



TRA NEWSLETTER

News affecting Retailers & Grocers in Texas Industry

Sponsored By

President Circle Members

Texas Retailers Newsletter: September 2018



Hello TRA members!

As you all know, this summer was a very busy and successful one for TRA on many fronts. We had some big advocacy/ policy successes both here in Texas and in Washington, DC, had a great third annual TRA Forum, and at the end of the summer transitioned TRA Board Chairs. I'd like to take this opportunity give a huge thank you to Amber Gustafson, owner of Amber's Designs, who just completed her two-year term as TRA's Board Chair. During Amber's tenure as TRA Board Chair, the association truly moved to the next level in terms of member service and advocacy. Thanks to Amber for her support, leadership and guidance over these past two years. Amber is now serving a two-year term as TRA's immediate past Chair. With Amber's term ending, TRA ushered in a new Board Chair on September 1 - Luke Gustafson (no relation), Vice President of Retail Operations for Brookshire Brothers. Luke is the new TRA Board Chair, and we are excited about what his two-year term will bring for TRA. Please join me in thanking Amber for her service to TRA and also on congratulating Luke on his new role as TRA's Board Chair.

As we have previously covered in this newsletter, the U.S. Supreme Court ruled in favor of the retail industry on the e-fairness case (Wayfair v. South Dakota) in late June, essentially leveling

the playing field for all retailers when it comes to collecting sales tax, regardless of physical presence. Since then, the TRA team has spent countless hours working with industry colleagues, tax experts, as well as with the Texas Comptroller, Glenn Hegar and his team, as the process to implement the Wafair decision in Texas begins. Rest assured, TRA very much has a seat at the table to ensure the smoothest transition for Texas retailers. As of now the timeline for full implementation of Wayfair in Texas is projected to be between July and October of 2019. Additionally, we continue to educate state lawmakers on our priority issues going into the next Texas legislative session: the inventory tax and why it is so detrimental to business in Texas, preempting the Austin Paid Sick Leave ordinance and other burdensome wage and labor initiatives like it, and Dark store taxing issues. All these issues are being actively pushed as we work to educate state lawmakers, as well as candidates for the State Legislature on the issues that matter most to Texas retailers in advance of the next state legislative session, which begins in January.

On the federal level, Congress went back into session on Sept. 4th and TRA staff and members were in Washington, DC for most of last week to lobby members of the Texas delegation directly regarding our top federal priority issues. Specifically, Technical Corrections to the new Tax Reform law, which would yield the actual and intended property improvement depreciation benefit, Tariffs and the Farm Bill. The Tax Reform Technical Corrections and the Farm Bill both face deadlines (the Farm Bill by September 30th), so TRA and our national industry partners are aggressively working to lobby our members of Congress to pass these much-needed pieces of legislation. That said, **NOW** is the time to discuss the state and federal issues that matter most to you and your business with your elected officials and candidates for office. We encourage you to get to know your candidates running for office during this important election year. It's important for you to know where they stand on our industry's key issues. If you are able, consider contributing to the candidates of your choice, or to your industry Political Action Committee (PAC), the Texas Retailers Association PAC (TRAPAC) so we can help support retail friendly elected officials. You can get the latest information on TRA's advocacy efforts by visiting the TRA website at: www.txretailers.org.

Lastly, we'd like to make you aware of TRA's Plastic Container Task Force and the opportunity you and your company have to join our efforts on this important industry issue. As some of you may know, TRA launched the Task Force and its Operation S.T.O.P.P. initiative in 2013 in Houston, TX in response to the overwhelming plastic container losses by retail members. Plastic crate theft is considered a felony and our mission is to recover containers and stop this organized crime. These thefts affect profit margins as a result of the costs of REPLACING the stolen crates, trays, baskets, totes, and pallets. Currently, companies are allocating millions of dollars to replace stolen containers and crates every year, and this money could be used to create more jobs, better pay, charitable contributions, or fund scholarships.

This month TRA has launched the optional Plastic Container Task Force Assessment for TRA members. As of now, or at the time of renewal of your company's TRA membership, you will have the option to OPT IN to the task force by paying a once-a-year assessment, in addition to your annual dues. 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, as our success rate has been quite high in product recovery. For example, In one recent grand theft bust in January, **TRA Member Companies, and Task Force Representatives loaded nine 18-wheelers and one large box truck with 22,162 baskets, trays, pallets, and totes at a replacement value of \$130,891.14.**

The opt-in annual assessment for the Plastic Container Task Force goes toward retaining a private investigator who is invested in this cause and coordinates our efforts with law enforcement. 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 look for more details regarding the program and opting-in to the Plastic Container Theft Task Force, [here](#) or inside this newsletter.

I hope you all enjoyed brisk back to school sales and are gearing up for the fall and holiday season to come. As always, thank you for supporting TRA and please feel free to reach out to the TRA team anytime. Thanks!

Sincerely,



President/CEO
Texas Retailers Association



TEXAS RETAILERS
ASSOCIATION

2019 LOBBY DAY

MARCH 20, 2019

SHERATON AUSTIN HOTEL AT THE CAPITOL

Contact jwilliamson@txretailers.org to participate

To ensure transportation/ appointments please
RSVP by

MARCH 10, 2019

2019 Texas Retailers Forum



2019 TEXAS RETAILERS FORUM

You spoke. We listened. Read to learn more about
the 2019 Texas Retailers Forum

July 29, 2019 | Omni Barton Creek Resort & Spa | Austin, TX

Thank you to all who took our survey regarding the 2018 Texas Retailers Forum! Previously, Forum took place over the span of two days with events spread out throughout both days. However, members expressed that there was too much down time and breaks that affected attendance for the second day.

We value the opinion of our past attendees and have made a change. The 2019 Texas Retailers Forum will be one day only, Monday July 29, 2019. It will feature breakout sessions, discussion panels, three meals, an awards dinner followed by a casino themed closing night party, and much more. It will be the same great retail focused event, just in one full day. The location will be the Omni Barton Creek Resort & Spa in Austin, TX. It is a short 20 minute drive from the Austin-Bergstrom International Airport, another feature attendees asked for.

We hope this change will enhance your Forum experience and we encourage you to invite more company colleagues. Next year's Forum will be the best one yet! Please register below to attend the 2019 Texas Retailers Forum.

Register for the 2019 Texas Retailers Forum Here!

Legislative Update



With the November elections right around the corner, mail boxes and inboxes are filling up with election news and candidate information across the state. While polling indicates that some of the races will be closer than expected, one of the most significant races in Texas will not be on our ballots.

With House Speaker Joe Straus' retirement announcement, seven candidates have jumped into the Speaker's race which will be decided by the members of the House of Representatives when they return to Austin in January 2019. As of today, Eric Johnson (D-Dallas), Phil King (R-Weatherford), Tan Parker (R-Flower Mound), Dr. John Zerwas (R-Richmond), Travis Clardy (R-Nacogdoches), Four Price (R- Amarillo) and Drew Darby (R- San Angelo) have officially thrown their hat into the ring but many speculate there are others who may join in before it is over. Not surprisingly, the candidate with the most support depends on who you talk to and what they have heard from a very quiet, member to member process where support is not necessarily locked in until their vote is cast on the House floor. The new Speaker will not only set the tone and legislative agenda for the House, but will also appoint Committee Chairs which could be either business as usual or a completely new landscape depending on who holds the Speaker's dais.

In other news, TRA continues to work closely with the State Comptroller's Office and various stakeholders on the implementation of the Wayfair decision on sales tax collections. While much of the needed changes can and will likely be done by agency rule, some will be left to the Legislature and we expect there to be lots of focus on those efforts as session begins. We have recently heard lots of input on what the threshold should be for triggering an out of state business to begin to collect Texas sales tax. The most common discussions land somewhere between \$1 million and \$5 million worth of sales into the state but we have also heard much lower and higher numbers being thrown around. If the agency sets a threshold by rule, with or without a transaction limit, there is still a possibility that the Legislature could overrule that decision by placing their desired threshold in statute.

TRA will soon be issuing our Legislative Priorities for the 86th Texas Legislature so stay tuned and keep us informed on any issues we can be helpful with!

2018 Farm Bill Update

As you may have seen or heard, the U.S. Senate passed S. 3042, the Agriculture Improvement

Act of 2018, also known as the Farm Bill. The U.S. House of Representatives passed their version of the Farm Bill, H.R. 2, the Agriculture and Nutrition Act of 2018, a week earlier on June 21st. The House and Senate are now working in conference committee to work out differences between the two bills. They have until September 30th to pass an agreed upon bill.

We'll keep everyone updated and in the meantime keep pushing for our priorities.

Thanks to everyone for their help on our Farm Bill lobbying efforts so far.

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



TRA Members attended the 2018 National Retail Federation Retail Advocates Summit. Members spent a day on Capitol Hill meeting with Members of the Texas Congressional Delegation and their staff to discuss some technical corrections to tax reform legislation and tariffs.



Member Spotlight: Kroger



Congratulations to TRA Member Kroger for being recognized for their efforts! We're proud to have you on our team. Kroger was named #6 on Fortune Magazine's Change the World 2018 List for their Zero Hunger Zero Waste Plan, which aims to end hunger in communities & eliminate waste in the Kroger company by 2025. Join them in their commitment! Below is the press release from Kroger about their Zero Hunger Zero Waste Plan:

The fourth annual Change the World issue highlights the work of 57 big companies across the world using their resources to solve societal problems.

"Kroger is honored and thrilled to be recognized by Fortune for how we are leveraging our business and resources to create social impact through Zero Hunger | Zero Waste," said Rodney McMullen, Kroger's chairman and CEO. "Being a socially-conscious company has always been a part of Kroger's culture and core business operations, and today it is a driver of Restock Kroger. This recognition is possible thanks to the legacy of the leaders who have gone before us and the incredible inspired actions of our associates. From Barney Kroger donating day-old bread to feed hungry neighbors until today, we are committed to living our Purpose: To Feed the Human Spirit™."

In 2017, Kroger donated 325 million meals, combined in food and funds, to help end hunger in its communities through its Zero Hunger | Zero Waste Food Rescue program. The grocery retailer

also conducted a detailed food waste analysis in partnership with World Wildlife Fund to establish a baseline for achieving zero food waste by 2025.

"When we launched Zero Hunger | Zero Waste nearly a year ago, we knew it was an incredibly bold goal for 2025. Kroger's deep heritage of generosity gave us the confidence to use our scale for good," said Jessica Adelman, Kroger's group vice president of corporate affairs. "Kroger's plan is both ambitious and focused — to address food insecurity in our communities in a greater way by accelerating food donations to provide 3 billion meals by 2025, reducing food waste throughout our operations, advocating for Zero Hunger | Zero Waste public policy solutions, forming NGO and stakeholder partnerships because we know we can't do it alone, plus establishing the \$10 Million Zero Hunger | Zero Waste Innovation Fund. Together, we believe Kroger's Zero Hunger | Zero Waste plan will transform communities across America and improve health for millions."

[Click Here for the Full Press Release](#)

Plastic Crate Theft Task Force



Help the Houston Food Bank Prepare for the Next Hurricane

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 below for details on opting-in to the Plastic Container Theft Task Force.

[Click Here to Learn More!](#)



The Houston Food Bank needs your help! In preparation for hurricane season, the Houston Food Bank is stocking up on most needed items in order to help its residents before and after a storm hits. Residents of Houston stock up on storm emergency kit essentials to prepare for hurricanes. They also lose many essentials during a storm and need these items replaced in order to continue on after the storm hits. The Houston Food Bank does much more for its community than providing food and we strongly believe the Texas Retailers can help!

Needed Items:

- Toilet paper
- Bar/bath soap (never get enough)
- Shampoo (never enough)
- Feminine hygiene products (never enough)
- Liquid dish soap
- Clothes soap
- Plastic wrap
- Tin foil
- Zip locks- plastic bags
- ANY cleaning supplies
- Brooms
- Mops
- Dust pans
- Swiffers
- Extension cords
- Fans
- Light bulbs of all kinds
- Work gloves
- Warehouse jackets
- Safety vests

Product Donation Guide

National Association for Shoplifting Prevention



According to the National Association for Shoplifting Prevention (NASP), there are 37 million offenders willing to steal from retailers every day. 77% of these shoplifters have a substance

abuse issue. ERASE retail crime: Educate, Reform, Adopt, Sanction, Employ. NASP has 29 years providing shoplifting solutions compatible with the interests of all stakeholders, and is a 501(c)(3) non-profit with proven education and offender management methodologies. Please click below to learn more about NASP.

[Full Article Here](#)



**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.

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

Click Here to Learn More!

TRA-Endorsed Insurance Provider: ANCO Insurance



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Get the right insurance from insurance professionals who know retailers. At ANCO Insurance, you'll find:

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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
www.insuranceforretailers.com

Zero Emission Supply Equipment (ZEV) Included in TCEQ Proposed Beneficiary Mitigation Plan for Texas

On August 8th, the Texas Commission on Environmental Quality (TCEQ) released a draft Beneficiary Mitigation Plan for Texas for public review and comment, prior to the TCEQ issuing a final plan. The proposed plan is a culmination of over a year's worth of work by the TCEQ and Governor Greg Abbott's Office.

According to the settlement and trust administrator, there are ten items on which the State of Texas may allocate their allotment. Each state's share of the VW Trust is based upon the number of diesel Volkswagen vehicles were sold in each state. Texas is to receive the second largest allotment.

One of the most innovative proposals includes statewide implementation and allocation of up to 15% (approximately \$31.4 million) of the funds for light-duty zero emission vehicle (ZEV) supply equipment. The statewide funding will help establish additional availability of charging or refueling infrastructure, so vehicles can travel longer distances and in a greater number of areas within the state. It will also will help support the expected continued increase in use of ZEV and will include funding for electric charging stations along major transportation corridors in the state.

Funds for ZEV projects will be made available not only in certain metropolitan areas, but also to provide for electric vehicle charging or hydrogen fuel cell vehicle fueling along major transportation routes and in areas around the state including the installation infrastructure at public areas, workplaces, and multi-unit residences.

Under the proposed plan, funding may be prioritized for applicants that own the land and the facility at which the equipment will be installed and will have a vested interest in the use of the equipment, in order to maximize the long-term sustainability of the equipment.

Other areas of focus will be on replacing certain freight trucks, transit and school buses, airport support equipment, etc.

The TCEQ is currently accepting public comment on the [Draft Beneficiary Mitigation Plan for Texas](#) through October 8, 2018. Comments may be submitted by email to VWsettle@tceq.texas.gov.

Retailing Summit 2018



The Retailing Summit is a professional education program offered annually in Dallas. Hosted by the **Center for Retailing Studies at Texas A&M University**, the conference gathers top 100 American retail and consumer brands, plus innovative game changers that focus on big ideas and major trends. Attendees will learn how to thrive in today's digitally competitive landscape, connect with industry leaders and disruptors, and leave motivated by retail's power to create inspirational customer experiences.

Keynotes this year include appearances from Walmart U.S. CFO Michael Dastugue, Blue Bell President Ricky Dickson, Dunkin' Brands Executive Chairman Nigel Travis, and Sephora SVP of eCommerce Amy Eschliman.

[Click Here to Register!](#)

Grocers Corner - In the Cart



Bringing Animals into Grocery Stores

Several retailers especially food retailers have questioned a customer's right to bring an animal into their store. There are three types of animals:

1. A service animal
2. An emotional support animal
3. A house pets

The only animal protected by the ADA regulations is a service animal. Many persons with disabilities use a service animal to fully participate in every-day life. Dogs can be trained to perform many important tasks to assist people with disabilities, such as providing stability for a person who has difficulty walking, picking up items for a person who uses a wheelchair, preventing a child with autism from wandering away, or alerting a person has hearing loss when someone is approaching from behind.

The Americans with Disabilities Act (ADA) requires businesses who provide goods and service to the public (retailers) to accommodate people with disabilities. The service animal rules fall under this principle.

What is a service animal? Under the ADA a service animal is defined as a dog that has been individually trained to do work or perform tasks for an individual with a disability. Thus, a service animal is a dog.

Do service animals have to wear a vest or patch identifying them as service animals? No, The ADA does not require service animals to wear a vest, ID tag, or specific harness. However, many owners do have vests for their dogs.

Can a person bring a service animal with them as they go through a salad bar or other self-service food line? Yes, Service animals must be allowed to accompany their handlers to and through self-service food lines.

Do service animals have to be on a leash? Do they have to be quiet and not bark? The ADA always requires that service animals be under the control of the handler. The service animal must be harnessed, leashed or tethered while in public places. Under control also means that a service animal should not be allowed to bark repeatedly.

Are stores required to allow service animals to be placed in a shopping cart? Generally, the dog must stay on the floor, or the person must carry the dog.

Are restaurants, snack bars that serve food or drink required to allow service animals to be seated on chairs or allow the animal to be fed at the table? No, Seating, food, and drink are provided for customer use only. Retailers are not required to allow an animal to sit or be fed at the table.

This is by no means a complete list of questions and answers retailers might have on services animal in the store. For more information about the ADA, please visit the website: www.ADS.gov

As a rule, retailers should allow customers with service animals access to their store or face some penalty from State or local agencies under the ADA. However, retailers can prohibit customers who have "house pets" or emotional support animals' access to their store. But keep in mind, each retailer can have policies allowing animals in their stores based upon circumstances and beliefs. The same is true for not allowing animals in the store (except for service animals).

The TRA staff is available to assist with situations you might encounter regarding allowing animals in a retail store.

WIC/SNAP Program Statistics Update

WIC recently issued an important news flash regarding new approved foods for the Authorized Product List (APL) effective October 1, 2018: This list included brands like Kix Cereal, Quaker Grits, Bush's Organic Beans, Dannon Low Fat Strawberry Yogurt, and some private label (store specific) brands. Also a few products were deleted effective Jan. 1, 2019. A full list can be found on: hhs.texas.gov.

A Few WIC Statistics for August 2018:

- Participation: 730,239
- The number of participants is down only .6% from last month but continues to be down over 5% from last year.

SNAP recently alerted retailers and regarding a possible phone fraud. A few retailers reported receiving a call to schedule an appointment to discuss risk matrix and interchange rates. The caller indicated they worked in conjunction with merchant services for debit/credit/EBT. This is not the case. Please be aware FIS merchant services ins not contacting retailers about services.

A Few SNAP Statistics for August 2018:

- Participants: 3,705,444
- Payments: \$417,769,400
- Average per case: \$263
- The number of participants is up 3.9% vs prior month, but still down about 5% vs last year. Keep in mind Hurricane Harvey was last year.

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

New Study: Long Checkout Lines Damage Shopper Satisfaction



Customers have high expectations for the checkout experience but are increasingly dissatisfied and are even leaving empty-handed due to long lines. By prioritizing solutions to shorten lines and promote more efficient checkout experiences, retailers have the opportunity to improve customer satisfaction and increase sales.

A [new Digimarc-sponsored study](#) conducted by Forrester, a leading research and advisory firm, surveyed 1,000 U.S. grocery consumers to find out how the checkout experience affects shopping behavior. The study revealed that long lines and slow checkout are the leading reasons for shopping elsewhere, just after location and price.

Other noteworthy findings in the study include:

- 85% of shoppers say checkout is an important factor in their shopping experience
- Only 23% of shoppers are very satisfied with the length of checkout lines
- 58% of consumers would likely change stores if the primary difference was better checkout

In addition to reducing customer satisfaction, slow checkout can also cause consumers to buy less or even to abandon their shopping trip all together. According to the study, 70% of consumers have abandoned a shopping trip, and long lines are the leading cause.

[Digimarc Barcode](#) for product packaging addresses the challenge of long lines and slow checkout by making it easy for cashiers to get an efficient and reliable scan, which results in an improved customer experience and increased loyalty.

Read an [infographic](#) with more key stats and download the full [Forrester study](#) for more details.

Same FedEx Service. Lower Cost



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Visit PartnerShip.com/01tra for complete program details. If you have any questions call **800-599-2902** or email sales@PartnerShip.com.

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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!