retailers and we are glad we have a TRA Member on the forefront trying to achieve better trade deals through negotiations. Below, you will find news clips that showcase the hard work she has put in along with the National Retail Federation. Congrats on all you are doing!

[Click Here to see her most recent trip to Washington D.C](#)

[National Retail Federation Tweet with Interview](#)

TREF Scholarship Application is Open!



[Click here](#) to learn more and see if your students and high school seniors qualify! Two scholarships will be given out to two students who will be going into a retail focused program at a select number of universities and colleges. Applications now open and will close April 1st. Apply online!

Plastic Container Theft Task Force



The Texas Retailers Association launched the Operation S.T.O.P.P. initiative in 2013 in Houston, TX in response to the overwhelming plastic container losses our retail members report each year. Plastic crate theft is considered a felony and our mission is to recover crates and stop this organized crime.

When you opt in to the Plastic Container Theft Task Force, you have a very high chance of getting your plastic crates and containers back. This program is designed specifically for retailers who are victims of plastic container theft and who want to save money by recovering their stolen property. If your company wants to acquire stolen goods back or wants to help prevent future organized retail crime, [please click here for details on opting-in](#) to the Plastic Container Theft Task Force.

TRA-Endorsed Energy Solutions Provider: Amerex Energy Services



A TRA-endorsed service provider since 2002, Amerex is the largest OTC(wholesale) natural gas, electricity and emissions trader in North America. Their real-time involvement in the wholesale energy market and their customized service has consistently yielded significant cost savings to TRA members. [Click Here to Learn More](#)

Contact: Brandi Peck, bpeck@amerexenergy.com, 281.340.5308
www.amerexenergyservices.com

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TRA-Endorsed Insurance Provider: ANCO Insurance



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We go the extra mile for you!



Agents Cassie Doolittle and Gina O'Hara

ANCO insurance is TRA's endorsed provider for the full range of insurance coverages for your business, including property, general liability, auto, workers compensation, occupational accident, life, group health and disability. You can count on an insurance program customized for your business with a commitment to serving TRA's membership and providing personal attention to each client. ANCO is known for superior customer service standards, quick response times to calls & emails, along with individual care.

Contact: Gina O'Hara, ohara@anco.com or
Cassie Doolittle, doolittle@anco.com, 512.330.9836 x 6340

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Grocers Corner- In the Cart

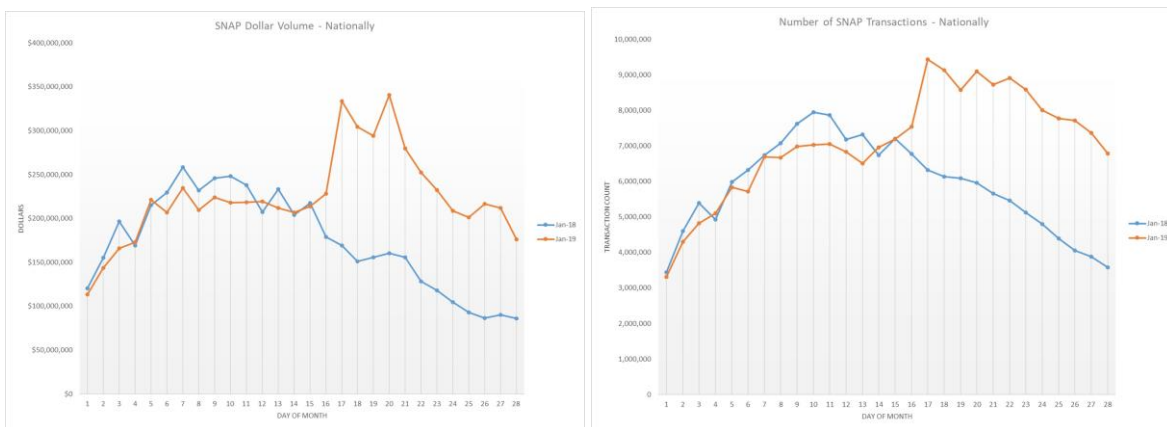


The next Food Council Call will be on March 13th at 2:00PM. If you would like to participate in the call, please dial 972-497-2499. The conference code is 177204.

WIC/SNAP Program Statistics Update

The partial government shutdown effected the distribution of SNAP benefits. The SNAP benefits for January were distributed as normal during the first 15 days. Then the USDA made the decision to distribute the February benefits early due to the shutdown: a one time distribution on January 20. This created more SNAP business at the end of the month for supermarkets. Now for March the SNAP benefits will be distributed between March 1 and March 7. It appears, unless something changes, the April benefits will be back to normal with the distribution between April 1 and April 15. TRA is working with the State Legislature to change the SNAP distribution from the first 15 days to the entire month. This would spread out the SNAP business and provide for better stock levels. Attached is a chart showing the SNAP redemption nationally after the special distribution in January.

The other benefit program: WIC did not have any changes to the distribution due to the partial shutdown, nor do we see any for the future.



The Texas Retailers Association has received information on the **March Early Issuance Benefit Schedule**. Please see below the note sent from Maria Gomez, the Operations Lead for the Lone Star Business Services at the Texas Health and Human Services Commission:

"Please find attached the revised shutdown FAQs with information on early benefit issuance for March 2019.

The FAQ informs clients that benefits will be issued between March 1 and March 7, instead of the normal issuance between the 1st and 15th of the month. A letter will be mailed to all SNAP clients later this month that informs them about this change.

HHSC is working to get cardholders back to the normal issuance schedule, while still considering the 40 day issuance rule. Please let me know if you have any questions.

Will SNAP benefits be issued in March?

Yes. Benefits will be put on your Lone Star Card on a date based on the last digit of your EDG number. See the chart below to find your date."

If your SNAP EDG number ends in:	You will get March benefits on:
0 or 5	March 1
1 or 6	March 3
2 or 7	March 5
3 or 8	March 6
4 or 9	March 7



The retail industry is one of the most generous industries with contributions that help families and communities where stores operate. One recent example of this was the Souper Bowl of Caring. This is a food drive connected with the Super Bowl. Super Bowl Sunday is one of the largest food consumption days of the year. Yet, many people go without a good meal on this day and many others. Several major supermarkets in Texas along with Food Banks and the media came together to raise funds and product for the Food Bank. Sponsors included Albertson's, H.E.B., Kroger, Tom Thumb, Randall's and Market Street as well as the major market television, newspaper and outdoor advertisers. Many of these sponsors like the supermarkets and Clear Channel outdoor are members of TRA. This years' results were outstanding with over \$5.7 million in funds and food donated to the Austin Food Bank, Houston Food Bank, North Texas Food Bank, Tarrant Area Food Bank and others. What is remarkable about this Food Drive is the fact supermarkets who are competitors everyday came together in one effort to help thousands of people with meals.

Due to the one time distribution of SNAP benefits, the comparison statistics to last year are not available. WIC redemption continues to be about 4% less than last year.

The new WIC posters are available. To order please [click here](#) or call 800-252-9629.

Please contact Gary Huddleston ghuddleston@txretailers.org or 972-670-6814 if you have any questions regarding the statistics update.

2019 National Grocers Association Show

Each year, The NGA Show brings together independent retailers and wholesalers, food retail industry executives, food/CPG manufacturers and service providers for unparalleled opportunities to learn, engage, share, network, and innovate. NGA is the only industry association devoted exclusively to the needs of independent grocers. Given today's ever-changing marketplace and evolving advancements in innovation occurring in the food retail industry, The NGA Show is a must-attend event.

Over the course of three days, attendees have the opportunity to:

- Take part in over 40 education workshops, to bring home ideas that are guaranteed to drive profitable growth to your company
- Visit an EXPO floor designed to optimize business relationships between retailers and manufacturers and service suppliers, which features innovative and game-changing products and solutions
- Network with peers and industry leaders

Members of the Texas Retailers Association receive a 15% discount on registration for the 2019 NGA Show [using this link](#). [Learn more about the 2019 NGA Show!](#)

Grocery Prices Trending Upward

Rising production and transportation costs are lifting grocery prices, pushing manufacturers and retailers to find ways to soften the impact on consumers, according to consumer packaged goods (CPG) sales and marketing firm Acosta. [To continue reading click here.](#)





TEXAS RETAILERS
ASSOCIATION

<p>2019 TEXAS RETAILERS FORUM</p>	<p>2019 TEXAS RETAIL INDUSTRY LOBBY DAY</p>	<p>2019 TREF GOLF TOURNAMENT</p>
<p>OMNIBARTON CREEK RESORT & SPA AUSTIN, TX JULY 29, 2019</p>	<p>SHERATON AUSTIN HOTEL AT THE CAPITOL AUSTIN, TX MARCH 20, 2019</p>	<p>WILDCAT GOLF CLUB HOUSTON, TX MAY 3, 2019</p>

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Your FedEx and UPS Shipments Will Be More Expensive in 2019

FedEx and UPS rates are going up in 2019, and it's more important than ever that TRA members know how to mitigate the impact to their business. PartnerShip®, the benefit provider that manages the [TRA Shipping Program](#), has analyzed the new rate charts so TRA members can accurately prepare for the year ahead. [Download the free white paper](#) to see a break down of where you'll find the highest increases and get a simplified explanation of the complicated changes you need to be aware of.

Click Here to Learn More!



The Small Business Series, a U.S. Chamber of Commerce event in collaboration with MetLife, is coming to Houston in 2019! Check out the exciting speaker lineup and programming for the March 5th Master Class <http://bit.ly/HoustonSmallBiz>. There's nothing small about small business!

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